

AMERICA AND NEUTRALITY by J. S. ALLEN

# National Issues

A SURVEY OF POLITICS AND LEGISLATION

*April 1939*

Appeasement or Recovery

*Robert Norton*

Politics and Labor Unity

*Adam Lapin*

Social Security for the Aged

*Roger Bacon*

The U.S.S.R. and World Peace

*Joseph Stalin*

The Progress of Soviet Economy

*Earl Browder*

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## MAY NUMBER

THE SENATE HEARINGS ON NEUTRALITY LEGISLATION • CONGRESS AND THE SMALL BUSINESSMEN • THE FOREIGN POLICY OF FATHER COUGHLIN • WORDS AND DEEDS — A SURVEY OF THE REPUBLICAN ADMINISTRATIONS IN NEW YORK, OHIO, MICHIGAN AND PENNSYLVANIA • THE FARMERS AND THE FEDERAL SURPLUS COMMODITIES CORPORATION • WHAT IS HAPPENING IN THE AMERICAN PEACE MOVEMENT • THE NEW DEAL AND THE CHICAGO MAYORALTY ELECTIONS • THE SUPREME COURT AND THE STRECKER CASE.

NATIONAL ISSUES: *A Survey of Politics and Legislation*

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# For Victory in '40—Unite and Win Now!

House Democrats, meeting in caucus a few weeks ago, decided to seek "information" on the meaning of the November elections. Now a sub-committee of the Democratic Congressional Campaign Committee, set up at the request of the caucus, has written to party members in the House, asking them to report on conditions and opinion in their own districts.

The survey conducted by the Campaign Committee, which may influence the course of events in this session of Congress and the direction to be taken by the Democratic Party in 1940 will thus be based, in the main, on the views of Congressmen who weathered the November storms.

This survey itself testifies to the fact that the struggle of the 1938 elections did not end on November 8, but continues within and outside of Congress and will go on until it merges with the bigger campaign of 1940—a campaign decisive for the future of American democracy.

The Hoover Republicans, reading their November gains as a triumph for reaction, are celebrating prematurely. On February 26, the Republican National Committee asserted that twenty-one of forty-eight states are now "unquestionably Republican" and that, if the party carries New York State in 1940, "the Republicans would be able to put their nominee in the White House."

Tory Democrats in Congress join the Republicans in interpreting the November results as a clear "swing to the Right." But Congressmen who are wavering between the New Deal and its enemies in both parties are not so sure. Mail from home, protesting against the slash in relief and W.P.A. and demanding hands off the Wagner Act, has given them pause. So have the popular expressions of growing support for the President's statements for an active American peace policy to quarantine the fascist aggressors. Likewise, so have the polls, like the one published in the March number of *Fortune*, which shows Roosevelt more than holding his popularity with the people, with 63.5 per cent of the population backing the New Deal.

The factors which contributed to the November setback are too well known to need more than a brief review here. And "local issues" were far from being decisive. The "liberal" demagoguery of the Republicans, who out-promised the New Dealers in many states, was a national tactic and one which will be used again in 1940. The disunity of labor, though it was overcome by local cooperation in such states as Washington and California where the New Deal triumphed, was a shackle on progress throughout the nation. Corrupt party machines, as in Pennsylvania, were repudiated by the people, who thus registered their independence of party "loyalty" and their demand for honest liberals to carry out a liberal program. Nor was the reactionary, Red-baiting role of the Dies Committee, which threw confusion into progressive ranks in Minnesota and Michigan, a purely "local" phenomenon. It also represented a nationwide tactic of reaction, which will more and more seek to divide and conquer the growing unity of the democratic front.

Finally, the inadequacies of the New Deal itself were an important factor. The failure to more adequately solve the most immediate and pressing needs of the aged, the unemployed, and the farmers, gave the reactionaries a fertile soil of discontent in which to sow their demagogic promises.

Progressives in the House should carefully appraise the part played by each of these factors in their own districts in reporting to the Congressional Campaign Committee. Every effort will be made by the sub-committee, which is composed mostly of Tories, to have the survey hold a red light for the New Deal. It will be up to the New Dealers in the House to prove that their constituents voted for a program, rather than for a party, and that they will not stay in the Democratic column unless the New Deal Democrats fight for the program of the New Deal which the people support.

The fight cannot be recessed and taken up again on the



eve of the 1940 elections. The people will judge their Democratic representatives by the vigor with which they fight now in Congress. They will judge the New Deal, to a considerable extent, by what it is able to accomplish *and, above all, by how consistently it fights for the realization of its social objectives.*

Will it bring them more jobs and recovery—now? Will it bring greater opportunity to the youth and increased security to the old people—now? Will the Democratic majority face its responsibility to the needy, and at least restore the disastrous cut in relief? Or will it allow the coalition of Garnerites and Republicans to doom millions of jobless to hunger and despair in the coming spring months?

The Democrats retain their majority in Congress and thus the two wings of the party—the New Dealers and the tory Garner-Glass bloc—must bear responsibility, though each in its own way, for what happens in this session. The farmers will hold them responsible for an improvement in farm prices and income. The small merchants and the middle class, no less than the unemployed, will call them to account if the housing program is not expanded and large-scale public works more widely developed, helping bring recovery to the whole nation. Workers, farmers, and consumers alike grow impatient for more effective curbs on the monopolies, especially on the big banks, insurance giants, and the munitions kings, all of whom sabotage economic recovery and hamstring concerted action for peace.

While Senators Nye, Taft, Vandenberg and Reynolds echo Hitler in calling President Roosevelt the “warmonger,” the American people, who know very well whence the war danger comes, will cast their votes for the party, or *progressive coalition*, that defends peace and resists the fascist war menace. And the latest Gallup poll shows that, whether registered as Republicans or as Democrats, the people overwhelmingly support the Roosevelt policy of preventing war by aiding the democratic nations of the world against the fascist war-makers.

These are the truths that Congressmen should bring home to the Congressional Campaign Committee, to the Democratic caucus, and to the leaders of the Democratic Party. They have ample evidence to support the conviction that the American people still want to go forward against the monopolies for genuine national and social security, and will travel only with those who are headed their way.

Democrats who have no better motive than the desire to remain in power should remember that Franklin D. Roosevelt was twice elected by *a people's coalition that drew its vast majority from both old parties, and from labor and liberals without party affiliation who support the progressive achievements and aims of the New Deal.*

The people's coalition will not hold at election time, nor be strengthened, unless the pro-New Dealers in Congress

actively champion the progressive program outlined in the President's message to Congress in January, and unless the New Dealers, within and without Congress, especially in the labor and progressive movements, establish greater unity of action against reaction, against the policy of “business appeasement” and “neutrality” in foreign affairs.

Not only by what they report to the Campaign Committee, but by their *actions in Congress* will Representatives impress on the Democratic Party leadership and on the country their estimate of what the folks back home want and mean to win. The prospects for labor unity, now happily brightening, the growing unity of the progressives, of the democratic front, in every section of the country—these prerequisites of victory in 1940 will be strengthened in turn if the progressives in Congress draw closer together around the banner of the New Deal.

“What can be done to prevent more losses in 1940?” the Congressional Campaign Committee is asking the Democrats in Congress.

Labor and the farmers and progressives, together with the New Dealers, should speak out in unison and provide the answer:

“Pile up New Deal victories now.” “Support instead of sabotage the program of the administration.” “Stop fraternizing with the reactionary Republicans and Tory Democrats.” “Break the sit-down strike of big capital by effective legislation to help curb the power of the monopolies.” “Repeal or revise the unneutral Neutrality Act so as to halt the fascist war-makers.” “Full speed ahead for national and social security.”

*But for the people to make their influence effective in Congress and within the Democratic Congressional Campaign Committee, labor, the farmers, small businessmen and the Negro people, in cooperation with the New Dealers and progressive La Guardia Republicans, should not only speak, but act unitedly. This is the key to jobs, security, democracy and peace today. This is the key to a progressive victory in 1940.*

GENE DENNIS

IN THE MAY ISSUE

CONGRESS AND THE  
SMALL BUSINESS MAN

REPUBLICAN ADMINISTRATIONS  
IN NEW YORK, OHIO, MICHIGAN  
AND PENNSYLVANIA

NATIONAL ISSUES



# America and Europe

The foreign policy of the United States takes on a firmer, more decisive character with the sharp condemnation and protest delivered by Sumner Welles, acting directly for President Roosevelt, against the Nazi seizure of Czechoslovakia.

This action, together with the placing of a 25 per cent penalty duty against Hitler products, is of enormous significance for the safety and peace of the American people. It is the first time that the United States has taken the lead in meeting a long list of recurring European "crises" provoked by the steadily advancing aggression of the Berlin-Rome-Tokyo alliance.

Up to now, with the exception of events in Latin America and the Far East, America has watched and waited, its alarm growing with each fascist advance. Confronted on this latest occasion with a seizure of unprecedented arrogance, the United States government did not wait for the action of Chamberlain or Daladier. It acted. Denouncing the aggression as "wanton and lawless," the government declared its refusal to recognize the forcible annexation of Prague and Slovakia.

The effect was instantaneous throughout the world. It is impossible for the disinterested observer not to see that America's leadership has had the effect of strengthening peace, and the hopes for peace. In this first major experiment of leadership in world affairs, the warnings of the pro-fascist "isolationist" school have proved utterly unwarranted and distorted. Not increased, but decidedly decreased, war tension has resulted. If the war tension remains or is aggravated, it will be primarily as a result of the policy of Chamberlain-Daladier "appeasement" encouraging Nazi aggression which is to blame. That much is now crystal clear.

It becomes exceedingly difficult for the opponents of the President's foreign policy to escape from the dilemma in which their supposed "neutrality" places them.

For it is now plain that the practical corollary of "isolationist" sentiment is concrete willingness to permit further aggressions in Europe, Asia and Latin America by the Berlin-Rome-Tokyo axis. And from a passive acquiescence in such aggression to active cooperation with it is only a short step which necessity would soon bridge.

The only other alternative is for the United States to seek the cooperation, in whatever form the situation demands at the given moment, of those powers interested in preserving international law and the independence of nations from aggression. The peace-making effect of the government's actions against the Hitler aggressions can be most speedily strengthened by coming to an understanding with nations having a common interest with the United

States in halting the Berlin-Rome-Tokyo schemes of world conquest. In this respect, the official position of the Soviet government, as repeated in the clear speech of Joseph Stalin on March 10, takes on an immediate significance for American foreign policy.

It not only reaffirmed the firm peace basis of the Soviet Union's foreign policy which has enabled it to see through the recent attempt to provoke it into a war with fascism; it clarifies with renewed practical force the willingness of the Soviet Union to collaborate on the international arena with all peaceful nations for the mutual consideration of common interests, for the preservation of peace and democracy.

Within a fortnight, the seizure of Prague and Memel, the threats to Rumania, Holland and Poland, and the menace of Italian fascist demands upon France, have swiftly confirmed Stalin's analysis of fascism's war strategy. The far-reaching plan to utilize a fascist Spain for the penetration of the Western Hemisphere, and the growing military pressure of Japan southward toward Guam and the Philippines is still further confirmation of the danger to the West as well as the East in the fascist war drive.

We need not repeat here the details of Stalin's proposals, and the implications of these proposals. The reader will find them in another part of this issue. It is sufficient to say that the cornerstones of this policy have been and remain an unflinching opposition to aggression, willingness to maintain peaceful business-like relations with all states, complete recognition of the independence of nations, refusal to interfere in their internal affairs, and a willingness to collaborate to guarantee peace, liberty and the independence of nations against aggressors. Not a single instance can be adduced by anyone to controvert the trustworthiness of this policy. It has been tested in the League of Nations, in Ethiopia, Spain, China and Czechoslovakia. It has triumphantly withstood the test.

A serious consideration of America's foreign policy is no longer possible without careful thought as to where and how the President's clear stand against Berlin-Rome-Tokyo aggression can be implemented by cooperation with other powers, the form of such cooperation, of course, to be determined with the interests of national safety and democracy paramount.

The common anti-fascist and peace-loving interests of the United States and the Soviet Union, if grasped without loss of time, can become decisive in halting the forces of war which now darken the hearthstones of humanity.

But the President's policy requires that it be pursued resolutely, and without the hesitations which have permitted our hands to be tied so long by the crudely unneutral Neutrality Act.



# Our Debt to Spain

In the world-wide struggle against fascism the forces of democracy needed above all—time. Time in which to learn the decisive importance of unity. Time to close ranks, to identify the agents of fascism within their own countries, to grasp the suicidal meaning of "appeasement," to gather their strength for resistance. Against overwhelming military and diplomatic odds, the heroic people of Republican Spain held back the fascist drive and gave the democratic world two and a half years of time.

Two and a half years would have been time enough to save Czechoslovakia, and to reinforce the democracies everywhere. It would have been time enough if Chamberlain and Daladier had not engineered their pro-fascist policy of capitulation and "appeasement," and if the international labor and peace movements had not been divided. It would have been time enough, even though the "non-intervention" policy and our own "Neutrality" Act opened the way for the fall of Catalonia and placed the Central Zone under the most difficult conditions for continuing the struggle.

But even after the fall of Catalonia, when it became clear that there was still no immediate prospect of crushing the republic by military means, the French and British handmaidens of Hitler and Mussolini betrayed the Spanish republic through their fascist agents within the Loyalist ranks. With the help of infamous "compromisers," Trotskyites and other enemies disguised as "friends," Chamberlain and Daladier organized the betrayal of democratic Spain from within.

The Negrin government, compromising all the parties of the People's Front and to the last firmly representing the people's will for resistance, was ousted by a monstrous doublecross and stab in the back. The Council of Capitulation, the so-called Council of Military Defense, illegally took its place as a result of the Chamberlain-Daladier intrigue and conspiracy.

Even then the Council of Capitulation dared not show its true colors, but had to declare itself a "Council of Defense." For not one of its members could speak for a single party of the People's Front. And the People's Front stood solid and united, all of its parties loyal to Negrin and the legal republican government.

The world had not long to wait before the consequences of the Chamberlain betrayal of Spain were made clear. Even while the unconditional surrender of the Central Zone remained to be consummated, delayed by the grim stand of the Spanish people, Hitler marched again. Yet even once more, Spain's incomparable anti-fascist resistance gave the democratic world a few more weeks of grace.

Was it only the Communists who hung on, resisting to the last? Even the distorted newspaper stories reaching

America showed that it was not. We Communists are justly proud that our Spanish comrades rejected, and will continue to oppose, the Casado traitors and their shameful surrender to fascism. But we are not the only brave and loyal people in Spain. From every political party, from the ranks of the workers and peasants, from the masses of the people themselves, came the patriotism that gives the last full measure of devotion to the cause of Spain and of world democracy.

Now Chamberlain, who opened the door to Western Europe for Hitler by feeding him the body of Spain, pretends he cannot believe Hitler bites the hand that fed him. And the British and French people, who took the gift of time from Spain, see how they should have used that gift to rid themselves of their own "Councils of Capitulation."

We in America owe Spain a costly debt. Our guilt is heavy. We, too, paved the way for the murder of the Czechoslovakia we helped to bring into the world. We, too, through our embargo against the Spanish republic and our unneutral "Neutrality Act" encouraged "international lawlessness" and lowered the bars of resistance to the spread of fascist aggression.

But for all our sins, the Spanish people were generous to us, too. They also gave us time. And with that gift, made at such a tragic sacrifice, they gave us also a heavy responsibility to make certain it was not given us in vain.

We cannot delay longer in meeting our responsibility, in making such restitution as we can to the Spanish people, and to the cause of democracy they serve. We must repeal or basically revise the Neutrality Act so that what happened in Spain shall never happen again.

We must give every support—material and diplomatic—to the Spanish people, opening our doors and offering food, aid, and asylum to the Spanish refugees.

We must refuse to recognize the barbarous Franco regime of Italian and Nazi fascism. We must utilize our moral and political influence through the medium of the federal administration and diplomatic intervention to prevent reprisals and the massacre of the adherents and lovers of the Spanish republic and democracy.

We must act in concert with the Soviet Union and the other democracies of the world to curb the fascist war-makers and aid our sister democracies. We must act through the medium of a stronger and more democratic Good Neighbor Policy to help curb the penetration of fascism in the Latin American countries and to aid these sister states still more effectively in maintaining and strengthening democracy in the Americas.

Time is growing short. But there is still time—if we act unitedly, determinedly and speedily.



# Mr. Dies Rides a Trojan Horse

Chairman Dies of the un-American Committee has introduced three new bills, "impartially" aimed at Communists and fascists "alike." It has always been Mr. Dies' contention that though the Communists and fascists are mortal enemies they are really "twin evils," equally inimical to democracy. The way to prove your devotion to democracy, says Mr. Dies, and his reactionary sponsors, is to hit out with even-handed vigor to the left and right.

