

August 1939

# National Issues

A SURVEY OF POLITICS AND LEGISLATION

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BY GENE DENNIS

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BY ADAM LAPIN

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BY HARRIS and ALLEN

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## SEPTEMBER NUMBER

A SPECIAL ISSUE REVIEWING THE FIRST SESSION OF THE  
76TH CONGRESS

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SUMMARY OF MAJOR LEGISLATION ENACTED BY CONGRESS • HOW  
THEY VOTED—THE VOTING RECORD OF EACH CONGRESSMAN • THE  
PARTY LINE-UP IN CONGRESS • ALSO: THE MUNICHMEN AT WORK •  
TWENTIETH ANNIVERSARY OF THE COMMUNIST PARTY OF THE  
UNITED STATES • THE DIES COMMITTEE SEES RED • STASSEN'S  
"LIBERALISM" • HEIL WISCONSIN.

## NATIONAL ISSUES: A Survey of Politics and Legislation

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# After Congress Adjourns—Editorial Article

BY GENE DENNIS

The first session of the infamous 76th Congress is drawing to an end. Barring sudden developments, the gentlemen on Capitol Hill are preparing to run out on the people at the beginning of August.

As a fitting climax to the seven months violation of the people's will, the reactionaries in Congress are on an intensive rampage. They are striking heavy blows at the national and social security of the country.

Congressional action in July is typical. It characterizes what is happening. It symbolizes the policy and objectives of the Garner-Vandenberg-Taft "economy" bloc which so far has succeeded in blocking enactment of a positive American peace policy and in sabotaging economic recovery.

Operating in the spirit of Hoover, of pro-fascist reaction, this anti-Roosevelt coalition of Republicans and tory Democrats chalked up the following thirty-day record: It passed the Woodrum-Taber starvation relief bill. It prevented neutrality revision and blocked an embargo on Japan. It filibustered against the anti-fascist monetary program of the Administration. It adopted the pernicious, undemocratic Hatch bill. It set up the anti-labor Smith investigating committee to smear the N.L.R.B. and the New Deal. It put across in the House the un-American Smith omnibus alien and sedition bill. This is a skeleton outline of what Congress "accomplished" in less than thirty days, employing dictatorial methods of conference committees, gag rule and filibuster technique.

Now the Congressional representatives of Wall Street are out for more blood. They are trying to hamstring the President's new lending-spending program which, despite its inadequacies, is a progressive step toward promoting recovery. They are gunning for the Wages and Hours Act. They are trying to cripple in conference committee

the amendments adopted by the Senate for partially liberalizing the Social Security Act. And in the rush of adjournment they are preparing to smuggle through a number of the vicious alien and sedition bills sponsored by Dies, Reynolds and Garner.

That the tories will succeed in their immediate objectives is by no means a foregone conclusion. If the Administration leaders in Congress, if the progressive New Dealers, would exercise more democratic statesmanship and less "clever politics," they could rally not only the progressives in Congress, but also the middle-of-the-road Democrats. They could even create a breach in the Republican ranks. This they could do if they would call a spade a spade, adopt aggressive, fighting tactics and militantly carry the issues to the people.

If this were done, the reactionaries who are now riding high in the legislative saddle would be taken for a fall. Congress could be held in Washington until it met at least a few minimum demands of the people.

Despite the anti-New Deal coalition, given leadership from the Administration and greater organized activity and unity on the part of the people, it would still be possible to enact the following measures before Congress goes home: to repeal the pro-Hitler automatic arms embargo and to place an embargo against military-fascist Japan; to revise the Woodrum W.P.A. Act so as at least to restore the W.P.A. program, wages, hours and working conditions to the 1938 level; to enact in full the President's recovery proposals embodied in the Barkley-Steagall bills, supplementing this with a \$500,000,000 appropriation for P.W.A., with the passage of the Wagner Housing Bill, with the enactment of the Mead bill to aid small business and the adoption of anti-trust legislation along the lines proposed in the O'Mahoney bill; to pass the LaFollette



Oppressive Labor Practices Act and the Wagner anti-lynching bill; and to scuttle once and for all the menace of the alien and sedition legislation which threatens to undermine American democracy.

To carry through this limited program, which is imperatively required to promote the common welfare and to safeguard our country from fascist aggression, it will be necessary to bring the people into action as never before. It will be necessary to arouse and unite labor, the farmers and the progressives to bring maximum pressure on Congress, to make the voice of America respected in the halls of Congress as the Communist Party has been urging.

And the people want to act. They are in a fighting mood. They are becoming outraged at the betrayal of their interests by the Hoover Republicans and Garner Democrats. They want to advance the struggle for jobs, security, democracy and peace.

This is the meaning of the developing strikes and protest actions sweeping the country in defense of W.P.A. This is the significance of the growth of joint and parallel actions between the A. F. of L. and C.I.O. in city after city around the issues of W.P.A., health, housing, the Wagner Act, Wages and Hours legislation, and civil liberties.

This is the driving force which is spurring on the peace movement to demand that Congress shall not adjourn until it revises the unneutral Neutrality Act and enacts legislation to curb the warmaking aggressors, to protect American national interests and to help prevent new Czechoslovakian and Spanish crises which the Chamberlain Munichmen are now organizing in the Far East and Central Europe at the expense of their own people, China, the United States, the Soviet Union and the rest of the world.

This is the reason too why the progressive youth of America are rallying more firmly around their American Youth Congress and why labor and liberals representing all sectors of public opinion are organizing emergency conferences in Washington, Los Angeles, Philadelphia, New York so that the shame and tyranny of alien-sedition legislation shall not besmirch our statute books and destroy the Bill of Rights.

Above all, the temper of the people and their immediate political aspirations find expression in the draft-Roosevelt movement which is bringing together the common people in a mighty popular crusade to defeat reaction, to maintain and extend the New Deal.

The force and scope of labor's strength and the democratic movement are hampered and weakened, however, chiefly by the treacherous policy of the Benedict Arnolds within its own ranks. It is the divisive and disorganizing activities perpetrated by the Greens and Wolls, the Norman Thomases and Waldmans, the Trotskyites and Lovestoneites that so tragically damage the people's cause.

This Fifth Column in the democratic camp which prolongs the split in the labor movement and places obstacles

in the way of popular unity of action is the single most important factor responsible for the setbacks which the people have received in Congress. Its disruptive role jeopardizes not only the present but the future of democratic America. And its isolation and rout, and the achievement of unity of action of labor and the progressives, are the key to defeating the pro-fascist orientation of the Garner-Hoover coalition in Congress and to blocking the road to fascism and war.

\* \* \*

Inevitably as Congress prepares to adjourn and to go on a strike against the people, the idea is being put forward of convening a special session of Congress. Whatever Congress may do in its closing days the need of such a session is evident. Because the basic needs of the people yet have to be answered in a positive manner. Because the spread of fascist aggression and war must be halted.

But if a special session is to be convened, and it should, it must be prepared for. And this is the task not only of the Administration and the New Deal Congressmen, but also of the people. A special session of Congress can only be effective in terms of the country's welfare to the degree that the people's movement, especially labor, is better organized, united and vigilant.

A vital part of the preparations for a special session should be to drive home the main lessons of the first session and to defeat the strategy and tactics of reaction.

This means that the progressives should place squarely before the electorate the fact of who is responsible for what happened in the present session. They must show that the Republicans, working in alliance with the anti-New Deal Democrats, operated in the main as a solid unit carrying out the policies of Hoover, the N.A.M. and the U. S. Chamber of Commerce.

They should make clear, on the basis of current Congressional developments, that the harvest of November last is being reaped, that the strengthening of the Republican columns in both the House and Senate has borne its logical fruit. For this has emboldened pro-fascist reaction. This has made possible the extension of the anti-New Deal coalition which operated in the 75th Congress and transformed it from a minority opposition bloc into a powerful tory coalition, momentarily able not only to obstruct progressive legislation and an anti-fascist peace policy, but powerful enough to engineer sweeping frontal attacks against the Administration and the people which jeopardize the foundations of American democracy.

Moreover, the progressives should bear in mind that if the "economy" bloc, the anti-Roosevelt coalition, is not to obtain reactionary victories in a special session, or in the next regular session of Congress, then, among other things, a breach must be created within this coalition.