But the truth is that you cannot be anti-Communist without in effect aiding the advance of fascism, however much you may think you dislike the cut of Hitler's moustache. And you cannot be sincerely anti-fascist, unless you defend the civil liberties of all supporters of democracy, including the Communists. You cannot block the road to fascism unless you let the Communists, the most consistent defenders of democracy—and its highest form, socialism—hold their place in the democratic ranks. You can fight for bourgeois democracy because you prefer it to either fascism or its antithesis: Communism. But in order to win the fight you must accept the aid of all progressives, including the Communist Party, though you need not, of course, subscribe to its full program.

We think that the three latest Dies bills fully prove our point. The first (H.R. 4909) is ostensibly directed at excluding both Communists and fascists from federal employment. But actually it spreads a net to catch all progressives who support the New Deal policies or favor their extension. It would rid the government of anybody who advocated a "system based upon either common ownership of property and abolition of private property or social control of all private property." Proponents of T.V.A., government ownership of the railroads, banks, munitions or insurance companies would thus be automatically barred from government employment. Moreover, such measures for "social control of private property" as the S.E.C., the Wages and Hours Administration, and other New Deal agencies would presumably have to be administered by staffs hostile to the policies they are directed by Congress to carry out—if Mr. Dies had his way.

Dies' second bill (H.R. 4907) would require the registration of Communist and fascist organizations, and contains the same catch-all definition. We Communists would welcome legislation to curb or proscribe subversive groups and organizations, and we share the people's concern over the flourishing of Silver Shirts and Nazi Bunds on American soil. We support such bills as those introduced by Representative Gavagan and Representative Voorhis, which outlaw private armies and drilling in uniform. These bills are genuinely anti-fascist. They could help rid us of the dangerous Nazi camps, where embryo Storm Troops pre-

pare to become the Henleinists and Hlinka Guards who hope to open the door for fascism in America.

But the Dies bill, while keeping up the pretense of an "impartial" defense against the "twin evils," strikes mainly at the democratic organizations which carry on the anti-fascist struggle. It could easily be interpreted to include the trade unions, the Farmer-Labor Party of Minnesota, the Washington Commonwealth Federation, and such "dangerous" minor groups as the People's Lobby. Mr. Dies would certainly like to have it take in the New Deal wing of his own party.

The third Dies bill (H.R. 4905) provides for the exclusion and expulsion of alien fascists and Communists, and here too we find the same sweeping definition. Thousands of valiant fighters against fascism, seeking refuge here from the European terror, would find our doors closed. Thomas and Erika Mann, whom the Dies Committee has already "identified" as Communists, would be sent back to Nazi Germany. Albert Einstein would almost certainly have to "go back where he came from."

Mr. Dies, the incomparable Texas ranger, advertises that he "discovered" the "new Trojan horse tactics of Communism" in Dimitroff's speech to the Seventh Congress of the Communist International. On this fantastic mount of his own inventing, Dies and Company would like to ride down the whole American progressive and labor movement.

But when Dimitroff recalled the ancient tale of the capture of Troy he applied its lesson to the fascist countries and the fascist countries only, in a section of his speech unmistakably headed "The United Front and the Fascist Mass Organizations." Here Dimitroff urged the Communists in the fascist countries to enter the fascist mass organizations in which, deprived of their own legal organizations, the masses are imprisoned, and to make these the "starting point for the defense of the day-to-day interests of the masses."

In the same speech, Dimitroff prophetically exposed the methods of Martin Dies and gave us the key to understanding their purpose:

"It is a peculiarity of the development of American fascism that at the present stage this fascism comes forward principally in the guise of an opposition to fascism, which it accuses of being an 'un-American' tendency imported from abroad. In contradistinction to German fascism, which acts under anti-constitutional slogans, American fascism tries to portray itself as the custodian of the Constitution and 'American democracy.'"

This is the Trojan horse of American fascism, which Dies has stabled in a Congressional Committee. This is the Trojan horse of monopoly reaction which Mr. Dies rides for the Fords, Girdlers, du Ponts and Morgans.



# Politics and Labor Unity

BY ADAM LAPIN

Political observers in Washington are keeping their eyes on a series of prolonged talks between seven men in a large, simply furnished room in the Department of Labor. Speculation on the outcome has even replaced to some extent the endless scrutinizing of possible standard-bearers in 1940. In these talks there is being thrashed out the issue of unity between the C.I.O. and the A. F. of L. And on that issue, more than on any other single factor, hinges the future of the New Deal and the outcome of the next Presidential election.

When President Roosevelt started the peace negotiations, the news stories and columns in the press were sceptical. The editorials on the other hand could afford to express pious hopes. Everybody was for peace—from a safe distance.

Then the unexpected happened. The conferees soon got down to business and started discussing definite proposals in a serious, business-like way. The President had prepared the ground work carefully. Dogged leg work by New Deal officials, including Secretary of Labor Perkins and Father Haas, had paved the way for formal conferences. The biggest factor of course was the genuine and growing desire for unity in the whole labor movement, including the consistent stand of the C.I.O. for a united labor movement. The President's repeated appeals for unity were enthusiastically greeted by trade unionists and progressives throughout the country. And although many difficulties and problems still remain, labor peace seems closer at hand than at any time since the expulsion of the C.I.O. unions by the Federation's executive council.

All this has begun to give the strategists of big business and the Republican Party a very severe headache. They had not included a powerful, united labor movement in their calculations. *Business Week* expressed the general apprehension in reactionary circles when it said in a recent issue:

"Roosevelt's peace bid to the C.I.O. and the A. F. of L. is rather thoughtlessly regarded as all to the good. The assumption is that a united labor front would benefit the business community—just how isn't clear."

What had *Business Week* worried was the fact that "Cessation of labor's civil war would greatly increase its political and economic demands."

The Republicans and their conservative allies in the Democratic Party are now basing their hopes of a smash-up in the unity negotiations to a large extent on their ability to provoke a new and sharper conflict between the C.I.O. and the A. F. of L. over such controversial issues as amending the Wagner Act.

A recent incident which took place at a meeting of the Senate Committee on Education and Labor is typical. There was passed around the conference table an editorial warning that those who insisted on going through with hearings on the Wagner Act this time would be taking a terrible responsibility. Senator Taft, one of the leading Republican Presidential aspirants, piped up: "I am willing to take that responsibility." And he immediately made a motion to hold hearings at once.

Senator Burke, a New Deal coat-tail rider before his election to the Senate and an arch-Tory ever since, has also done his bit. Assisted by the Chambers of Commerce throughout the country with which he maintains close contact, he presented the Labor Committee with petitions demanding speedy action to emasculate the Wagner Act. Those leaders of the A. F. of L. who are pressing for hearings on the Walsh amendments which they sponsored are obviously playing along with the strategy of the extreme reactionaries who want the unity talks to collapse.

Division in the labor movement is the reactionary Republican ace-in-the-hole for 1940. That of course is what has them alarmed about the serious way in which the present negotiations are proceeding. A divided labor movement will mean that the progressive forces of the country generally have not been able to establish the necessary unity and solidarity in their fight against reaction. On the other hand, unity in the camp of labor will be a prelude to the unity of all liberal and progressive Americans. And if the progressives of the nation can present a united front, the Republicans, the big monopolists, will be defeated in the 1940 elections, and they know it.

A continued split between the C.I.O. and the A. F. of L. is necessary for the Republicans if they are again to trot out their bogus liberalism of the 1938 elections which blossomed in mid-summer and disappeared before the first snow early in November. They know they cannot win with a straightforward reactionary candidate running on a straightforward reactionary platform. They will probably try to keep Herbert Hoover in the background. They will probably promise all things to all men—and then go ahead and do just what Hoover would have done, just what they are doing now in Congress to cripple or defeat all progressive legislation. What could be more helpful in staging this kind of sideshow than a smattering of labor support?

Some of the reactionary members of the A. F. of L. Executive Council supported Republican candidates in California and Pennsylvania during the 1938 elections—and Right-wing anti-New Deal Democrats in a number of

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primaries. The big boys in the Republican Party are hoping for even bigger things for 1940 from their friends in the A. F. of L. like Bill Hutcheson and John Frey. The events at the A. F. of L. Executive Council meeting in Miami indicate that some of the Federation chiefs would like nothing better. Practically the same kind of Chamber of Commerce statement that was howled down by the delegates of the A. F. of L. convention in Houston was passed at Miami—where the members of the Federation were not able to make themselves adequately heard.

The allies of reaction within the A. F. of L. will undoubtedly do their best to break up the unity negotiations through insistence on amending the Wagner Act now and through other means. Frey, for example, has announced that the C.I.O. plan to merge the C.I.O., the A. F. of L. and the railroad brotherhoods in an all-inclusive American Congress of Labor is a "Communist plot." Perhaps he will soon make the startling discovery that the whole idea of a united labor movement is a Moscow importation because it has long been advocated by the Communists in the United States.

Progressive unity is bad politics for the Republican Party, the party of the pro-fascist monopolists. It is very good politics for the organized workers of the country and for the whole progressive movement. Not just in terms of 1940. But in terms of immediate legislation now pending in Congress, which has a direct bearing on national and social security.

The Republicans have not confined their strategy of utilizing the labor split to political campaigns. They have used it to great advantage in defeating and slowing up progressive legislation. The long delay of many months in passing the wage and hour act, largely because the C.I.O. and the A. F. of L. could not get together, is now history. Because the C.I.O. supported the Walsh-Healey amendments to force firms with government contracts to obey the Wagner Act, the A. F. of L. leaders decided to oppose these proposals at the last minute—although A. F. of L. union members stood as much to gain as C.I.O. members.

A united labor movement could spike the whole reactionary strategy in the legislative field in the sphere of both domestic and foreign affairs. Agreement between the C.I.O. and the A. F. of L. could put across a whole series of far-reaching measures which would be of tremendous aid to labor and to the entire country. It has become evident in the last few years that it is exceedingly difficult to pass a labor or social bill on which the C.I.O. and the A. F. of L. are divided; it is relatively easy when they get together.

Certainly unity would halt the drive to kill the Wagner Act which threatens A. F. of L. workers with exactly the same consequences as members of the C.I.O. The C.I.O. and the A. F. of L. have long agreed on the need for relief. After all, unemployed workers have the same problems no matter what their union affiliation. If the two great labor organizations got behind the New Deal recovery program,

the so-called "economy" bloc in Congress could easily be routed.

Here is another example of what could be done. The A. F. of L. is greatly interested in the New Deal housing program. It means bread and butter to tens of thousands of building trades workers in the Federation. The C.I.O. is equally interested. The Steel Workers Organizing Committee some time ago advocated a five-billion-dollar public housing program. There is no question that the cause of low-cost public housing would be advanced by the vigorous support of the entire labor movement.

Then there is the question of social security. Both the C.I.O. and the A. F. of L. are agreed on the necessity for increasing old-age pensions, and for covering large groups of domestic and agricultural workers under the pension and unemployment compensation set-ups. Joined together behind a common program for social security, they could sweep aside crippling Tory amendments and endless delay. They could get results.

These are just a few of the immediate things which could be done if the C.I.O. and the A. F. of L. got together on legislation. Measures of this sort would give a sound approach to jobs, recovery and national welfare. Millions of jobs for unemployed workers would be created. These things can be done, and they can be done even prior to complete unification of the C.I.O. and the A. F. of L. It is possible for the two great labor organizations and the railroad brotherhoods to cooperate on progressive legislation while the peace talks are still going on. As a matter of fact, Senator Thomas of Utah suggested that this be done.

Unity as soon as possible and practical working cooperation immediately on legislative problems would put the reactionaries on the defensive over night. The New Deal would be able to put its program across in Congress. It would be able to rally behind it more solidly the farming and small business groups, sections of which have been misled by high-power Republican propaganda and confused by the split in labor's ranks. Unity would be the first step toward the banding together of the democratic forces of America in a common front against reaction now and in 1940.

IN THE MAY ISSUE



## THE SENATE HEARINGS ON NEUTRALITY LEGISLATION



# Social Security for the Aged

BY ROGER BACON

The demand for old-age pensions is one of the foremost social security issues today. In the past, the cost of caring for the aged has been borne almost entirely by relatives and friends. With the growing millions of unemployed and the rapid increase in the proportion of old people in the population, this burden has depressed the living standards of the working people and exhausted their savings. Because of this unbearable situation and the pressure of the people for legislation to provide for old-age pensions, the Social Security Act was passed by the Roosevelt administration.

Despite the inadequate provisions of the present act which constitutes only the barest start toward meeting the problem, the New Deal forces met with stubborn opposition from the Hoover Republicans and Tory Democrats in placing this Social Security Act on the statutes. And today it is likewise the "economy" bloc of Republicans and Garner Democrats which opposes any genuine liberalization and basic improvement of existing Social Security legislation, despite their demagogic "concern" about giving such schemes as the Townsend plan a "fair hearing."

Today broad mass movements of the people have developed the fight for improved benefits, especially for adequate old-age pensions. These organizations have become a potent political force and have decided many state and local elections, as in the November elections, with the result that even extreme reactionaries are paying lip-service to the need of liberal old-age pensions. An incident which occurred "on the hill" on February 8 is significant. While Republican Representative Oliver of Maine heaped effulgent praise upon the Townsend plan before the House Ways and Means Committee, his colleague, Republican Representative Dirksen of Illinois, was proposing a reduction in the appropriation for the Social Security Board on the floor of the House.

To interpret this double dealing, the various old-age security proposals should be analyzed. All plans should be evaluated by determining the answers to these two questions:

1. Who is provided for and how much do they get?
2. Who pays the costs?

## *The Present System*

The present Social Security provisions for old people are of two varieties. Old-age *assistance* payments are being made to about 22 per cent of the people over 65 years of age. These payments, which average \$19 per month, are financed half by state funds and half by Federal grants. They are administered by local relief authorities, which

subject old people to a means test before payments are made. Both in size of payments and in method of administration, the present old-age assistance system is primarily a branch of local relief, and can not be considered as a genuine Social Security measure.

Old-age *insurance* payments, under the present law, will not begin until 1942. Not only are half the workers in the country excluded because of their occupations, but no provision is made for the millions of needy old people living today. During the early years beginning with 1942, only a small number of workers will receive payments, and most of these will be even smaller than the average old-age assistance payments. Furthermore, the method of determining benefits on the basis of total wages earned since 1937 penalizes workers who have suffered most from unemployment, and consequently require the greatest amount of economic assistance in their old age. Under the present law, very few workers now over 45 years old can expect to receive benefits of over \$30 per month in their old age.

Benefits will be financed by payroll taxes already being levied on workers and employers, which will reach 3 per cent on each in 1949. Thus the workers will continue to pay half the cost of supporting the aged. While employers will pay the other half, the payroll basis of taxation permits many employers, especially in monopolized industries, to pass the tax on to workers and other consumers through higher prices. Unlike most European social insurance systems, the government makes no contribution. The worst financial feature is the fact that even after benefit payments begin, for many years the total of tax collections will be many times greater than the total of benefit payments. As a result, at present and for many years to come, the old-age insurance system will be a net drain on the purchasing power of the people unless the Social Security Act is amended.

The insurance system inaugurates granting of old-age pensions on a self-respecting basis. At the same time, its "actuarial" basis of benefit payments fails to meet urgent present-day needs, and resembles the schemes of private insurance companies, which collect as much as possible from policy-holders and pay them as little as possible.

## *Social Security Board Proposals*

The old-age insurance recommendations of the Social Security Board will probably form the basis of an administration-sponsored bill. (The recommendations of the Advisory Council on Social Security, consisting of employer, labor and public representatives, are very similar to those of the Social Security Board.)



The report of the Social Security Board recommends that benefit payments be started in 1940, two years before the time provided in the present law. Practically every other group advancing old-age insurance proposals includes this recommendation, or one for an even earlier start. The Board also advises increases in the amount of benefit payments in the early years of the system. While no definite amounts are mentioned in the report, technical plans which are being given most consideration by Social Security officials involve an increase of about one-third, and might result in an average benefit payment of about \$25 per month. Also recommended is a change in the method of determining payments which would largely eliminate the penalty for unemployment contained in the present act. In addition there are valuable proposals for supplementary benefits to wives of aged workers, and for pension payments to surviving dependents of deceased workers.

The Board also proposes to extend coverage of the system to many of the groups now excluded. However, the report recommends that "a reasonable time" elapse before the inclusion of domestic workers and most agricultural workers. Farmers, and other self-employed workers, are left to wait for "further studies." The five million dependent people already over 65 are still left out in the cold.

While these and other less important proposals embody noticeable improvements, they fall far short of the possibilities provided even by the present system of payroll taxes. The Board conservatively estimates that even with its improvements, tax collections would exceed benefit payments for fifteen years. Meanwhile additional billions would pile up in the reserve account, which already totals one billion dollars. Unwieldy reserves running into the tens of billions are not needed.

*Pensions of \$60 per month could be started immediately for all insured workers reaching 60 years of age without straining the financial stability of even the present Social Security system.\** Payments on this scale could be met for many years even out of existing payroll tax revenues. For the long-range financing of old-age insurance, Federal government contributions are desirable and necessary. The Social Security Board recommends that the Federal government eventually contribute to old-age insurance funds through income and inheritance taxes. These contributions should begin immediately, while the present tax on employees should be removed.

Carried out on this scale, the Old-Age Insurance system would guarantee future security for workers not yet 60

years old. But this would not help the seven million dependent workers already over 60, whose needs are immediate and urgent.

### *Proposals for People Already Over 60 General Welfare Act*

Many old people support pension plans which are advocated not only for the aged, but as panaceas to solve all economic difficulties. Most famous is the \$200 per month Townsend plan, which is being used by the Republican reactionaries as a political football to attack the New Deal, to divide the progressives and the old-age pension movement, and to prevent favorable Congressional action now seriously to improve the Social Security Act.

A large part of the recent hearing in Congress before the House Ways and Means Committee has been devoted to consideration of such plans, especially to that advanced by the General Welfare Federation, to be called the "General Welfare Act." Its sponsors have reduced their claims, and now assert that it will yield pensions of \$50 per month. Economists testifying before the Committee have made more realistic estimates of \$25-\$30.

More important than the amount of pensions under this bill is the method by which the necessary funds would be raised, by a "gross income" tax of 2 per cent. This tax bears no relation to the net income tax, but is a tax on all business transactions, with certain exemptions, particularly for wage payments. Sales taxes have long been opposed by trade unions and people's organizations because it is recognized that their full weight falls onto the people's shoulders. Transaction taxes are many times worse. There are, for example, normally six transactions between the production of wheat by the farmer and the consumption of bread by the worker. A 2 per cent transaction tax would therefore mean, roughly speaking, a 12 per cent sales tax on the worker's bread; with the modifications provided in the General Welfare Act, perhaps 8 per cent.

*If the General Welfare Act would actually yield \$50 per month, it would do so only by slashing the living standards of the great majority of the population by 8-10 per cent.* The entire cost of supporting the aged would be borne by those least able to do so. The modest contributions made by the wealthy to old-age security under the present Social Security Act would be lost by repeal of the Old-Age Insurance and Old-Age Assistance titles of the Act. Thus support of old-age panacea schemes by such Tories as Lodge of Massachusetts is not only election demagoguery, but also fits in with their campaigns to destroy existing Social Security measures, and to shift the entire tax burden onto the masses.

### *60/60 Plan*

*The United States has the resources to pay adequate old-age pensions, but only by tapping the idle wealth and incomes of the rich and monopolists. A plan to accomplish*

\* Tabulation of estimated payroll tax receipts and benefit payments, 1942 and 1950 (millions of dollars):

Year	Tax receipts	Present act	Benefit payments under: S.S.B.	
			Proposals	60 after 60
1942	\$873	\$53	\$130	\$720
1950	1,877	506	760	1,600

Tax receipts and benefit payments under present act from article by John T. Flynn in February *Harper's Magazine*: "The Social Security Reserve Swindle."

Benefit payments under Social Security Board proposals and under 60 after 60 proposal are my estimates. None of my estimates include allowances for supplementary benefits to aged wives, or for pension payments to surviving dependents of deceased workers. If occupational exclusions are removed, tax receipts and benefit payments will be increased in the same proportion.



this, admirably adapted to present political realities, is the "60/60" plan of the Workers Alliance.

The "60/60" plan consists of amendments to the present old-age assistance system, and would not necessarily affect the old-age insurance system. The plan would reduce the minimum age from 65 to 60, and establish pensions ranging from \$22.50 to \$60 per month, as compared with the present range of \$4 to \$30 per month. A most important part of the Workers Alliance proposal is that it would eliminate the pauper requirements for eligibility, and grant full pensions to all elderly people without incomes. This change, together with others, would probably triple the number of old people receiving assistance.

The "60/60" plan would preserve the federal-state system of financing old-age assistance, with two important changes. In the southern states, a large part of whose incomes are drained by absentee bankers and landlords, the Federal contribution would double the state contribution in order to attain the \$22.50 minimum. But in those states providing \$30 per month, the Federal government would also contribute \$30, thus establishing pensions of \$60 per month. Most important, the entire Federal contribution, estimated by David Lasser at 1.5 billion dollars per year, would be raised by taxation on large estates, gifts and incomes. A tax on the gross estates of the wealthy would alone be sufficient to raise this sum.

*The "60/60" plan would raise old-age assistance from an adjunct of the relief system to a genuine old-age security system.* It would provide pensions to elderly persons without incomes on a basis which would permit them to retain their self-respect, and on a scale which would mark a distinct advance towards providing a modest subsistence.

The exact level of payments under the "60/60" plan will depend in each state on the success of progressive forces in fighting for the maximum state contribution. Success of these forces on a state-wide scale would create the political conditions necessary to attain a uniform Federal system of old-age pensions of at least \$60 per month.

Many people, especially followers of panacea pension movements, believe that social security can be obtained merely by discovering and explaining the most perfect formula. This is an unfortunate delusion. As with every other aspect of social and national security, finance capital is today bitterly fighting to prevent attainment of adequate old-age security—which could only be obtained at their expense—and to destroy the beginnings of old-age security contained in the present Social Security Act.

The principal forces of reaction are, as in other issues, the Hoover-Vandenberg Republicans and the Garner-Glass Democrats, representing the big monopolists, whose real attitude towards Social Security is typified by the pronouncement of Senator Taft of Ohio—"Security is not the American way."

Supporting these gentlemen in Washington is the powerful insurance lobby, which sees in genuine old-age security

a threat to the inequitable private life insurance system, and a death blow to the industrial insurance monopoly. Also assisting the reactionary forces are certain "experts," some within the Social Security Administration. These people are adept at inventing "administrative difficulties" and "actuarial limitations" to stand in the way of improvements in the Social Security system. At the same time they are responsible for complex legislative formulas and administrative methods which impede successful operation of the system, and provide fuel for reactionary charges of "inefficiency."

Opposed to these forces are the membership and many leaders of the old-age pension movements, the Workers Alliance, the labor unions, most of the farm organizations, the New Dealers, the National Negro Congress, the Communist Party, and other progressives.

The American people want old-age security and consider it practical. *The popular majority on this issue is more overwhelming than on any other aspect of New Deal policy. But it is not yet sufficiently organized and united.*

Although this popular majority is poorly organized, it is sufficiently strong to prevent reaction from attempting a frontal attack on Social Security. The strategy of the Republicans and their Democratic allies in Congress is developing in two directions:

1. They are attempting to concentrate attention on the "General Welfare Act" and similar panacea proposals, which contain certain reactionary features. Many of these Congressmen plan to vote for such a measure, leaving to the New Dealers the onus of defeating it, and possibly forcing a Presidential veto. By this means they seek not only to divert attention from genuine improvements in old-age security, but also to derive "political capital" for 1940, through collusion with such leaders of the pension movement as Townsend, who would attempt to persuade the old people that the reactionaries are their true friends.

2. At the same time they will fight any genuine proposals for improvement in old-age pensions which reach the floor. This struggle will be not only by direct opposition; the main attack will lie in attempting to put over reactionary amendments, a procedure which is facilitated by the complex nature of the Social Security Act, by the complicated and varied proposals for revisions which have been advanced.

*The key to the defeat of this strategy, and the assurance of great improvement in Social Security, is for all progressive forces to unite around a single set of proposals, around a minimum program.* The overtures made by the Workers Alliance to the old-age pension groups are a significant beginning—reactionary Congressmen on the Ways and Means Committee severely questioned Lasser on this point, implying that there was something subversive in such cooperation. The C.I.O. and the A. F. of L. can contribute greatly by expanding their activities on a national scale. President Roosevelt and progressive Congressmen can play



an important role in negotiating and promoting a united front on Social Security.

The most promising basis for agreement involves improving the Social Security Board proposals on old-age insurance, and combining them with the "60/60" plan of the Workers Alliance for revision of the old-age assistance system. Readers can help in this direction by establishing greater unity of action of all supporters of adequate old-age pensions and progressive social legislation, and by bringing greater public pressure on their Congressmen to:

1. Support the "60/60" plan advocated by the Workers Alliance and introduction of the bill embodying that plan.

2. Qualified support for the Social Security Board proposals on old-age insurance, plus:

3. Increase insurance benefits to \$60 per month.

4. Lower the retirement age to 60. Extend insurance to all workers regardless of occupation.

5. Opposition to any proposals for sales taxes, transaction taxes, or gross income taxes. Opposition to "funny-money" schemes.

In addition, steps should be taken to improve the administration of the Social Security Act. Particularly worthy of support is the C.I.O. proposal for a labor representative on the Social Security Board.

# America and Neutrality

BY JAMES S. ALLEN

It took only six months for the fruits of Munich to ripen. To the ordinary observer, who was aware of developments over the course of recent years, the immediate outcome of the Bavarian *Schauspiel* was a foregone conclusion. Spain was already being martyred on the cross of "non-intervention."

But whereas before Munich, "non-intervention" was the medium of support to the fascist conquest of Spain, it was a logical consequence of Chamberlain's "heroic" flights to Hitler that the Anglo-French cabal should in the "interest of peace" undertake direct intervention in the Spanish tragedy—on the side of the Rome-Berlin-Tokyo axis. The first outcome of this unholy alliance between the foreign office of two leading democracies and the Rome-Berlin axis is the Casado-Besteiro "Defense Council" at Madrid, which is merely awaiting the signal to time final surrender with the march of events in Central Europe and on the Mediterranean.

The second direct outcome of Munich is the conquest of Czechoslovakia. When Hitler marched into Prague, ordered the incorporation of Bohemia and Moravia into the Greater Germany and established his protectorate over Slovakia, while throwing to Hungary the Ruthenian morsel, he was merely fulfilling the tacit understanding of Munich, anything that Chamberlain might say notwithstanding.

After the desertion of Czechoslovakia by the Western democracies, it was a foregone conclusion that the twenty-year-old republic would fall a victim to the Hitler juggernaut. That the debacle should take place so suddenly and completely, and should be followed immediately by threats to Rumania and other small nations, was unexpected by many and led to a spontaneous cry of indignation and protest around the world.

The pose of innocence which Chamberlain struck during the first days of the Czech horror melted before the

sneers of honest folk, and the British Prime Minister, confronted with the firm stand at Washington, was shamed into his declaration at Birmingham. On his seventieth birthday, the astute Tory politician, who six months ago saw Munich as the solid foundation of European peace, sought the commiseration of the world for having been taken in by Hitler's promises. Now, assuming a tone of injured innocence, this "babe in the woods" of international diplomacy professed to be disappointed and indignant that the hopes for peace raised at Munich "have been so wantonly shattered."

Even Chamberlain, the father of appeasement, is thus forced to discredit his own policy and admit that Hitler may be wanting to dominate the world by force. What Chamberlain did not say in his speech was that he had hoped and is still hoping that Hitler will take the direct route, be it via Rumania or Poland, to the Soviet Ukraine. He seemed to share the idea that Ruthenia, aptly renamed Carpatho-Ukraine, could serve as the nexus for a greater Ukraine, most of which lay in the Soviet Union.

But five days before Hitler raised the swastika over Prague, Stalin referred to those "madmen" (for whom the necessary strait-jackets could be found) who thought they could attach the "elephant" (Soviet Ukraine) to the "gnat" (Carpatho-Ukraine), and pointed out for the benefit of those under Mr. Chamberlain's spell that the further advance of Hitler into Southeast Europe could be interpreted only as a most direct threat to the Western European democracies. From the sessions of the Eighteenth Congress of the Communist Party of the Soviet Union, held during the height of the present crisis, came the confirmation unmistakably clear that the Soviet Union was well able to look after its own defenses and strike back without hesitation should Hitler or Japan dare a direct onslaught.

If the British and French cabinets sat brooding in long



sessions as soon as word came of the ultimatum to Rumania, it was only because even these clever maneuverers at last saw the point of Stalin's timely warning. In the critical hours between news of the ultimatum to Rumania and Hitler's return to Berlin, the Anglo-French diplomats at last seemed to see the necessity for tightening the democratic bloc of nations, assuring themselves the support of the Soviet Union, in a movement to stop Hitler before he ran his European empire to the Black Sea and the Mediterranean.

Since Chamberlain himself has so ingeniously revealed the bankruptcy of his policy of appeasement, it might seem too much like gilding the lily to again drive that lesson home. But there are those so thick-headed (for a purpose) among our own statesmen, that it might be well to refresh their memories.

The process of appeasement, which began as early as 1931 in relation to Japan's seizure of Manchuria, reached its apex in Munich and its consequences. It is enough to recall each step in the development of this process to understand that every new retreat on the part of the democracies gave rise to ever greater advances by fascism and led to even greater retreats by the democracies.

The progression of "incidents," from Manchuria to Munich, presents a picture of an ever-increasing flood of fascist-militarist aggression. Perhaps even Hoover would not today so openly repeat his speech of February 2 last, in which he urged appeasement as American foreign policy; but we must guard against the counsels of those who would lead us to a Munich for the Americas.

Fortunately, it is not those who have Chamberlain as their mentor who have influenced our foreign policy during the recent period. It will be to the everlasting shame of the London-Paris statesmen, that is was chiefly due to the strong words and policy of Roosevelt in Washington and the rising wave of mass indignation in England that the perpetrators of appeasement had to acknowledge their own complicity in the bluff of Munich. The first immediate, forthright reply to the rape of Czechoslovakia came from Washington, whose actions have the overwhelming support and praise of the American people.

The statement issued by Sumner Welles, with the approval of President Roosevelt, in which the march on Prague was characterized as an act of "wanton lawlessness and of arbitrary force" threatening "world peace and the very structure of modern civilization" was followed immediately by the imposition of a 25 per cent penalty duty against German imports, with the implication that similar action may be taken against Japan. This is one of the "many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people," as was demanded by President Roosevelt in his January 4 message to Congress.

The reference in the State Department's short but perti-

nent statement to the "temporary extinguishment of the liberties of a free and independent people" led the way to simultaneous notes from London, Paris, Moscow and Washington, in which Hitler was informed that his seizure of Czechoslovakian territory would not be recognized. The immediate effect of the decisive stand in Washington was to encourage the free peoples of Europe, stiffen the British attitude and force Chamberlain to change his tone at Birmingham.

Roosevelt appreciated the leading role the United States could play in defense of democratic peoples. It was the firm stand against aggression advocated by him since his Chicago speech in October, 1937, although not always followed by concrete administrative steps, which did lead, however, to some decisive action in Washington during the present crisis, and which has contributed towards turning the tide against fascism.

Our role in the newest European crisis indicates the potentialities of our international position. It is true that we had taken some necessary steps against the threat of fascism—in enlightened social legislation, in the national defense measures now before Congress, in the further development of the "Good Neighbor" policy toward Latin America, in extending credit to China and discouraging the sale of planes to Japan, in withdrawing our Ambassador from Germany. But the effective response evoked by the Washington initiative in the European crisis should also serve to demonstrate by comparison our own complicity in "non-intervention" in Spain, involving our tacit support of appeasement, which has had the effect of encouraging the fascist triangle and permitting the whole course of events which culminated in the devastation of Czechoslovakia.

The turn of events in Europe must lead us to a complete and immediate revision of any policies based upon our existing "neutrality" legislation. As long as this legislation remains upon our books we will continue to connive in the acts of armed banditry by the fascist powers. If the present Neutrality Law continues as an instrument of our foreign policy, it binds us, in the President's words, to "actually give aid to an aggressor and deny it to a victim."

In the main, the existing "neutrality" legislation provides that whenever the President shall find that a state of war exists between two or more non-American countries (or civil war in a non-American country) he shall proclaim that fact and thereafter it shall be unlawful to export arms, ammunition or implements of war, and extend loans and credits, to either side. In addition, the so-called cash and carry clause provides that any American goods exported to belligerent nations may not be carried on an American vessel and that title to them must be transferred to a non-American before they leave the country.

The law makes no distinction between aggressors and the victims of aggression and, if evoked, may operate in such a



way as to deny materials of war to the victim of aggression, while making other types of goods available to the country best able to purchase and transport them. In the Spanish situation it had the effect of denying food and munitions to Loyalist Spain, while Franco was freely supplied by Hitler and Mussolini. The neutrality legislation has encouraged the aggressors, since they know that under the law the United States may deny access to its resources to the democratic powers.

The new crisis in Europe makes it more imperative than ever that the United States revise its policies to fit a post-Munich world. In his comment on Sumner Welles' statement, Senator Key Pittman, Chairman of the Senate Foreign Relations Committee, declared: "It is evident to me that, in acting for our own defense in the most serious situation that ever faced us, we must not delay in preparations for potential political and physical action."

President Roosevelt pressed for immediate action by Congress on the neutrality issue. There is no reason to believe, however, that the isolationist-Tory bloc will have learned the same lesson that Chamberlain professed to have learned and cease its sabotage of a positive American peace policy.

Although there can be no doubt that the sentiments of the American people are clearly against fascism, whether its threat comes from without or within, the combination of pro-fascist Republicans and isolationists continues to confuse the issue. Hiding behind such false fronts as "foreign entanglements," "secret diplomacy," and other shibboleths of a by-gone era, the accomplices of aggression are attempting to hamstring the United States from taking the necessary steps to stop Hitler before he involves the United States in a world conflict.