Can this be done? Certainly. If systematic public pressure is brought to bear on the Republicans coming from the



North and Middle West, they can be forced to retreat and some can even be broken away from the Hoover line. If concerted mass pressure is also brought to bear on the some fifty or sixty wavering middle-of-the-road Democrats who in the recent period have been intimidated, confused and partially influenced by the Garner crowd and the Dies Committee, then the tory coalition can be further weakened and the progressives in Congress greatly strengthened. To accomplish this means that labor and the progressives must get to work now in every Congressional district, in every ward and precinct, and bring the issues before the people and mobilize them for united action.

Outstanding among the central lessons which should be spoken about plainly, in addition to the cardinal question and task of achieving labor and progressive unity which we have already indicated, is the problem of really arousing the people against the dangers of red-baiting and anti-Communist propaganda. Many progressives are beginning to succumb to the red scare. They are thereby abandoning position after position to the tories and helping promote reaction's game for 1940.

And just what red-baiting and the anti-Communist campaign mean for America should be clear by now to any intelligent person. If the lessons of Germany and the aims of the so-called "Anti-Comintern Alliance" of the Axis powers are still "foreign" to many sections of America's liberals, then at least the costly experiences of the present session of Congress should suffice.

The slogan "Remember the Woodrum Bill" should become a political watchword in every home, union, farm group, church, club, civic and progressive organization. For here is a measure which was sold to Congress as an instrument for combating the Communist Party and the "reds" in the Workers Alliance. Now even the blind can see that in reality this so-called anti-Communist legislation struck at the very heart of America, dealt heavy blows directly at over two and one-half million W.P.A. workers and put brakes on the wheels of economic recovery.

Then there is the notorious Dies Committee and its un-American companions, the Woodrum W.P.A. investigating committee and the Smith committee to investigate the N.L.R.B.—all of which are directed ostensibly at "subversive influences" but in reality are stalking the New Deal and the labor and progressive movement to prepare for a reactionary victory in 1940. There is also the Hatch Bill, supposedly aimed at eliminating graft and corruption in elections and for barring from federal office persons who advocate the overthrow of the government. This bill actually aims to bar from political activity tens of thousands of progressive New Dealers and seeks to curb further the political rights of W.P.A. workers and all Federal employees.

The strategy and tactics of the red-baiters should be exposed and combated for what they are: reactionary and fascist propaganda and activity designed to confuse and

split the labor and progressive movement, especially the democratic majority which supports the New Deal. It is a typically Nazi subterfuge and maneuver which develops its attack on Communists, "near" Communists, and Communist "ideas" as the springboard for attacking and destroying civil and trade union rights, living and social standards, and thereby democracy itself.

The progressives should make clear to the nation that the reactionary policy pursued by the coalition of Hoover Republicans and Garner Democrats in domestic and foreign affairs is not simply "a reactionary trend." It is this and something more. It is part and parcel of the pro-fascist offensive of monopoly capital. It is a part of the efforts of the American Munichers to steer the United States into active collaboration with the Rome-Berlin-Tokio Axis. It is a phase of the drive toward fascism in the United States inaugurated by the economic royalists, by the Morgans, Rockefellers, du Ponts, Fords and Girdlers.

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These and allied questions should be brought to the forefront as public discussion develops around the lessons of the first session of the 76th Congress. And this will help prepare in a new way for the next session of Congress, as well as for the decisive battle of 1940.

While organizing for a special session of Congress, labor and the progressives should likewise take into account that reaction will not take a recess with the adjournment of Congress. A renewed, extra-parliamentary offensive against the living standards, political and union rights of labor, the farmers and Negro people can be expected in the coming months.

Labor and the progressives generally need to be doubly on guard. Unity of action in the shops and mills, relief projects and farms, cities and towns, should be speeded up. And in this connection, Labor Day should become the occasion for a nationwide mobilization of the unity of the common people: of the A. F. of L., C.I.O., Railroad Brotherhoods and the Workers Alliance; of the small business men and professionals, the toiling farmers and the Negro people.

For in this way, through the concerted action of the main forces of democracy and peace, the life, liberty and happiness of the American people will be preserved, and national and social security will be won.

IN THE SEPTEMBER ISSUE



HOW THEY VOTED

THE RECORD OF EVERY MEMBER OF  
CONGRESS ON MAJOR ISSUES



# Lending-Spending for Recovery

BY ROGER BACON

The President's three and a half billion dollar program to create jobs and stimulate recovery is now in the center of the stage on Capitol Hill. Through this program, the Administration proposes to invest some of the money which Wall Street refuses to invest—in some of the places where lack of private investments is doing great damage. By coordinating action in a number of depressed areas, the New Deal is taking a step, though inadequate, towards the sort of integrated program which alone can bring prosperity to the American people.