The revived national war referendum amendment of Ludlow, LaFollette, etc., which has been introduced in Congress, is the American version of the Chamberlain appeasement policy. Superficially attuned to the democratic temper of our people, and said to have all the earmarks of the people's control of American foreign policy, this measure is calculated to divert the fight in Congress from the central issue of foreign policy—repeal of the Neutrality Law, or its revision in such a manner as to victimize the aggressor and not penalize the nations violated. If Vandenberg, Reynolds, Nye, *et al.*, have their way we are headed for an even more devastating Munich, whose consequences will engulf the Americas.

The same can be said for the arms embargo resolutions introduced by Representatives Fish and Ludlow and by Senator Nye, which would prohibit the shipment of arms, munitions and implements of war. Such measures would remove even the slight discretionary powers granted the President in the existing Neutrality Law and would lead to a complete desertion of our brother European democracies, with direct consequences to our own safety. If

there is any lesson to be drawn from the Munich debacle, it is that we must not be lured by visions of a false peace into playing the same role in relation to France, Britain and the other democracies as the London-Paris entente played in relation to Czechoslovakia and Spain. We will be the chief victims in the long run, just as France and Britain are now being victimized by Munich.

The best course to pursue is the immediate repeal of the Neutrality Law, accompanied by the immediate placing of an embargo against the aggressor. Senator King has introduced a bill (S. 203) providing for repeal of the Neutrality Law. The repeal bill of Senator Lewis (S. 1745), however, would substitute for the existing law a formulation of a foreign policy of "neutrality" which would be binding on the Chief Executive's conduct of international relations and impede our country's effectiveness in the movement to stop aggression.

Short of outright repeal of the Neutrality Law, the amendments proposed by Senator Thomas constitute a step in the right direction and provide a minimum basis on which a positive policy might be further developed. These amendments (S.J. Res. 67) would add a new section to the present act providing that the President may, with the consent of a majority of Congress, exempt from the provisions of the Neutrality Law a state which is attacked by another state in violation of a treaty to which the United States is a party.

Under these provisions, the President could immediately apply the law to Japan and China, and then request the consent of Congress to exempt China from the embargo because Japan has attacked China in violation of the Briand-Kellogg Pact, and the Nine-Power Treaty. Although this amendment would make for long delays and offer opportunities for sabotage in Congress by the pro-fascist elements, it does make a distinction between aggressors and their victims and opens the way for embargoing aggressors as a matter of foreign policy.

Offered as a compromise which may obtain the rapid approval of Congress is the proposal to repeal the existing Neutrality Law and enact a cover-all cash-and-carry act. This resolution offered by Senator Pittman, as his own measure, provides that within thirty days after the outbreak of a conflict between non-American states the President shall name the states involved and the cash-and-carry provisions shall immediately apply to all exports from the United States to the nations at war. If enacted, such a law would make the facilities of the United States accessible to those powers which can command the sea. On the Atlantic side, it would throw the advantage to Britain and France, while in the Pacific area it would enable Japan to continue purchases here, unless special measures are taken to prohibit this.

It should be noted that this proposal abandons the traditional claim to the freedom of the seas, while enabling



American industry to work at full blast to supply those nations which can come and load materials at their own risk. At most, this is only a stop-gap legislation and can be considered as an inadequate instrument of a positive foreign policy, which would have to be implemented further if the United States is to fulfill properly its function in the democratic front of nations. It is far from a clearly defined stand, such as will most effectively serve notice on the fascist triangle that under all circumstances the United States can be counted on to penalize the fascist war-makers and support the democratic victims of aggression.

The rapid march of events demands that all ambiguities in our position be removed. We can prevent our involvement in a world-wide conflict only by taking a resolute stand together with the Soviet Union and the other democratic powers in a concerted movement to stop Hitler and his allies. The present crisis demands the repeal of the Neutrality Law followed by complete embargo actions against Germany, Italy and Japan. By our initiative, we can still reverse Munich and its consequences, and help save the world from the ravages of fascism and world war.

# The Soviet Union and World Peace\*

BY JOSEPH STALIN

After the first imperialist war (1914-1918), the victor nations, primarily England, France and the United States, set up a new system of relations between the countries, the post-war system. The main props of this system were the Nine-Power Treaty in the Far East, the Versailles Treaty and a number of other treaties in Europe. The League of Nations was to regulate the relations between the countries within the framework of this system on a basis of a united front of the states, of collective defense of the security of the states.

However, the three aggressor states and the imperialist war launched by them have turned upside down this entire post-war system. Japan tore up the Nine-Power Treaty and Germany and Italy the Versailles Treaty. In order to have their hands free, these three states withdrew from the League of Nations.

The new imperialist war has become a fact. In our times it is not so easy to break loose suddenly and plunge straight into war, disregarding treaties of various kinds, disregarding public opinion. Bourgeois politicians are quite well aware of this. So are the fascist chieftains aware of this. That is why the fascist chieftains, before plunging into war, decided to work up public opinion in a definite way to suit their ends, that is, to mislead it, to deceive it.

A military bloc of Germany and Italy against the interests of England and France in Europe? Really, that is no bloc at all! "We" have no military bloc of any sort. All "we" have is a harmless "Rome-Berlin axis," that is, just a certain geometrical formula dealing with an axis. (*Laughter.*)

A military bloc of Germany, Italy and Japan against the interests of the United States, England and France in the Far East? Nothing of the kind! "We" have no military bloc of any sort. All "we" have is a harmless "Rome-

Berlin-Tokio triangle," that is, a slight penchant for geometry. (*General laughter.*)

War against the interests of England, France and the United States? Nonsense! "We" are waging war against the Comintern, not against these states.

If you do not believe it, read the "Anti-Comintern Pact" concluded between Italy, Germany and Japan. This is how messieurs the aggressors thought they would deceive public opinion, although it was not difficult to discern that this whole clumsy game at camouflage was preposterous because it is ridiculous to look for "centers" of the Comintern in the deserts of Mongolia, the mountains of Ethiopia, in the wastes of Spanish Morocco. (*Laughter.*)

But war is inexorable. It cannot be concealed behind any veil. For no "axis," "triangle," or "Anti-Comintern pacts" can conceal the fact that Japan during this period seized a vast territory in China, that Italy has seized Ethiopia, Germany has seized Austria and the Sudeten region, Germany and Italy have seized Spain, and all this in opposition to the interests of the non-aggressor states. War has remained war; the military bloc of the aggressors—a military bloc; and the aggressors—aggressors.

A characteristic feature of the new imperialist war is that it has not yet become a universal world war. War is waged by the aggressor states which are infringing in every way upon the interests of the non-aggressor states, primarily England, France, and the United States, while the latter are drawing back and retreating, making concession after concession to the aggressors.

Thus the open redivision of the world and of spheres of influence is taking place before our eyes at the expense of the interests of the non-aggressor states, without the least attempt at resistance and even with a certain amount of connivance by the latter. Incredible, but it is a fact.

How is this one-sided and strange character of the new imperialist war to be explained? How could it happen that

\* Excerpts from the historic report of J. Stalin to the 18th Congress of the Communist Party of the Soviet Union, delivered in Moscow on March 10, 1939.



the non-aggressor countries with vast possibilities at their disposal have abandoned their positions and their obligations so easily, without any resistance, in order to please the aggressors? Can it be explained by the weakness of the non-aggressor states? Of course not! The non-aggressor democratic states combined are unquestionably stronger than the fascist states, both economically and militarily.

Such being the case, how can the systematic concessions made by these states to the aggressors be explained? This might be explained, for instance, by the fear of the revolution which might break out should the non-aggressor states become involved in war and should the war become world-wide. The bourgeois politicians know, of course, that the first imperialist world war brought about the victory of revolution in one of the biggest countries. They are afraid that the second imperialist world war may also lead to victory of the revolution in one or in several countries.

But this is not the sole or even the main reason. The main reason is that a majority of the non-aggressor countries, and primarily England and France, have abandoned the policy of collective security, the policy of collective resistance to the aggressors, that they have taken up a position of non-intervention, a position of "neutrality."

Formally, the policy of non-intervention might be described in the following words, "Let each country defend itself against the aggressors as it likes and as well as it can. It does not concern us. We shall trade with both the aggressors and their victims."

In actual fact, however, the policy of non-intervention is tantamount to connivance at aggression, to unleashing of war—consequently, to its transformation into world war. Through the policy of non-intervention there runs an eagerness and desire not to prevent the aggressors from perpetrating their black deeds, not to prevent, say, Japan from becoming involved in war with China, or still better with the Soviet Union; not to prevent, say, Germany from becoming tangled into European affairs, from becoming involved in war with the Soviet Union; to allow all the belligerents to sink deeper into the mire of war, to encourage them stealthily to follow this line, to allow them to weaken and exhaust one another, and then, when they have become sufficiently weakened, to appear on the scene with fresh forces, to come out, of course, "in the interests of peace," and to dictate their terms to the weakened belligerent nations. It is cheap and it serves the purpose!

Take, for instance, Japan. It is worth noting that before Japan's invasion of North China, all influential French and British newspapers loudly proclaimed China's weakness, her inability to offer resistance, and that with her army, Japan could subjugate China in two or three months. Subsequently, European and American politicians began to watch and wait. And later, when Japan did engage in war, they let her have Shanghai, the heart of foreign capital in China, they let her have Canton, center of British monopoly

influence in South China, they let her have Hainan and allowed her to surround Hong Kong. Is not this very much like encouraging the aggressor? As if they were saying: "Get deeper into war and then we shall see."

Or take Germany, for instance. They let her have Austria, despite an obligation to defend Austria's independence, they ceded the Sudeten region, they left Czechoslovakia to her own fate, thereby violating all and every obligation, and then began to lie vociferously in the press about "the weakness of the Russian army," about "demoralization of the Russian air force," about "riots in the Soviet Union," urging the Germans to march further east, promising them easy pickings and prompting them on: "Just you start a war against the Bolsheviks and then everything will proceed nicely." It must be admitted that this too looks very much like egging on, like encouraging the aggressor.

The fuss raised by the British, French and North American press about the Soviet Ukraine is characteristic. The gentlemen of this press grew hoarse shouting that the Germans were marching on the Soviet Ukraine, that they now had in their hands the so-called "Carpathian Ukraine" with a population of some 700,000 and that no later than this spring the Germans would annex the Soviet Ukraine, with a population of more than 30,000,000, to the so-called "Carpathian Ukraine."

It looks as if the object of this suspicious fuss was to raise the ire of the Soviet Union against Germany, to poison the atmosphere and provoke a conflict with Germany without any visible grounds for it. Of course, it is fully possible that there are madmen in Germany who dream of annexing the elephant, that is, the Soviet Ukraine, to the gnat, that is, the so-called "Carpathian Ukraine." And if there really are such madmen in Germany, it is certain that we shall find a sufficient quantity of strait-jackets for such madmen. (*Outburst of applause.*)

But if we ignore the madmen and turn to normal people, is it not clear that it is ridiculous and stupid to talk seriously of annexing the Soviet Ukraine to the so-called "Carpathian Ukraine"?

Just think of it. The gnat comes to the elephant and says, with arms akimbo: "Ah, brother, how sorry I am for you. You live without landlords, without capitalists, without national oppression, without fascist bosses. Do you call that life? I look at you and I cannot help seeing that there is no salvation for you unless you join me. (*General laughter.*) Well then, so be it, I permit you to join your tiny bit of territory to my vast domains." (*General laughter and applause.*)

It is still more characteristic that some European and the American politicians and newspapermen who have lost patience waiting for a "march on the Soviet Ukraine" are themselves beginning to reveal the real background of the policy of non-intervention. They openly state and write in black and white that the Germans have "disappointed" them cruelly, that instead of a march on further to the



East against the Soviet Union, they have turned to the West, if you please, and demand colonies. One might think that districts of Czechoslovakia were ceded to Germany as a price for undertaking to launch war on the Soviet Union, and now the Germans refuse to pay the note, telling their creditors to go chase themselves.

Far be it from me to sermonize about the policy of non-intervention, to speak of betrayal, treachery and so forth. It would be naive to preach morals to people who recognize no human morality. Politics are politics, as old and hardened bourgeois diplomats say. It must be remarked, however, that the big and dangerous political game which the adherents of the policy of non-intervention have started may end in serious failure for themselves. This is the real face of the new dominant policy of non-intervention. This is the political situation in the capitalist countries.

War has created a new situation in relations between countries. It has brought an atmosphere of alarm and uncertainty into these relations. By undermining the foundations of the post-war peace system and overriding the elementary principles of international law, war has called into question the value of international treaties and obligations. Pacifism and disarmament schemes are dead and buried. Feverish arming has taken their place. Everybody began arming from small states to big states, including those and primarily those states which practice the policy of non-intervention.

Nobody believes any longer in unctuous speeches alleging that the Munich concessions to the aggressors and the Munich agreement have opened a new era of "appeasement." They are not believed even by the signatories to the Munich agreement, Britain and France, which began increasing their armaments no less than other countries.

Naturally the U.S.S.R. could not ignore these portentous events. There is no doubt that any war, however small, started by aggressors in any remote corner of the world, is a danger to the peaceable countries. All the more serious, then, is the danger arising from the new imperialist war, which has already drawn into its orbit more than 500,000,000 people in Asia, Africa and Europe. Consequently, while it unswervingly pursues a policy of preserving peace, our country at the same time has exerted great efforts to strengthen the military preparedness of our Red Army and our Red Navy.

At the same time, in order to consolidate its international position, the Soviet Union decided upon certain other steps too. At the close of 1934, our country joined the League of Nations, considering that with all the weaknesses of the League, it still could serve as a place for the exposure of the aggressors and to a certain degree as an instrument of peace which, though weak, could act as a brake on the unleashing of war. The Soviet Union considers that even a weak international organization like the League of Nations should not be disdained in such troubled times.

In May, 1935, France and the Soviet Union concluded a pact of mutual assistance against possible attack by aggressors. Simultaneously an analogous pact was concluded with Czechoslovakia. In March, 1936, the Soviet Union concluded a pact of mutual assistance with the Mongolian People's Republic. In August, 1937, the Soviet Union concluded a pact of non-aggression with the Chinese Republic.

*In such difficult international conditions, the Soviet Union has pursued its foreign policy, has upheld the cause of the preservation of peace. The foreign policy of the Soviet Union is clear and understandable:*

1. *We stand for peace and for strengthening of business-like relations with all countries. This is our position and we will adhere to it as long as these countries maintain identical relations with the Soviet Union, as long as they make no attempt to violate our country's interests.*

2. *We stand for peaceful, close and neighborly relations with all neighboring countries which have a common frontier with the Soviet Union. This is our position and we shall adhere to it as long as these countries maintain identical relations with the Soviet Union, as long as they make no attempt to trespass directly or indirectly on the integrity and security of the frontiers of the Soviet state.*

3. *We stand for support to nations which have fallen prey to aggression and are fighting for the independence of their countries.*

4. *We are not afraid of threats from the aggressors and we are ready to retaliate with two blows for one against the instigators of war who attempt to infringe upon the integrity of the Soviet borders.*

*This is the foreign policy of the Soviet Union. (Loud and prolonged applause.)*

*In its foreign policy the Soviet Union relies upon: (1) its growing economic, political and cultural strength; (2) the moral and political unity of our Soviet society; (3) the friendship between the peoples of our country; (4) its Red Army and Red Navy; (5) its policy of peace; (6) the moral support of the working people of all countries, to whom the preservation of peace is of vital concern; (7) the common sense of the countries which, for one reason or another, are not interested in the violation of peace.*

*The tasks of the Party in the sphere of foreign policy are:*

1. *To pursue also in the future a policy of peace and of strengthening business-like relations with all countries;*

2. *To be careful and not to allow our country to be involved in conflicts by instigators of war who are used to getting other people to pull their chestnuts out of the fire;*

3. *To strengthen the fighting power of the Red Army and Red Navy to the utmost;*

4. *To strengthen our international bonds of friendship with the working people of all countries who are interested in peace and friendship between the nations.*



# The Progress of Soviet Economy

BY EARL BROWDER

The Soviet Union is giving final shape to its Third Five-Year Plan. The preliminary figures already published indicate that it calls for an 80 per cent increase in national income, compared with 100 per cent increase during each of the First and Second Plans. If there remains any scepticism as to the validity of these figures, allow me to refer to one of the most conservative organs of American capitalism, namely *Business Week*, which has the following to say in its issue of February 11, 1939, on this point:

"In 1927, when Moscow announced its first Five-Year Plan, the world viewed sceptically the prospect of industrializing a nation of 160,000,000 'according to plan.' In 1939, most of the scepticism is gone. Moscow still has far to go to attain its goal of outstripping 'all the capitalist countries,' but its accomplishments are impressive, and its newest plan is more modest than was the first."