Propaganda against the program centers about the charge of Republican House leader Martin that it is "just a glorified presidential pork-barrel bill." Old Dealers argue that it is merely a bookkeeping trick to set up separate accounts of self-liquidating projects; that they would "further" weaken government credit, and, anyhow, that they wouldn't really be self-liquidating.

But the fact is that recent Federal borrowing has not weakened the government's credit, as shown by the new low interest rates on government bonds. With large idle banking hoards searching for investment and with finance capital on a strike against recovery, there is plenty of room for further increases in the government debt.

The President has brilliantly explained how most of the recent increase in the Federal debt balances assets of the government in the form of public works which are of great value to the people and which indirectly increase the national income. When government projects are self-liquidating, the expenditures are balanced not only in terms of value received by the people, but also in terms of cash received by the government. Public self-liquidating projects strive only to earn the interest and amortization on government bonds, while comparable private projects must yield monopoly profits or be accounted financial failures. Since the projects in the present program are all similar to enterprises which are or have been profitably operated by private capital, they have excellent prospects of achieving the more modest financial objective of being self-liquidating.

The program, first advanced by the President in a letter to Senator Byrnes, is now before Congress in identical bills introduced by Senator Barkley and Representative Steagall. Sections of the program would be operated by various government agencies. Most of the projects involve long-term loans at a rate of interest probably under 2.5 per cent.

A vital part of the bill is the provision that the Reconstruction Finance Corporation, *at the direction of the President*, shall issue notes or bonds to finance the projects. Thus the President and the various operating agencies will have practical control, while the R.F.C. will perform merely mechanical operations. That agency already has funds

and power to inaugurate projects similar to some of those provided for in the bill, but under the guidance of Jesse Jones has failed to do so. Mr. Jones, in his testimony on the bill before the Senate Committee on Banking and Currency, was unable to conceal his complete lack of enthusiasm for it. He will try to kill this bill as he killed the Mead Bill for small business at this session. There is considerable danger from reactionary attempts to sneak in amendments which will give Jones all or part of the real power and enable this Garnerocrat to sabotage the program.

Concretely, the program, which embodies the principles of government aid to stimulate private enterprise, jobs and economic recovery, consists of the following sections:

## A. Public Works

The New Federal Works Agency, operating through the old P.W.A., would handle loans to municipal governments for hospitals, water works, and similar projects, and would directly construct toll roads and bridges.

This section of the program means jobs to construction workers, who have suffered most severely from unemployment, and more business for the construction and building materials industries, which remain at a low level of activity. The inclusion of hospitals is especially important, in view of Congress' failure to act on the Wagner Health Bill, which would have permitted the construction of hospitals by the Federal government.

Demagogic opponents of the measure are objecting "on principle" to toll roads and bridges. The fact is that state and county governments have greatly reduced their expenditures on highways during the last decade, and most road construction has been carried out only with the aid of Federal grants. Through construction of toll roads, the Federal government can provide needed facilities and at the same time get back the money invested. The only difference to motorists will be that instead of paying for the roads through higher gasoline and vehicle taxes to state governments, they will pay for the roads through tolls to the Federal government.

The total allotted for both types of projects under the Federal Works Agency is \$1,100,000,000, of which only \$300,000,000, according to the President's estimate, would be spent in this fiscal year. Since activity under the 1938 Public Works program of \$1,400,000,000 has already passed its peak, such a small sum will not prevent a reduction in Federal public works activities. Therefore, passage of this section of the President's program should not prevent enactment of a separate really large-scale program of public works, especially when it is considered that Congressional circles had anticipated a public works ap-



appropriation of at least \$500,000,000 for the new fiscal year.

### *B. Railroads*

The R.F.C. itself would spend \$500,000,000 to purchase new equipment and recondition old equipment for rental to railroads. This section will also stimulate depressed capital goods industries, especially the steel industry and the nearly idle makers of railroad equipment. The form of this proposal is an improvement over the old method of direct R.F.C. loans to railroads with little restrictions on how the railroads were to spend them. Over half a billion R.F.C. railroad loans are outstanding, and much of this sum will never be repaid.