Yes, even for the American business world, most of the scepticism is gone regarding the achievement of Soviet economy. *Business Week* has raised, however, two interesting lines of further inquiry, in the course of making this declaration. One is the query, how long will it be before the Soviet economy surpasses that of the capitalist world, and the second is, what is the scope of a "modest" plan for a socialist economy from the point of view of American businessmen.

On the first point, it is already established that since 1928 the Soviet Union advanced from the last place to the second among the great powers, in terms of industrial production, being exceeded only by the United States. Thus it has already outstripped "all the capitalist countries" of Europe. The only thing still uncertain is how long it will take to outstrip the United States, the colossus of capitalism, which exceeds all other capitalist countries combined in wealth production. To this remaining question, a tentative answer can be given now: If the U.S.A. and the Soviet Union each performs in the next ten years as they did in the past decade, then before that time is over the Soviet economy will have surpassed our country also. Thus, although we may not disagree with *Business Week* that the Soviet Union has "far to go," yet it is clear that it travels so fast this may not take a very long time.

Now let us examine more closely the task undertaken by the Third Five-Year Plan which *Business Week* considers relatively modest. The general increase of 88 per cent is the average of an increase of 103 per cent in production of means of production and 70 per cent increase in production of consumption articles. Thus, while doubling its capacity for future production, the Soviet peoples will be enjoying

an improvement in their immediate living standards by more than two-thirds. If the United States economy should perform just half of that "modest" task, on the basis of its already existing economy, it would exceed the most wildly optimistic expectations ever expressed by its own most devoted supporters. Therefore, while we can agree that the Third Five-Year Plan sets a relatively modest goal, we take note that what is a modest perspective for a socialist economy would be an obvious exaggeration for a capitalist economy. This is still more emphasized when we compare this goal with total 1928 production, and find that the amount of increase in the next five years will be *four times as much* as the total production of 1928; if the U.S.A. produced a total four times as much in 1942 as in 1928, our national income would then be around 300 billion dollars instead of its present approximate of 65 billions.

It must be admitted quite frankly that the progress of the Soviet economy in overtaking the capitalist world has been greater in total than in *per capita* production; that means, while it has surpassed all European countries in amount of production, it is still in productivity per worker behind several of the technically most advanced nations. That is because it has engaged the entire population in its economy, has expanded its working class from 11,000,000 in 1928 to 26,000,000 in 1937; these new industrial recruits were raw peasants, and have had to receive prolonged and difficult training in modern industry to transform them into fully qualified workers. The rapid mechanization of all economy, the high spirit of emulation among the workers exemplified in the Stakhanov movement, the tremendous educational and cultural work, and the rapid rise in living standards, all of which are outstanding features of Soviet economy today, provide sufficient guarantee that in *per capita productivity* also the Soviet Union will rapidly overtake and surpass the capitalist countries.

Are there any visible natural limits to the expansion of the Soviet economy? It is very difficult to discern any. Its area of 5,000 billions of acres contains every requirement of the national economy for the indefinite future. To give a few examples: the already surveyed iron ore deposits exceed 10 billion tons, and if iron-bearing quartzites are included the figure is 260 billion tons. Surveyed oil reserves exceed six billion tons, more than half the resources of the world. Known coal deposits contain 1,654 billion tons, second only to the U.S.A. Water-power resources exceed 280 million kilowatts, much greater than any other country. The population is greater in number than any other industrial country, but there is plenty of room for expansion, as the population per square mile is the lowest; the natural

growth of the population is almost five times as much as any other industrial country.

One of the most important, and least clear for the American public, among all questions of comparison between the socialist and capitalist economies, is that of the relative results upon the living standards of the working populations. If we accept the standard of weekly earnings in industry as the measure of living standards, and their movement during the past ten years, then all capitalist countries show a decline while the Soviet Union reveals a steady and sharp rise. Quoting the League of Nations statistics, the U.S.A. index figure of weekly earnings, taking 1929 as 100, declined to 60 in 1932, recovered to 78 in 1935, and to 95 in 1937 (the League does not yet give a figure for 1938, but it is known to have declined). The German index declined from 100 in 1929 to 67 in 1932 recovering to 75 in 1935, and to 80 in 1937. The Soviet Union rises from 100 in 1929 steadily each year to 240 in 1935, the latest figure of the League of Nations; while from Soviet sources we can conservatively estimate that the same index, when published, for 1936 will be around 300, and for 1937 around 380. What has been the trend of the intellectual workers in the Soviet Union can be sufficiently indicated by comparative figures of their average yearly wages in 1932 and 1937, during which period the rise was from 3,636 to 6,502 rubles.

Another method of comparison is that of the volume of production of articles intended for mass consumption, which to some degree inevitably reflects the trend of living standards of the population. The United States index of consumption goods declined from 111 in 1928 (the basis being 1923-25 average), to 98 in 1933, rising then to 110 in 1937, still somewhat below 1928. For Germany, the index of 100 in 1928 dropped to 83 in 1933, and rose to 103 in 1936. For the Soviet Union, the index rose to 201 in 1933, and 348 in 1936. In each case I have taken the latest figures published by the League of Nations, in order to avoid any suspicion that the comparison may be considered by anyone to be unbalanced or unfair. It may be remarked, by the way, however, that the Third Five-Year Plan in the Soviet Union envisages the multiplication of consumers goods by approximately 70 per cent in 1942 over the figure of 1937, which means that the *increase* in consumption articles per capita will be many times the *total* means produced in 1928. Nothing even remotely approaching this rapid rise in the means of livelihood is even dreamed about for any capitalist country.

With regard to the agricultural population, I have not had sufficient time at my disposal to gather adequate comparative data. It is well known, however, that in every capitalist country agriculture has been in continuous crisis ever since the war, and that the decline of income of the farm population has been especially catastrophic. In the Soviet Union, however, since 1933 when its agriculture definitely moved above the pre-war level, the income of the

collective farms, comprising 98 per cent of the farm population, increased by 2.7 times up to 1937, while the amount of income distributed in money form multiplied by 4.5 times.

By this time the simple examination of comparative figures will have raised the question in the mind of any person, if he does not deliberately close his mind to such thoughts, as to why the Soviet Union, which started so far behind us in productive powers only a few years ago, is forging ahead so rapidly as already to surpass all other countries but the U.S.A., and to promise to surpass the U.S.A. itself within ten or fifteen years at the outside; while the countries of greatest resources lag behind and cannot even maintain their past achievements. Is there anything wrong with the American people, the workers, farmers, and technicians, that they could not move forward with equal speed, or at least with half the speed, as the Soviet peoples have been advancing? Clearly, there is nothing wrong with the American people as *producers*, but on the contrary they are a hundred times better prepared for economic advance than the Soviet peoples, insofar as their individual technical capacities are concerned, and many times as well prepared insofar as already existing machinery is concerned.

Neither can we say that natural resources and geographical position can account for the difference between the performance of the U.S.A. and the U.S.S.R., for these differences favor the Soviet Union only in the long perspective of the next fifty or one hundred years but have no immediate consequence. The answer, therefore, must be found in the difference in the *economic system*, in the different relations of production as between socialism and capitalism.

Under our economic system of capitalism, the national economy is under the private ownership and operation of a relatively small section of the population, the incentive to production being entirely dominated by the search for private profit on the part of these private owners. The result is anarchy in economic life, which periodically brings crises, which grow progressively more deep and profound. The accumulated surplus production becomes more difficult of reinvestment in expanded production in proportion as it increases in volume. It is characteristic of this fundamental contradiction of capitalism that when its economic machinery enters a crisis, and paralyzes the nation, the explanation is immediately found, not in lack of production, but in *overproduction*. Because we have produced so much, more than our capitalist economy knows how to make use of, therefore the whole nation is thrown into crisis and chaos, and large sections of the owning-class itself are bankrupted and dispossessed. The emergency measures, whereby our government attempts to bring some order out of this chaos, inevitably take the form of governmental intervention in the economic set-up, directed toward putting idle capital and manpower back to work under governmental direction. But these emergency measures are themselves deprived of



much of their effectiveness by the imperative demand, on the part of capitalists, that such governmental intervention shall be kept down to the minimum, and shall be directed into channels entirely outside the normal development of economic life. We therefore have the crying anomaly that it is precisely in the period when our economic life is in crisis and depression, when the standards of living have been falling most disastrously, that we have suddenly blossomed out in a veritable orgy of public improvements of all kinds.

The present capitalist system has accumulated idle capital and idle manpower which it is no longer able to bring together in any normal way, and has no prospect of ever bringing together again in the normal processes of capitalism. Its emergency measures, typified by the New Deal, while absolutely essential to the continued existence of a large part of the population, are in themselves no cure for this condition, because they scrupulously keep within the limits of the capitalist mode of production, and avoid the slightest competition with private capital which monopolizes all fields except the narrowest margin of public works.

The unexampled economic success of the Soviet Union is made possible by its system of organization, by the economic relations established between the producers and the productive machinery. The productive wealth of the country is collectively owned and operated by the entire population acting through their government. Whatever surplus they accumulate belongs to all, and there can never be such a problem as overproduction, the bugbear of capitalism. The entire economy is brought under a national plan, which expresses not a *hope* which may or may not be realized, but a decision which experience has proved can be fulfilled, in the main, and often even over-fulfilled. It makes maximum utilization of all the productive forces, men and machinery, and constantly raises the level of performance by the systematical application of scientific principles. It realizes, for the first time in history, the full capacity of humanity for the expansion and enrichment of life, first of all materially, and upon that basis culturally and spiritually.

There is an old superstition, often repeated in the textbooks of capitalist economics, that the establishment of socialism is merely the confiscation of the wealth of capitalism which is then divided and dissipated among the masses, leaving them worse off than before because it "killed the goose that laid the golden eggs." But the original confiscation of the national economy from the hands of private owners was of supreme importance, not because of the amount of wealth involved (in the Soviet Union it was relatively small), but because it made the people master of their own destiny. The *new wealth*, directly produced by the new economy and which would not exist at all, except for the new economy, already amounts to ten and twenty times that of pre-war times. To illustrate this, we may compare the 1913 value of the fixed capital of large-

scale industry, which was 7,200,000,000 rubles, with the 1937 value (measured with the same scale) of 50,400,000,000 rubles. This unprecedented rate of accumulation was entirely out of their own resources. As a matter of fact, the old capital has almost entirely disappeared, and the entire economy is practically new, the product of the socialist system.

No other country can hope or expect to expand its economy at any rate comparable to that of the Soviet Union, so long as it clings to the outmoded and self-defeating system that we know as capitalism.

It is, therefore, only a question of time, and of a relatively short time in terms of history, a matter of decades at most, until the superior merits of the socialist system in the Soviet Union will have proved itself by producing a land so overwhelmingly rich, prosperous, and culturally advanced, above all the rest of the world, that the peoples of all lands will inevitably be compelled by the simple dictates of common sense, to adopt the same principles as the Soviet Union, or resign themselves to permanent backwardness and decay. There is no escape from the logic of the facts of world experience in the last twenty years, and particularly of the past decade.

It is this certainty of the future, which is the foundation of the foreign policy of the Soviet Union, which is a policy of peace and international order, of cooperation with all forces in the world which want to maintain peace and international order. The only thing which can threaten the Soviet economy in its triumphal march forward is war. Therefore the Soviet Union wants peace above all else, and is ready to cooperate with everyone who for any reasons also wants peace. The Soviet Union concedes to every people and nation the right to decide its own system and its own policies so long as they allow the same privilege to others. The Soviet people and government avoid every act or even utterance which could in any way be interpreted as any dictation, or desire to dictate, to any other people. It relies entirely upon the example of its own achievements, as its only influence upon other peoples, an influence entirely intellectual and moral, as was the influence of the new republic of the United States upon the world after 1776. Its armaments are entirely for the defense of its own increasingly prosperous and rich economy against the threatening attacks from without. It is supremely confident of its ability to defend itself against any enemy or collection of enemies.

Regardless of whether one may approve or disapprove of the inner regime of the Soviet Union, and of its economic system, one thing is clear beyond all doubt for every American who loves his country and wishes to preserve its independence and well-being. That is, that the Soviet Union, its government and its peoples, are natural friends of the United States and its people, and the two nations are naturally friends, with common aims and faced with common enemies, in the present strained and dangerous international

situation, in which the new world war is already begun. There is no possible or conceivable course of events which could place the United States and the Soviet Union on opposite sides in the world-alignment which is being hammered out by the aggressions of the Berlin-Rome-Tokyo alliance of war-making powers. The Soviet Union is unalterably on the side of international order and peace, against all aggressions everywhere in the world; the only way in which the United States could be on the opposite side, would be for our country to enter the path of imperialistic aggression as a partner of the Berlin-Rome-Tokyo axis, and this, I think it will be agreed, is so directly contrary to the whole history, tradition, and temper of the American people as to be unthinkable.

It is, therefore, of supreme importance to all Americans, regardless of their economic and political convictions otherwise, to understand the Soviet Union, its growing weight in

world affairs, the system out of which arises its growing strength, and its potentiality as an active friend of our country in a world full of dangers and pitfalls. Perhaps we will be able to learn something from the economic system of the Soviet Union which will help us to solve our American problems. But whether that is so or not, and on this question some will certainly disagree, it cannot be denied that the Soviet Union is a great and growing power in the world, upon the basis of the Soviet economy, that it is a power most friendly to the United States with no interests or policies which could change this friendship to its opposite, and therefore, and finally, that American citizens of all opinions who love their country should try to understand and utilize more effectively this great, growing and friendly power for the protection of American national interests, which are the interests of the 130,000,000 American people, which are the interests of world peace.

# The 150th Anniversary of Congress

BY MILTON HOWARD

In celebrating the one hundred and fiftieth anniversary of the Congress of the United States on March 4, President Roosevelt placed an emphasis on the Bill of Rights which has more than a historical interest.

The Bill of Rights is indeed the dynamo which makes the democracy of the Republic work. Without it, it would not work. Alexander Hamilton perceived this truth; so did James Madison and Thomas Jefferson when the Constitution was being forged.

In his characteristically bold manner, Hamilton asked, in behalf of the economic royalists of his time:

"Can a democratic assembly which revolves annually in the mass of the people be supposed to purpose the public good? Nothing but a permanent body can check this impudence of democracy . . ." (Vol. I, p. 299, *Records of the Constitutional Convention*, Farrand.)

Madison's cool intelligence perceived the theoretical problem of representative government: "property against the majority." (*Elliot's Debates*, Vol. I, p. 450.)

But it was Jefferson whose championship of democracy and practical insight foresaw and insisted upon the Bill of Rights as a *sine qua non* of Constitutional ratification (a similar Bill of Rights had been rejected twice previously by the Constitutional Convention meeting in executive session).

It was the first Congress which placed the Bill of Rights into the structure of the Government in accordance with the agreement made with Jefferson and his followers.

The political alignments of the present are deeply affected by these basic considerations of the organization of

our American democratic republic. There is a wilful distortion in the political propaganda which now issues from the Hoover camp, with its emphasis upon an abstract "liberty" deliberately counterposed to "democracy."

In emphasizing the complete interdependence of liberty and democracy, President Roosevelt was properly defending the present and future of democracy. Liberty separated from democracy is meaningless; if it has any meaning at all it is the meaning of special privilege, of monopoly. And monopoly, as the Federal Trade Commission's twenty-year survey of the steel industry has abundantly proved, is in its own weighted phrase "the source of infection," the fountainhead of political reaction.

The President's stress on the organic connection of liberty and democracy was a pointed reaffirmation of the principles enunciated by Lincoln:

"The world has never had a good definition of the word liberty, and the American people, just now, are much in want of one. We all declare for liberty; but in using the same word we do not all mean the same thing. With some the word liberty may mean for each man to do as he pleases with himself and the product of his labor; while for others the same word may mean for some men to do as they please with other men, and the product of other men's labor. Here are two, not only different but incompatible things, called by the same name, liberty, and it follows that each of the things is, by the respective parties called by two different and incompatible names—liberty and tyranny. . . ." (Abraham Lincoln, *Speech at Sanitary Fair*, Baltimore, April 18, 1864.)

Both historically and structurally, it is Congress which is charged with the defense and extension of the Bill of



Rights. This is no abstract duty; it changes its form with the development of the nation itself. The defense of the Bill of Rights must conform to the menace which threatens it. This is why today Congress should respond to the will of the people and act to curb the powers of monopoly capital in the economic and political life of our country.

For in this generation of American life, it is the destructive power of monopoly capital, moving in the direction of fascism, which constitutes the gravest menace to the free exercise and enforcement of the Bill of Rights. The recent opinion of Justice Black in the U. S. Supreme Court on the Gaines case is one of the more recent testimonials to this fact. The traditional use of the "due process" clause to protect special privilege, wrenching it out of its context in the 14th Amendment, the result of the Civil War emancipation of the Negro people, is a startling case in point. The Amendment granting civil rights has become, in the hands of monopoly capital, a weapon to curtail and obliterate civil rights.

It is a curious political fact that one can find Representatives and Senators who will give lip-service to the abstraction of civil liberty, and then engage in a systematic sabotage of the LaFollette Civil Liberties Committee. The LaFollette Committee's field of investigation is precisely that of modern experience where the ruthless effect of monopoly power is felt most drastically as a curtailment of the Bill of Rights—free assemblage, free speech, free press, etc.

It is also a fact, though not so curious, that the modern apostles of "liberty," as counterposed to democracy, are today the most ardent violators of the Bill of Rights and the laws of the land. They, the reactionary monopolists, struggle against the enforcement of the 13th, 14th and 15th Amendments to the Constitution which establish constitutional guarantees of equal rights for the Negro people. They bitterly oppose labor's Bill of Rights, the Wagner Labor Relations Act. They evade the Fair Labor Standards Act and income and corporation tax laws.

The President's insistence that the defense of representa-

tive democracy and the Bill of Rights implies a rejection of sectionalism is likewise timely. Sectional considerations today are no longer merely obstacles to a unified national policy; they now have the force of a pro-fascist attack on the democratic process itself. The "states rights" slogan becomes an instrument for blocking the application of a national, unified democratic policy vital to representative government and the national welfare.

Similarly, the President's insistence that American democracy is vitally affected in the attacks which the fascist aggressors make abroad on the liberty of peoples and the independence of nations is borne out by the facts.

Rooted in the history of Congress and the Constitution as well is the realization that the fate of democracy in the United States is not removed from politics in Europe. "Shall we by our passiveness, by our silence, by assuming the attitude of the Levite who pulled his skirts and passed by on the other side, lend encouragement to those who today persecute religion or deny it? The answer to that is 'No' just as in the days of the first Congress it was 'No,'" the President declared.

What is affirmed here is a continuous policy of concern with the outer as well as the inner defense of democracy; isolationism has never been an attribute of American representative government. It could not afford to be, even if it desired it.

For the fate of American democracy and peace now, as through the decades, remains inseparably interwoven with the status of world democracy and peace.

Therefore in celebrating the 150th anniversary of the Congress of the United States, the American people, especially organized labor and the progressives, Communists and non-Communists, dedicate themselves anew to the glorious task of preserving and extending the Bill of Rights. The people are uniting and moving forward to curtail the powers of the pro-fascist monopolists, to enforce existing labor and social legislation, to "make democracy work" by advancing the cause of national social security at the expense of the economic royalists and fascist warmakers.

## Appeasement or Recovery

BY ROBERT NORTON

Appeasement of Wall Street, on the one hand, or the achievement of genuine economic recovery on the other hand, together with the struggle over foreign policy, have become more sharply than ever the primary issues around which revolves the contest of political forces in Washington.

Fundamentally, this contest is not a new one but merely a refurbishing of the old struggle between progressive New Deal forces and the Garner-Glass Republican "economy" coalition which has been seeking consistently to undermine the New Deal reforms and to rewrite the New Deal legislation in the interests of Wall Street. The only new element in the great uproar which

is being raised currently on the subject of so-called "business appeasement" is a superficial change in the open methods by which the reactionary bloc in Congress is endeavoring to railroad its program through the federal government.

Part of the propaganda technique of the "economy bloc" in the current of its operations, in turn, has been to announce that the New Dealers themselves have become split internally on the merits of the Wall Street program, that such prominent New Deal lieutenants as Harry Hopkins have been won over by the business appeasers and that only the "New Deal diehards" (as Arthur Krock describes them) are resisting the program. Actual

events, however, demonstrate that this "split" is simply the purposeful imaginings of the reactionaries' friends in the big business press. Actual events show that the majority of the New Dealers, from President Roosevelt himself on down, are on the contrary strongly opposed to any program of even partial surrender to Wall Street on important issues.

Evidence that the New Dealers are sticking by their guns is not difficult to find. There is the President's refusal to budge from his position on the minimum needs of W.P.A. and his opposition to any curtailment of social expenditures. Similarly, his continued opposition to revision of the Wagner Labor Act at this time. There has been the introduction of the New Deal's health program and of the new housing bill by Senator Wagner, as well as the Thomas bill for federal aid to education. And the administration has taken some notable steps forward in its foreign policy—particularly with regard to Czechoslovakia, Latin America and the Far East.

The existence of the "business appeasement" drive, however, cannot be waved away merely by reaffirmation of loyalty to New Deal principles. The best answer to this drive, as to all previous similar drives, is a positive program of national security and true economic recovery. This would offset Wall Street's present and potential sabotage of national defense and recovery by substituting New Deal initiative, boldness and firmness for Wall Street's aggressive obstructionism. Such a program is feasible of attainment within the present political alignments and, if undertaken, would represent an effective reply to the present maneuvers of the reactionaries.

"Business appeasement," in short, is simply a new term and a new facade for the constant effort of the reactionary monopolists to undermine the progressive direction of New Deal policies. In its present stage of development, the new facade consists primarily of the fact that the formal initiative in the drive has been assumed by certain right-wing groups within the Roosevelt administration in collaboration with the Tory Democrats in the Garner-Harrison "economy" bloc, who are cooperating with the Republicans in attempting to disguise capitulation to Wall Street as a "contribution to economic recovery." In its latter aspect, the program merely endeavors to make more palatable an acceptance of big business' terms of the contention that only through the restoration of "business confidence" can economic recovery be accomplished.

The present open form of the business appeasement drive is best illustrated by the fact that supplementing the campaign drastically to reduce social expenditures, it is confined at the moment to questions of "revisions" in corporation taxes which would not reduce the total amount of taxes paid by all corporations. The limitation of the contest to this relatively modest sphere also provides an effective answer to the contention that important groups within the New Deal have surrendered to the business appeasers.

The present fight over corporation taxes is primarily a fight over principles rather than of important dollars-and-cents concessions to big business. It involves the desirability of liquidating most of the social principles inherent in the present corporation tax laws and consolidating all corporation taxes into one flat percentage rate on corporation income. The most important immediate issue at stake is the fate of the undistributed profits tax, which in its present form is only a shadow of the relatively important social measure which was enacted in 1936 but which could be re-expanded into effectiveness as long as it remains a principle of the tax statutes. The appeasers also would like to eliminate the meager tax concessions now extended to small corporations but on this point they are apparently inclined, at the moment, to concede the political inadvisability of such a step.

A leading role among the tax revisers has been assumed by

Under-Secretary of the Treasury John W. Hanes, a former Wall Street banker and scion of a wealthy family of tobacco capitalists. He has formulated his program in consultation with big business organizations and with leaders of the Vandenberg-Taft Republican and Right-wing Democratic bloc in Congress, with special attention to Pat Harrison, reactionary chairman of the Senate Finance Committee. He has also succeeded, without too much difficulty, in selling his views to Secretary of the Treasury Morgenthau.

In launching his program, Hanes tried to picture it as tied in with various conciliatory statements to business which had been made by President Roosevelt and Harry Hopkins, statements which were apparently an indirect admission of the difficulty of pressing new progressive measures in a Congress where the reactionary and obstructionist elements had been strengthened by the November elections. Significantly, the appeasers timed the open launching of their tax program to follow immediately upon President Roosevelt's departure for the Caribbean naval maneuvers.

Since his return, President Roosevelt has clearly indicated that tax revisionism is not his project. He has repeatedly declined to endorse the Hanes proposals, even in principle, and has asked sarcastically whether the term "business appeasement" did not carry with it connotations of events in Austria and Czechoslovakia.

In other words, the advance signals for tax revisions are not favorable. Even if ultimately successful in whole or in part, the program would not substantially damage the New Deal fabric as it now exists. Such an outcome would, however, be viewed as a test of strength and would doubtless encourage the business appeasers to extend their efforts into more vital fields.

Resistance to such proposals, while refuting the wishful prophecies of a crumbling away of New Deal unity, is not in itself the final answer to the problems presented by the business appeasement drive. Neither is it an answer to the real need for economic recovery—a true recovery which would actually raise mass living standards through at least partial use of the nation's vast unused resources and not a false recovery, benefiting only the big monopoly interests, which would be the maximum possibility from a program of concessions to Wall Street.

The means for effective recovery, moreover, are within the reach of the New Deal under present conditions. It is readily apparent, for example, that the low level of activity in the durable goods industries—reflecting the refusal of the big monopolists to make new large-scale investments—is one of the main elements retarding general economic recovery. It is also apparent that two of the most depressed areas in the durable goods field are new construction and railroad equipment and supplies. In both of these fields, immediate large-scale intervention by the federal government is both feasible and necessary.

In the field of construction, the New Deal already has its mechanisms for expanding economic activity through the medium of the U.S.H.A. (United States Housing Authority) and the F.H.A. (Federal Housing Administration), and especially through the channels of expanding public works activity, through extending the W.P.A., P.W.A., and F.S.A. (Farm Security Administration) programs. What would be required would be simply a sharp acceleration of both the pace and area of existing federal activities in the fields of public housing, of construction of new water power and flood control facilities and of socially valuable public works generally.

In the field of railroads, government ownership is undoubtedly the only permanent means of freeing the national railroad system of its present overpowering burden of inflated debt and capitalization which is currently seizing all surplus revenues and preventing needed purchases of new equipment. As an immediate step, however, the New Deal could effectively stimulate industrial activity



by releasing large-scale loans to the railroads in return for first mortgages, with the provisos that all loans be devoted exclusively to purchases of new equipment or to rehabilitation of existing rolling stock and roadbeds; and, secondly, that the Federal government exercise stricter regulation of the railroads through the I.C.C. (Interstate Commerce Commission) with the objective of reducing freight and passenger rates, abolishing freight rate differentials and improving wage standards and working conditions.

In addition, by aggressively pursuing the anti-monopoly campaign, both through the monopoly investigation and through action by the Department of Justice to break up price-fixing combinations, the Administration could go far toward unfreezing the existing monopolistic price structure and thus greatly stimulate the volume of consumption.

To help break the sabotage of economic recovery by the big monopolists, additional legislative action should be taken by Congress and the administration. To thaw out frozen bank credit and make it available to non-monopoly business, farm and co-operative groups, steps should be taken toward public ownership of the banks. To wrest control from Wall Street of one of its great sources of capital reserve, the road should be cleared for government ownership of the 23 billion dollar insurance business, with immediate measures to establish a Federal Insurance Commission to provide strict government control of the insurance business so as to protect the public. To speed up national defense and to prevent sabotage and profiteering, steps should be taken toward more adequate Federal regulation of the munitions industry, leading up to the nationalization of the armaments industry.

By such immediate measures, the New Deal could bring about a large degree of economic recovery and private, as well as public, employment. For what is needed today to promote jobs and economic recovery, is not appeasement of Big Business, not concessions to Wall Street, but systematic public pressure and governmental curbs on the enemies of the people, the giant trusts and monopolies.

## Extending Our Educational Frontiers

BY PEGGY DUANE

Education has become traditionally, if not constitutionally, one of the inalienable rights guaranteed by American democracy. In fact, with the adoption of the compulsory education laws by the last laggard states in 1918, this right became a duty—self-imposed by a nation of people who had fought for a free national educational system as one of the achievements of social progress.

The report of the President's Advisory Committee on Education, submitted in February of last year, raised sharply the need of improving and extending existing educational opportunities in keeping with this fundamental principle. It stressed the necessity of federal aid to education as an essential means of establishing today the basis for free, universal and compulsory education for all.

Congress will be faced with the task of meeting this need when it is called to act upon the Federal Aid to Education Bill, introduced into the Senate by Senator Thomas of Utah. This bill,

S. 1305, is now in committee hearing. It may be reported out soon if sufficient public pressure is organized.

The Thomas Bill is based upon the findings of the President's Advisory Committee on Education and incorporates within it the major recommendations of this committee.

The need of increased educational facilities and opportunities for the nation is revealed, in part, in the report of the President's Committee which discloses that:

1. Of the total *adult* population of 75,000,000 in the United States, 36,000,000 have never finished elementary school; over 3,000,000 are totally illiterate;
2. More than 3,000,000 children between the ages of 5 and 17 are not in school at the present time;
3. Forty per cent of the high-school-age youth (14-17 years) are not in school, but due to economic needs, are looking for work, or working.

Major attention was paid by the committee to the problem of the glaring inequalities in educational opportunities which exist between states and districts within given states. A study of this question brought the committee to the conclusion that "the least satisfactory schools in the United States are now to be found for the most part in rural areas." And yet, almost one-half of the elementary-school-age children in the entire country are enrolled in these rural schools.

Within these rural areas, the South—generally the "Nation's No. 1 economic problem"—rates among the most inferior of all in regard to educational facilities, literacy, and quality of education offered. A few figures illustrate the point:

1. Of the 12,000,000 Negroes in the United States (1930 Census), more than 9,500,000 live in the seventeen Southern states which have Jim-Crow schools. The Negro people in these states constitute 15.1 per cent of the total 17.7 per cent illiteracy;
2. Only 9 per cent of the Negro children in these states are enrolled in schools;
3. All of the Southern states have a *shorter* school term than the *shortest* school term average in the North; three of the Southern states have less than 130 school days in the year; while the Negro Jim-Crow schools function from 25 to 57 days *less* than the already short term for Southern whites;
4. With the exception of Oklahoma, every Southern state has an illiteracy load equalling more than 6.5 per cent of the state population. Alabama, Mississippi, Louisiana and South Carolina have the dubious honors of heading this list with illiteracy percentages of 12.6, 13.1, 13.5 and 14.9 respectively.

The problem of providing adequate educational opportunities for all and of assuring higher educational standards is, to a large extent, a political-financial question. Expenditures for proper teacher-training, adequate buildings, high quality materials, and extensive health, recreational and cultural services are the backbone upon which the educators must rely. Here, again, we turn to the facts reported by the President's Advisory Committee:

1. While New York state, for example, expended on an average of \$141.43 on each child for educational purposes, the rural areas of the country averaged \$67.40, and the Southern states, \$25.11;
2. Compared to the \$2,360 annual average salary in New York in 1933-34—one-half of the rural teachers received less than \$750, Southern teachers received less than \$500, and teachers in the Jim-Crow Negro schools averaged \$100.

It is in the light of such existing conditions and practical aspects of the problem that the Advisory Committee on Education concludes its report with the recommendation that Federal aid to

education is vitally needed, especially to bring immediate improvement to the rural and Southern school systems so as to make more equal and democratic the services available to all throughout the country.

On the basis of their findings, Senator Thomas introduced his bill which provides for the following Federal appropriations:

Type of Grant	1940	1941	1942	1943	1944	1945
	<i>(In millions of dollars)</i>					
General aid to public elementary and secondary schools for equalizing opportunities .....	40	60	80	100	120	140
Improved preparation of teacher-training .....	2	4	6	6	6	6
Construction of school buildings .....	20	30	30	30	30	30
Administration of State Departments of Education .....	1	1.5	2	2	2	2
Adult Education .....	5	10	15	15	15	15
Rural library services .....	2	4	6	6	6	6
Yearly Total .....	70	109.5	139	159	179	199

The Thomas Bill also provides appropriations for cooperative education research and for educational opportunities for American children residing on Federal reservations and at U. S. foreign stations.

This Federal Aid to Education Bill, in spite of certain inadequacies, such as an insufficient appropriation, is a vital progressive step towards bringing to wider sections of the country the cultural fruits of American democracy. Particularly significant are some of the main principles definitely specified under which the bill, when enacted, is to operate. These include such important features as:

1. "... The primary purpose of this Act [is] to assist in equalizing educational opportunities among and within the states";

2. Proceeding from this basis, the bill declares that federal aid grants shall be apportioned to the states on the basis of financial need, this need to be determined by the ratio between the educational load (percentage of school-age children to the total population) and the financial taxing ability of the given state or district in proportion to the ratios of all other states or districts;

3. States applying for these federal aid grants must, in turn, provide plans whereby the funds will be apportioned "among local school jurisdictions . . . in such a manner as to assist effectively in equalizing educational opportunities in public elementary and secondary schools within the state";

4. In the construction of new school buildings with these federal aid grants, the bill provides that labor standards shall prevail upon these projects which shall equal those required by law;

5. Present practices of discrimination against Negro schools is condemned in the Thomas Bill which provides that: "where separate schools are maintained for separate races, provide for a just and equitable apportionment of such funds for the benefit of schools and teacher-preparation institutions maintained for minority races, without reduction of the proportion of State and local moneys expended during the fiscal year...." In this manner the bill aims to overcome existing discrepancies and to equalize apportionment of funds between white and Negro Southern schools.

The Federal Aid to Education Bill already has secured staunch supporters among all sections of the population and among all progressive, labor and liberal groups. In addition to hundreds of Parent-Teacher Association groups, local unions and civic groups which have endorsed the bill, it is supported by the C.I.O., the A. F. of L., the Brotherhood of Railroad Trainmen, the National Negro Congress, the National Association for the Advancement of Colored People, the Farm Bureau Federation, the New York School of Social Work, the National Farmers Union, the Progressive Education Association and the National Education Association.