The dominant railroad magnates oppose this section, partly because it would mainly benefit the weaker roads. They also fear that government rental of equipment if properly administered will be a first step towards government ownership of the railroads. But this can only be a favorable aspect of the proposal to those who wish to solve the railroad problem in the public interest. To move further in this direction and to protect the government's investment in equipment, rentals should be guaranteed by a first lien on all properties of railroads using the equipment. Railroad opposition has an additional motive.

That is why tory Democrats, Republican Senators and Jesse Jones seek to amend the bill to permit loans for re-financing purposes. Their proposal, as formulated by Mr. Jones, would enable the railroad managers to use the loan proceeds to retire outstanding indebtedness, thus substituting low-interest government loans for high interest private bonds. This would do nothing to stimulate employment, while its main effect would be to increase market valuations of the railroads' watered capitalization. While railroad bondholders, in the first place small investors, should receive reasonable compensation for their depreciated securities, this can be accomplished in the interests of the people only in connection with government purchase of the railroads.

### *C. Agriculture*

The Department of Agriculture would handle nearly a billion in addition to previously allocated funds for rural electrification and for Farm Security Administration loans to tenant farmers and sharecroppers.

The Farm Security Administration has been of real assistance to poor farmers, in spite of extremely small appropriations. Tenant farmer and sharecropper recipients of rehabilitation loans have begun to live like human beings, while 7,000 former tenants now own their own farms under the tenant purchase program. F.S.A. borrowers are consuming more commodities, and already nearly 200,000 of their children have been enabled to go to school for the first time through the improved economic status of their parents. F.S.A. operations have been a marked financial success. Losses from rehabilitation loans will be very small, and repayments made on tenant purchase loans

have exceeded installments due by 30 per cent.

By multiplying the scale of F.S.A. activities, the new bill can be a real stimulus to our chronically depressed agriculture, and especially to the rural South. It will help the South not only by increasing borrowers' purchasing power, but help break down the ruinous one-crop system. It will help the capital goods industries through orders for construction materials, farm machinery, etc.

The bill allocates \$600,000,000, including about \$100,000,000 balance from previous appropriations, for aid to tenant farmers. The Administration plans to spend \$350,000,000 during the first year. If two-thirds of the investments are for tenant purchase loans, less than 50,000 tenants would be enabled to become farm owners each year. This would barely counteract the annual downward drift of 42,000 farm owners to tenant status. To finally solve the problem of our two and a half million tenant farm families, action on a much larger scale will be necessary.

The President's message anticipated very small Rural Electrification expenditures during the current fiscal year, with a marked expansion later on. This reflects the need for a successful campaign against the sabotage and false propaganda of private utilities, which attempt to prevent development of cooperative power plants among farmers.

### *D. Foreign Investment and Trade*

The bill allocates an additional \$100,000,000 to the Export-Import Bank for loans to foreign countries. This is a sharp cut from the President's original proposal for an allocation of \$500,000,000, including \$200,000,000 in the current fiscal year. The reduction represents the first success of reactionary attacks on the program which were concentrated on the foreign lending section when the plan was first announced. The loans will probably be concentrated in Latin America, as were previous loans through the Export-Import Bank. Their proceeds will be used to purchase U.S. equipment and materials for the industrialization of those countries. This will directly stimulate the capital goods industries, and will have even more important long run effects on promoting American foreign trade.

By helping industrialize Latin America, such loans will help to raise the purchasing power of Latin Americans to the point where they will provide a broader market for American goods. The possibilities for expansion of foreign trade may be seen by noting that Canadians, with their relatively well-developed industries and high standard of living, import from the United States six times as much per capita as do Latin Americans.

Because of their purpose and terms, these loans will have every chance of being repaid. They cannot be compared with the old Wall Street loans to foreign governments, on which there were so many defaults. Those loans were used not to build up the countries, but to keep them in a semi-colonial state, and to strengthen Wall Street's grip on their economic life. Interest rates were high and



cuts were taken out of the loans by bankers' profits and by graft to corrupt officials of the borrowing governments.

But even if not a cent were repaid on the New Deal loans, they would be as useful as an equal expenditure on battleships. The Administration foreign loan policy—in the limited extent to which it has been attempted—has been used to strengthen the democratic forces in the borrowing countries, and to weaken the influence—economic and political—of fascism. This policy, applied mainly in Latin America, increases our national security in a way which should be plain even to the "hemisphere isolationists." However, we find the same gentlemen who sabotaged national security on the neutrality issue opposing the Administration foreign loan program.