John L. Lewis, speaking before the Senate Committee on Labor and Education in favor of the bill, expressed the feelings of the millions in the ranks of organized labor, the progressive and liberal movements when he said:

"... That there shall be an equal right for education to the children of all parts of the country is a fundamental condition to the great declaration that in this nation all men shall be born free and equal. This bill is a step toward that ideal. If it were to be criticized, it would be criticized only in the sense that it does not go far enough, that it does not appropriate enough money."

To the proposal made by the C.I.O., through Mr. Lewis at the hearing, that the bill should include appropriations for vocational training, should be added the proposal for expanded Federal aid to students unable to continue their studies due to economic need.

It is difficult to believe that there should be any opposition to the move to improve and extend the educational facilities of the nation. But opposition does exist. It comes from the "economy bloc," from the Republicans and Tory Democrats, who have a consistent record of opposition to all social legislation which entails national expenditures in the interest of the people. Especially hostile to the Thomas measure for federal aid to education are the Southern bourbons and their representatives in Congress who are headed by Vice-President Garner, and Senators Glass and Byrd.

The majority of the Southern people, however, have expressed their support of the provisions of the Thomas education bill. Through their leading representatives who participated in the All-Southern Human Welfare Conference, the Negro and white people of the South have gone on record urging "our Representatives in Congress to support this Bill in all its provisions. . . . That the members of this Conference work tirelessly to secure an increase in Federal funds for education in the South. . . . That the Southern Conference affirm its belief that a free educational system is a necessary basis for the development and preservation of a democracy. . . ."

A few educators have allowed themselves to be misled into a position of opposition to the Thomas Bill because of the so-called "menace of government control." The "Friends of the Public Schools of America" charges that "building up of a dependence on Federal funds to run our schools is the first step towards a dictator of education." Dr. George D. Strayer of Teachers College, Columbia University, is reported in the press as contending that the proposal for Federal school aid is a violation of the principle of separation of church and State. Dr. Morse A. Cartwright, director of the American Association for Adult Education, contends that the proposed Federal subsidy might open the way for bureaucratic control.

These individuals and others holding similar views have either fallen victim to the propaganda of the reactionary monopoly interests who disguise their fight against all progressive New Deal measures under the demagogic cry of "dictatorship" or themselves are spokesmen of these interests. The charge of "dictatorship by the New Deal government" is falsely raised in this



instance, presumably because the Thomas Bill provides that the appropriation of federal funds to the states be contingent upon the submission of specific plans by the states as to the use of these funds; that there shall be strict accounting of moneys spent, frequent reports submitted on progress made and the effect of these new activities. That such charges are unwarranted and therefore play into the hands of the monopoly interests who seek to defeat the bill can be seen, among other things, in the fact that the bill specifically provides:

"That provisions of this Act shall therefore be so construed as to maintain local and state initiative and responsibility in the conduct of education and to reserve explicitly to the states and their local subdivisions the administration of schools, including institutions for the preparation of teachers, the control over the processes of education, the control and determination of curricula of the schools, the methods of instruction to be employed in them, the selection of personnel employed by the State and its agencies and local school jurisdictions. . . ."

It is true that the American educational system is threatened by reactionary control. But this threat does not come from the New Deal Administration whose policies are based upon improving the social welfare of the people and extending their democratic rights. This threat comes, rather, from the pro-fascist monopolists who seek to gain control of all phases of American life and endeavor to pare down to a minimum the liberties and gains of the people. This threat comes from the economic royalists who seek to misrepresent the traditions and falsify the history of the American nation and to allow the infiltration of pro-fascist ideology and viewpoints into the American schools in an attempt to control the minds and action of the people and to divert them away from the progressive, liberal, American way.

The majority of the American people welcome the keen interest and concern shown by the New Deal Government for the educational, economic and social welfare of the children and youth of our country. With the active participation and concern of the Federal government, they can but feel more confident that the educational system will be more effectively developed in keeping with the principles and needs of American democracy.

The Thomas Bill for Federal Aid to Education provides a number of these prerequisites. Public opinion and pressure should be brought to bear upon the members of the Senate Committee on Labor and Education, as well as on all Representatives and Senators, to pass this bill. Such action is vital to the well-being of the nation and is important to the progressive movement to guarantee, strengthen and extend all of the democratic rights and achievements of the people.

# The Byrnes Bill On Public Works

BY ALAN MAX

Preceded by a progressive-sounding report apparently designed to beguile the spectator, the Byrnes Bill on Public Works (S. 1265) has at last come upon the scene.

A long range, closely coordinated relief and social security

program has long been held necessary. Does the Byrnes Bill provide the answer?

Dressed up with a few inadequate improvements in existing social security provisions, the Byrnes Bill, as pointed out by the Workers Alliance, actually would deal a mortal blow to the public works program (W.P.A., P.W.A., etc.) which now stands between three million American families and starvation.

The bill apparently represents the political strategy of the Garner-Harrison-Byrnes "economy" bloc, which aims at economy at the expense of the W.P.A. workers and unemployed, and at mobilizing the Southern people against the New Deal. But it is so conceived that the axe would descend immediately everywhere but upon the South where the W.P.A. would be curtailed more gradually.

The Byrnes Bill proposes no appropriation to cover its provisions and thus leaves the most vital question unsolved. But the conditions it lays down would automatically result in drastic curtailment of the W.P.A. program and, consequently, of all expenditures for relief.

It is well known that the sponsors of S. 1265 have been in the forefront of the attempt drastically to reduce all funds for social expenditures. It is therefore reasonable to believe that they had in mind a reduced appropriation for W.P.A. and all other public works in the framing of this bill. On such a basis, the Byrnes Bill would have three effects:

First, it would contract the present works program by virtue of reduced funds and because it excludes white-collar, sewing and art projects now comprising some 750,000 workers, as well as N.Y.A. and the C.C.C.

Second, it would make difficult, and probably discourage, sponsorship of works projects, because it would increase by nearly 100 per cent the sponsors' contributions required.

Third, it would reduce by a considerable percentage the funds available in all parts of the country, except momentarily in the South. Therefore, in most non-Southern states it would be necessary either to discharge a large number of W.P.A. or P.W.A. workers or bring the wage scale down to the low level of the South. To increase the shamefully low wages in the South would help the entire country even if wages elsewhere were not improved. But the Byrnes Bill does just the opposite. It drags down the rest of the country to the level of the South—which in the long run can only hurt the South too.

S. 1265 is divided into two major parts—a section dealing with public works and a section dealing with the various types of public assistance under the Social Security Administration.

## *Social Security Provisions*

1. Old Age Assistance. The bill provides that after July 1, 1940, the Federal government will share up to two-thirds of the costs of old-age assistance in those states where the per capita income is less than the national average per capita earnings. The general Federal assistance share would remain at 50 per cent. Although a minimum of \$15 is fixed, no minimum higher than the present \$30 is provided. The improvement would affect the poorer states (particularly the South), which is all to the good. The chief weakness lies in a failure to establish a scale higher than the present \$30 maximum pension.

2. Aid to Dependent Children. This section would result in improvements for parts of the country by providing for 50 per cent of the fund for this assistance to be paid by the Federal government instead of the one-third as at present. It also provides for two-thirds of the grant to be paid to states having an average per capita income below that of the average of the country as a whole. In addition, it provides a minimum of \$10 a month where no such minimum now exists. The two latter pro-

visions will aid the poorer states, particularly the South, and are therefore an advance.

3. Aid to the Blind. Improvements are also registered here.

4. Aid to the Handicapped Workers. This section provides that the Federal government would pay from 50 to 66 2/3 per cent of the cost of maintaining unemployables on direct relief. It would be better if this Federal aid went for needy unemployed who are employable and who are certified by Works Program officials as eligible for the program but for whom there are no jobs. This would partly protect the large body of employables in need, of whom there are about 800,000 on local relief and several hundred thousand more not even on local relief. Taking part of the burden of their support from the states would make possible more liberal treatment by the states of the unemployables and handicapped workers.

5. Unemployment Compensation. This section put forward as the "first line of defense" against unemployment would actually have a net effect of a *less* liberal treatment than at present. The provision for a one-week waiting period is a distinct and important improvement, of course. But this is more than offset by other provisions, including one that would make payments less than the 50 per cent of the workers' wages now prevailing in most states.

Conclusion. In analyzing the Social Security provisions of this bill as a whole some important improvements are made in the case of the needy in the poorer states. However, there is little or no provision to raise inadequate standards in other states where most of the needy are located. Besides, these provisions, affecting only a minority of the people in need, would not go into effect for another fifteen months.

#### Public Works Section

This is by far the most important phase of the pending bill; first because it involves most of the people whose needs are now being met, to some degree (3,000,000 on W.P.A., 400,000 on C.C.C., 125,000 on N.Y.A., 500,000 on P.W.A.); second, because here is where the greatest part of the public expenditure of money is concerned and, therefore, where most of the purchasing power will be created. Let us examine this part of the bill by sections.

1. Consolidation of the W.P.A., P.W.A., etc., in one department. Under proper conditions, this could be a progressive step and could make for efficiency, economy and better projects.

2. Transfer of only Public Works from the present W.P.A. to the Public Works Department. This term "Public Works" must be more clearly defined. If it means—as it does—that it will not cover white-collar, sewing, research and arts projects, or N.Y.A., C.C.C., etc., then this is a most reactionary measure and is enough to make the bill a menace. It would wipe out the job of some 750,000 workers on these projects.

3. Allotment of Funds. The bill provides for an allotment of one-half of the funds to states on the basis of population and one-half on the basis of unemployment. An analysis of this section shows some interesting results. For the purpose of the analysis we have taken the South as a whole—including the South-Atlantic, East-South-Central and West-South-Central regions.

The South, according to the latest census figures has 31.6 per cent of the population of the country. According to the Biggers Census of Unemployment, the South had 28.18 per cent of the unemployed in November, 1937. Thus, the South would be entitled to 30.4 per cent of the Public Works funds, under the terms of S. 1265.

Now in the five months ending November 30, 1938, the South got only 18 per cent of the W.P.A. funds. Therefore, according to the bill, the South would have to get about 60 per cent more funds in proportion, to meet the requirements of S. 1265 for the

distribution of the Public Works money. If the same amount is spent as now, the proportion to the South must be heavily increased, and the rest of the country would suffer a large decrease.

The amount spent on Works Projects today is the product of the number of people employed and the man-month cost. We find that on February 25, 1939, the South had 27.7 per cent of the W.P.A. workers of the nation—pretty nearly its share based on population and amount of unemployment.

If, therefore, the percentage of people employed in the South remained substantially the same, it would be necessary to increase the man-month cost of the Works Program in the South nearly 60 per cent. Since wages are the main item in this man-month cost, the bill therefore might appear to require that the wage scale of the Works Program in the South be increased about 60 per cent in proportion to the rest of the country. In October-December, 1938, the average wage on W.P.A. in the South was \$38.70 monthly; for the nation as a whole it was \$52.74. Formally, therefore, the Byrnes Bill would compel, with the same amount of appropriation and the same relative number of people employed, an approximate equality in wages as between the South and the rest of the country. But if the present wage differential were maintained (and the Byrnes-Glass-Harrison clique are the most vigorous defenders of the Southern Bourbon system and its wage differentials), it would require either a large increase in the number employed in the South or a large decrease in the number employed in the rest of the country.

From the mere reading of the bill, it is impossible to determine definitely how these changes would take place. We do not know whether there would be more money, a continuation of the present amount, or less. It is necessary therefore to attempt to determine what was in the minds of the sponsors of the legislation. The record shows that these sponsors have actually brought the Southern wage scales down to the low level of today and have been in the forefront of the struggle to reduce the whole amount available for a Works Program. The conclusion is obvious that the effect of the Byrnes Bill, among other things, would be to drag down the wages of W.P.A. workers throughout the nation to the level of those in the South, and likewise to prevent wage increases for the Southern workers.

4. Sponsors' Contributions. The conclusion that this bill was designed to reduce Northern wages to the level of the South is further borne out by the provisions regarding sponsors' contributions. The bill provides that in no case shall the sponsors' contributions be less than one-third of the total cost.

In the five months ending November 30, 1938, the sponsors' contributions towards W.P.A. were 17.9 per cent of the total cost. They put up \$195,000,000 out of \$1,093,000,000 spent by the Federal government. If the Byrnes Bill had been in effect, they would have had to put up \$364,000,000 or \$169,000,000 additional for five months (\$406,000,000 a year). Thus this bill, while making the Federal government aid the Southern states to the tune of several hundreds of millions in social security, would at the same time create a new burden for all the states to the extent of \$406,000,000 for the Works Program.

The requirements that local sponsors pay 33 1/3 per cent effectively determines how the previous sections of the bill are to be incorporated. Take South Carolina, for example. For the five months ending November 30, the total W.P.A. expenditures were \$10,340,000 in South Carolina. Sponsors put up \$1,902,000, or 18.4 per cent, of the total. With the same employment level, if the sponsors were to raise their wages to Northern levels and then put up 33 1/3 per cent of the funds, it would have to increase the local contribution necessary for the five months to about \$5,000,000—or nearly three times. Obviously this would be an impossible situation.

The net effect, therefore, can only be to reduce Southern per



capita expenditures in order to permit the sponsors to pay one-third of the total cost, and to drag down Northern expenditures, including labor costs, to the level of the South. The only alternative would be to force cities and states to curtail the whole program and thus make necessary the discharge of vast numbers of needy workers.

Another proposal contained in the Byrnes Bill is to put the U. S. Employment Service under the Social Security Board. It would seem, however, that the reverse procedure would be preferable, that is, to move the Social Security Board, or at least its Unemployment Compensation Division, in with the U. S. Employment Service under the jurisdiction of the Labor Department. This would coordinate the two departments, increase the confidence of the workers in the Service and assist in the maintenance of fair labor standards.

The coordination of existing Works Programs and long range public works planning is long overdue. But this requires the most careful and detailed consideration, and, above all, the approval of organized labor and the unemployed. It would seem that Senator Wagner's proposal to revive the Federal Employment Stabilization Board as a long range planning agency is the best move to make in this direction at the present time.

Two things are certain. The most immediate need is passage by Congress of the \$150,000,000 additional appropriation for W.P.A.—and the maintenance and extension of the W.P.A., P.W.A., N.Y.A., C.C.C. and F.S.A. programs for the next year while long range planning is in progress.

Secondly, the anti-labor, anti-New Deal Byrnes Bill S. 1265 must be defeated. Its reactionary features clearly outweigh the few progressive provisions that it advances. Its enactment would drastically slash and curtail the present Works Program and would seriously jeopardize the advancement of economic recovery.

## The LaFollette Committee Reports

BY JAMES LAWRENCE

Hamstrung by the failure of the Senate to appropriate additional funds for the continuance of its investigation, the LaFollette Civil Liberties Committee has been devoting its time to the completion of reports on the hearings which it has already held. Also it has been preparing legislation to curb the abuses which its investigation has revealed.

To date, the Committee has issued three reports dealing with labor espionage, strikebreaking services, and private police systems. Forthcoming reports will summarize its findings on industrial munitions, the labor-baiting activities of employer associations and the Little Steel strike of 1937.

The reports of the Committee deserve the widest circulation and study. In sharp contrast to the hysterical Red-baiting of the Dies Committee, based on the unsupported charges of stool-pigeons and professional provocateurs, the carefully documented, highly judicial LaFollette reports lay bare the anatomy of employer-hired and -inspired violence with the dispassionate objectivity of a surgeon demonstrating a cancer operation.

No reader of the Committee's reports can doubt the true source of the "un-American and subversive activities" which the Dies Committee was directed to investigate or the real authors

of the menace to civil liberties and constitutional guarantees in America. The LaFollette Committee concludes its account of the terroristic activities of company police by saying:

"On the economic front, the use of private deputies in anti-union campaigns is inimical to the maintenance of orderly government. It leads to (a) private usurpation of public authority; (b) corruption of public officials; (c) oppression of large groups of citizens under the authority of the state, and (d) perversion of representative government."

For those who need to be convinced that native fascists are a real menace in America today, the report on the conduct of Tom Girdler's hired thugs during the strike at the Berger Manufacturing Company, subsidiary of Republic Steel, should be made required reading. One of their assaults upon peaceful strikers and innocent bystanders was described by an eye-witness, the business agent of the local milk-drivers' union:

"It was just about the bloodiest scene possible of enactment in America, I believe; at least in peace times. . . . I saw women struck with those iron bars just as mercilessly as though they were men. I saw a group of school children across the street running around in a panic, scared, crying at the top of their lungs because they were frightened out of their wits by this tear gas shooting that was going on all around them. These guards were rushing around the people, and beating the people to the brick pavement, and then beating them after they were down."

Girdler himself, when called to the stand, completed the picture of America's Number One fascist when, asked whether he had read the testimony about the murderous activities of his thugs, he said: "I don't say I didn't read it, but if I did it made no impression on me because I don't remember."

The LaFollette Committee, despite frequent hesitations and temerity, has performed a signal service to the cause of civil liberties by publicizing the violence and terror which Tom Girdler and others of his ilk are daily unleashing against the labor movement. Beyond that, its hearings have given a direct impetus to labor organization.

Two instances may be cited. It was the Committee's exposure of the reign of terror in Harlan County that led directly to the capitulation of the coal operators and forced them to sign an agreement with the United Mine Workers. Its investigation of the Memorial Day Massacre in Chicago played no small part in activating and uniting the workers politically and in influencing Mayor Kelly to admit his mistakes and come forward for the defense of the New Deal and organized labor in Chicago.

It is important that the Committee rapidly complete its remaining reports and introduce legislation to outlaw the practices which it has disclosed. Such legislation should, among other things, prohibit labor espionage, the use of industrial munitions, company police and strikebreakers by imposing heavy criminal penalties upon employers who resort to the use of violence and treachery against labor.

But the Committee must not be permitted to pass out of existence with the completion of these tasks. Work even more important than that which it has performed in the past remains to be done. As the reports which it has issued note in passing, Wall Street is forging new and more dangerous weapons with which to attack the labor and progressive movement. Espionage, company police and professional strikebreakers are being supplemented or supplanted by new techniques. Partly because of the work of the Committee and more important because of the growing strength, unity and political consciousness of the workers and progressives, these crude methods no longer suffice.

Therefore, the reactionaries employ unbridled Red-baiting, create division within labor's ranks, incite race hatred, and provoke



farmers against workers. They seek by all means at their command to split the growing democratic front and to build a force which will serve monopoly capital far more effectively than the private mercenaries whom they have used in the past.

For this purpose reaction organizes, encourages and supports fascist groupings like the Associated Farmers of California, the Nazi Bund, the Coughlin movement, the revived Ku Klux Klan, the Silver Shirts, vigilante groups and phoney "citizens' committees." It is imperative that the LaFollette Committee be kept alive to expose and counteract these new and deeper threats to democracy and progress.

At the time Senator LaFollette received his last appropriation from the Senate, he agreed that he would make no further request for funds. He is therefore precluded from asking for more money himself. However, there is growing pressure, both within the Administration and from A. F. of L. and C.I.O. unions, particularly on the West Coast, for the continuance of the inquiry. It is also said that Secretaries Wallace, Ickes and Perkins are eager to have the Committee go on. Vice-President Garner will, of course, do everything in his power to prevent it in order that his stooge, Dies, may have a clear field in which to continue his subversive work. However, if sufficient pressure is exerted on the Senate, the chances are excellent that additional funds will be appropriated.

It is important that messages be sent at once from trade union organizations and progressive groups demanding the continuance of the Civil Liberties investigation. These should be addressed to the majority leader, Senator Alben Barkley, as well as to local senators and to Senator James Byrnes, Chairman of the Committee on Audit and Control, which will ultimately have to pass on any request for added funds.

At the same time, labor and the progressives should urge U. S. Attorney-General Murphy and the Department of Justice immediately to indict and prosecute all reactionary and subversive groups and organizations which have already been disclosed or investigated by the LaFollette Committee.

## Cotton

With cotton exports down 43 per cent below last year and more than 11,000,000 bales now being held by the government, Congress is turning its attention to cotton legislation. The effect of the loan program has been to hold cotton prices above the world level, thereby discouraging exports.

Wallace has now proposed that cotton exports be subsidized, just as wheat is being subsidized, in order to move it into the world markets.

S. 1303, introduced by Senator Smith (S.C.), has been reported out by the Senate Committee on Agriculture. Senator Norris openly voiced alarm over that feature of the Smith bill which would allow planters to reclaim loan cotton at 3 cents a pound in exchange for an equivalent reduction this year.

It is estimated that Cotton Ed's measures would return about 4,000,000 bales of cotton to the planters and growers. This is about one-third of the usual annual cotton production, and since there are 1,627,132 sharecroppers and tenants in cotton, the effect of the bill would be to displace as many as 500,000.

Cotton Ed's bill carries no provision protecting the sharecroppers and tenants against eviction. Scenes such as that in Missouri where thousands of sharecroppers lined the highways would become general throughout the South.

The major benefits would go to big planters like Cotton Ed himself. The small owner-operators numbering more than 560,000 would not benefit nearly to the same degree as the big planters since variable costs (mainly labor) are a relatively small percentage of their total costs.

Only the large planters having cash on hand would be able to readily avail themselves of the 3 cents offer. The bill makes no provision for allowing small growers to defer payment until they sell the cotton.

Smith's bill also calls for parity payments of as much as 5 cents a pound to bring the price up to at least 75 per cent of parity; if other crops are receiving more than 75 per cent of their parity prices, then the Secretary is instructed to bring cotton up to a level "as nearly equal to parity price as the returns to producers of corn, wheat, rice, or tobacco."

The total cost of the Smith bill hinges upon the price situation. Witnesses before the Senate Committee estimated the cost at between \$150,000,000 and \$300,000,000.

Smith's bill makes no provision for turning over any cotton to the Federal Surplus Commodities Corporation during the period of the next fifteen months. It specifies that after July 1, 1940, any cotton remaining from the 1934 crop shall be turned over to the Federal Surplus Commodities Corporation, but that not more than 500,000 bales may be given to the needy.

Instead of shuffling cotton back and forth between the government and the planters while the sharecroppers and tenants are forced out on the highways, Senator Connally of Texas proposes in S. 1139 that 1,600,000 bales of cotton be immediately turned over to the F.S.C.C. and that the W.P.A. be authorized to convert this cotton into mattresses and other articles for distribution among families on relief.

Write your Senator and Representative today urging defeat of "Cotton Ed" Smith's Bill S. 1303 and expressing qualified support for Senate Bill S. 1139.

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## CONGRESSIONAL CALENDAR AND DIGEST, APRIL, 1939

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### KEEP FIGHTING FOR THESE!

*Anti-Lynching*, S. 845, Wagner-Van Nuys. See our February issue.

*Education*, S. 1305, Thomas of Utah. Supported by A. F. of L. and C.I.O. and all progressive educators.

*Farm*, S. 1098, Jones-Wheeler. Supported by Farmers Union. See our March issue.

*LaFollette Committee*. There is a new move, backed by the President, to continue the work of the Civil Liberties Committee. Give it all you've got. See article in this issue.

*Refugees*, S. J. Res. 64—Wagner—to admit 20,000 children.

See March Calendar.

### KEEP THESE ON YOUR BLACKLIST

*Relief*, H. J. Res. 151, Woodrum, to return relief to the states. Similar bill by Senator Vandenberg.

*Anti-Alien*, H.R. 3032, H.R. 3030, H.R. 3031, H.R. 3033. See calendar, March issue.

*Isolation*, S. 203 and S. J. Res. 19, King; H.J. Res. 3 and H.J. Res. 89, Ludlow; S.J. Res. 71 and S.J. Res. 23, Nye. See March issue.

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NATIONAL ISSUES



# CONGRESSIONAL CALENDAR AND DIGEST, APRIL, 1939

*(Continued from preceding page)*

## RELIEF

A second and strongly worded request from the President for a deficiency appropriation of \$150,000,000 must be acted upon at once if 4,000,000 people are to be saved from destitution. In response to the President's firm stand and the growing protests from every section of the country, Chairman Taylor of the House Appropriations Committee held hearings on his bill to provide these desperately needed funds. His demotion of the reactionary Democrat Woodrum from the post of acting chairman of the sub-committee opens the way for quick action. But the "economy bloc" and its program of economic sabotage are not routed. Vigorous and continued pressure on your own Congressman and on Chairman Taylor must continue until the funds are appropriated.

The immediate struggle for money to meet the spring emergency will be strengthened by organizing now for the next battle over the 1939-40 relief appropriation to maintain and extend the W.P.A. program.

In spite of certain seemingly progressive features, the Byrnes Bill (S. 1265), has been exposed by the Workers Alliance as a "dangerous bill opposed to the best interests of the nation" and as a part of reaction's strategy to curtail drastically the work relief program. Since the last issue went to press we have learned that the administration also is opposed to this measure. (See article in this issue).

Senator Wagner has introduced a bill (S. 1739) which would set up a joint board composed of representatives of existing agencies to stabilize and coordinate unemployment and public works programs, under the chairmanship of Secretary Ickes. This would seem to be a sound approach to the problem of integrating relief and work relief programs and planning a long-range public works program.

The reactionaries are using the weaknesses and inefficiency of the W.P.A. and P.W.A. programs as a smoke-screen for their attacks on the principle of federal responsibility for the unemployed, and as an axe with which to chop off needed funds for direct relief and work relief.

As was pointed out in the article by Roger Bacon in our last issue, we cannot support any attempt to separate development of a satisfactory long-range program from the question of assuring adequate funds to meet existing needs.

Oppose the Byrnes Bill, (S. 1265) which, among other reactionary features, would cripple the N.Y.A., C.C.C., F.S.A. and destroy the white collar projects. Demand that any program for 1939-40 prove its validity by providing sufficient funds to give every able-bodied worker a job. Watch for the administration proposals to revamp and improve the work relief and public works programs.

## SOCIAL SECURITY

The House Ways and Means Committee has not yet reported out its amendments to the Social Security Act. Old-age pension features are discussed in this issue. Write Chairman Doughton and your own Congressman, urging support of the Workers Alliance proposals for an old-age pension program of "Sixty Dollars After Sixty."

## HOUSING

Expansion of the housing program is still a key measure for recovery. Support the Wagner Bill (S. 591) as a minimum

measure. Write Senator Thomas and your own Senator for prompt and favorable action by the Senate Committee on Education and Labor.

## WAGNER ACT

Extremist attacks on the Wagner Act took the form this month of bills introduced in the House by Representatives Barden and Hoffman. These are propaganda to make it appear that the attack on the Act is very widespread, and should be exposed as just that, rather than fought as a serious threat likely to be carried out in the forms proposed by the authors.

For the present period the main danger is the Walsh Bill (S. 1000) and the key to the present situation is the Senate Committee on Education and Labor.

Workers in both A. F. of L. and C.I.O. unions have been mobilized in defense of the Act and are daily pouring their protests into Washington. Any relaxation in this campaign will weaken the vital negotiations for labor unity and will be taken as a signal for new attacks by the enemies of labor. The campaign must be broadened, and continued as long as Congress remains in session.

That the Walsh Bill was intended to pave the way for the more drastic Burke Bill (see March calendar) has been made plain by the fact that the National Association of Manufacturers has now come into the open with its campaign to destroy labor's bill of rights. Burke's maneuver in introducing petitions signed by "small business men" is transparently demagogic, since he is sending out N.A.M. material under his frank.

Senator Taft of Ohio has openly expressed his desire to mutilate the act, and has thereby made clear that opposition to the basic principles of the act will be part of the Republican program from now until 1940.

The main hope of the heads of the Republican National Committee, the N.A.M., and all those who would destroy the act, lies in disrupting the conferences out of which will come unity of labor. That is why they seek to force hearings on amendments.

Labor and its progressive friends can best defend the Wagner Act by protecting the A. F. of L.-C.I.O. unity conferences from outside disruption and by pressing everywhere the campaign for labor unity. This, together with continuing and vigorous protests against any tampering with the act, is the guarantee that labor in America will retain its democratic rights.

## UN-AMERICAN COMMITTEE'S UN-AMERICAN BILLS

The un-American Dies Committee has begun its legislative offensive against traditional American liberties.

An editorial in this issue discusses in detail the three bills introduced by Chairman Dies: H.R. 4909, H.R. 4907 and H.R. 4905.

Representative Dempsey of New Mexico, a member of the Dies Committee, has introduced H.R. 4860 to amend existing law so as to provide for the exclusion and deportation of aliens who advocate the making of fundamental changes in the American form of government, whether by peaceful or by violent means. This is clearly an unconstitutional measure.

Strong protests should be sent to the House Committee on Immigration and Naturalization, to which all of these bills except H.R. 4907 have been referred. Write Chairman Sumners of the House Judiciary Committee protesting against H.R. 4907.

*(Continued on next page)*



# CONGRESSIONAL CALENDAR AND DIGEST, APRIL, 1939

(Continued from preceding page)

## NEUTRALITY

President Roosevelt has twice called attention to the fact that the sharpening European crisis makes basic amendment or repeal of the Neutrality Act imperative for American national security. Sentiment in and out of Congress grows rapidly for a policy in line with the President's March 4 message to Congress.

This sentiment has not yet been adequately crystallized in the form of legislation adequate to the needs of the situation and bearing the stamp of Administration approval.

The Thomas amendments (S.J. Res. 67) represent a step in the direction of distinguishing between aggressor and victim nations. But this bill dangerously delays action to exempt the victim from embargo, by requiring the consent of both houses of Congress. It is a minimum improvement on existing law.

Senator Lewis of Illinois has introduced a new bill (S. 1745) to repeal the Neutrality Acts of 1935, 1936, and 1937.

Among the bills to be considered by the Senate Foreign Relations Committee is the one Senator Pittman has announced that he will himself introduce. This bill seems to us to have serious weaknesses. The thirty day delay after the outbreak of war is an anachronism under the conditions of modern warfare, and a dangerous one. The cash-and-carry provisions penalize the country with a weak navy and low funds, rather than the country which is guilty of aggression. This seems a particularly dangerous provision to enact into permanent law, and a curious distortion of the President's policy, to which he has given frequent and vigorous expression.

It is to be hoped that what comes out of the Senate Committee hearings will be a bill that unties the hands of the executive branch of the government, clearly discriminates between an aggressor and the victim of aggression, and leaves the President and the State Department authorized to pursue a firm policy in defense of democracy and peace—under whatever circumstances may arise.

The best way to assure this result is to pour into Senator Pittman's Committee letters and telegrams urging outright repeal of the existing Neutrality Law or basic amendments so as to penalize the fascist war-makers.

## HEMISPHERE DEFENSE

Strengthening of hemisphere defense is an integral part of a positive peace policy. An Administration bill, authorizing the Secretaries of War and of the Navy to "assist the governments of American republics to increase their military and naval establishments" has been introduced in the Senate (S.J. Res. 89) by Senator Pittman and in the House (H.J. Res. 207) by Representative Bloom. Write the sponsors of these bills, giving your active support and asking for immediate passage.

## SPAIN

Protests against the pro-Franco speeches of Senator Chavez, Representative Shanley of Connecticut and Representative McCormack of Massachusetts should be sent your own Congressman and Senator, together with a request that your Congressman speak up in defense of the Stimson doctrine and against recognition of the Burgos butchers. American diplomatic recognition must be withheld from the Franco regime of Mussolini and Hitler, and diplomatic pressure brought to bear to prevent

the massacre of hundreds of thousands of Loyalist defenders of Spain's liberty and democracy. Effective government aid must be immediately extended to the Spanish refugees and the right of asylum provided to all Spanish democrats and anti-fascists. Write or wire your Congressman about this today!

## HEALTH

Senator Wagner has introduced the National Health Bill (S. 1620) which merits the support of all progressives. It adopts the larger part of the report of the Interdepartmental Committee on Health and Welfare activities and has the support of the A. F. of L. and the C.I.O. Its main weakness is that the health insurance provisions are not complete. Write Senator Wagner and Senator Elbert Thomas of the Senate Committee on Labor and Education, urging immediate hearings and prompt passage. Wherever possible state legislatures should pass enabling acts, permitting them to take advantage of federal health aid. This can be done before the bill is passed by Congress, and will strengthen the fight for passage. Where it is not possible to pass state enabling acts, they should at least be introduced in the state legislature by title, and Congress memorialized to pass the Wagner Health Bill at this session. Broad campaigns organized around this popular measure will build and strengthen the democratic front and win it new allies for other struggles.

## FOOD TICKETS

The Federal Surplus Commodities Corporation has announced a new program for distributing surplus food to the needy. No legislative action is needed, but Administrative problems are causing some delay and the plan has not yet gone into effect. It will be tried experimentally in six cities, and later, if sufficient support develops, extended.

The plan is briefly this: persons eligible to participate can receive that part of their relief check normally expended for food in the form of orange-colored tickets. These tickets are exchangeable at local grocery stores for any kind of foodstuff, except liquor or candy, and at current market prices. With every dollar's worth of orange-colored tickets, goes 50c worth of blue tickets. The latter are exchangeable at the grocery for food products which the Secretary of Agriculture has designated as "surplus."

Thus needy W.P.A. workers and relief clients will be able to increase their food budget by 50 per cent. It is hoped that the consumption of food will increase, health standards rise accordingly, and farmers benefit by finding a larger market for their crops.

Officials now hope to include all recipients of government assistance in their program—those under Social Security or receiving local relief, as well as those on the W.P.A. rolls. However, they say it may be necessary to begin the experiment by limiting it only to W.P.A. workers.

Reactionaries are finding it difficult to attack this program, but don't like it. It will be more rapidly extended to other cities and all needy groups if it has strong support among the people and their organizations. Write Milo Perkins, of the Federal Surplus Commodities Corporation, telling him you approve of the experiment as a temporary plan to supplement relief and W.P.A. income, but that you are opposed to using this plan as a substitute for present wages or increased relief and W.P.A. wage standards.