Everything stated above for Latin America applies with even greater force to China. Not only should the amount available be restored at least to the President's proposal, but a special appropriation in the hundreds of millions should be made for long-term credits and industrialization loans to China. The trivial scale of the hundred million dollar project can be seen when it is compared with Wall Street investments of U.S. capital in foreign countries during the twenties, which averaged a billion dollars per year. (They have been virtually extinct for years.)

#### E. Housing

Part of the President's program, but covered in separate legislation which has already passed the Senate (Wagner Housing Bill S. 591), is an additional \$800,000,000 appropriation for the U.S. Housing Authority. If passed without cuts, it will make possible a considerable expansion in that agency's slum clearing program. But it still falls far short of the scale needed to rehouse America, and to take up the big slack in residential building construction.

Analysis of specific sections of the program shows how each is a needed aspect of an integrated recovery drive. At the same time, it becomes clear that each section falls far short of breaking the log jam created by the failure of private capital to operate in the depressed sections of the economy. Taken as a whole, the Barkley-Steagall bill provides for newly authorized investment of \$2,660,000,000, and the separate U.S.H.A. bill for another \$800,000,000. This would only provide jobs for 500,000 workers annually. The rate at which this shall be spent is not specified in the legislation, but President Roosevelt, in his letter introducing the project, estimated that \$870,000,000 would be invested the first year, exclusive of housing projects. But the T.N.E.C. hearings brought out the fact that capital investments must be increased by \$10,000,000,000 per year to restore the 1928-29 national income.

Thus the new program provides for only a fraction of the activity needed. It also lacks effective measures to curb the monopolies and the big banks which are at the center of the sit-down strike of capital. So long as the New Deal recovery programs omit such measures, they will be battling

the current of increasing Wall Street sabotage. During the past fiscal year the Chase National Bank, the largest in the world, reduced its outstanding loans from \$654,000,000 to \$575,000,000, and increased its cash holdings from \$801,000,000 to \$1,208,000,000. Thus the idle funds held by this one bank increased during the year by nearly half as much as the total amount of idle money which the new recovery program will invest during its first year.

*These shortcomings mean that the Administration program should be regarded as only a part of the program needed for substantial and lasting recovery. Vigorous support for the Administration program should be accompanied by continued campaigns for housing and public works programs of several billion annually, for decisive anti-monopoly measures, especially government ownership of the railroads and of the three dominant financial and banking houses: Morgan, Kuhn-Loeb and Rockefeller.*

The lineup in Congress on the Administration bill is similar to that which has developed on other major issues. However, because of the self-liquidating nature of the projects, many of the wavering Senators and Representatives are sympathetic to the measure, sections of which will probably pass if it reaches the floor of Congress. Reactionaries place main reliance on knifing the bill through wrecking-amendments and through attempts to stall it in committee until adjournment. Thus Senator Adams of Colorado, one of the leaders of the Garner-Vandenberg "economy" bloc, announced his "support" of the measure shortly after the President's message. But after Senator Barkley introduced the bill embodying the President's program, Adams urged long "study" of the projects in subcommittee, and protested against expeditious full committee procedure arranged by Senator Wagner, chairman of the Banking and Currency Committee.

President Roosevelt's belated but vigorous drive to force Congressional action on the lending-spending program before adjournment has speeded up action in the House Committee on Banking and Currency where the most serious danger of killing-delay exists.

The labor unions, their immediate attention centered on revising the Woodrum W.P.A. Act, have not been as yet sufficiently active in pushing the recovery program. Their aid together with active support from farm, civic, and liberal groups is needed to insure its passage and to prevent weakening amendments.

Organized pressure from farm, labor and unemployed and other progressive organizations is especially needed to obtain increases in the size and breadth of the new recovery program. While a substantial bloc in the House of Representatives is backing a supplementary P.W.A. appropriation, and while individual Senators are pushing liberalizing amendments (\$100,000,000 in loans for school construction by Senator Mead; \$85,000,000 for self-liquidating reclamation projects by Senators Clark and O'Mahoney), they are not likely to succeed without wide popular support.



# Congress Embargoes Peace

BY ADAM LAPIN

Peace is one of the central issues confronting the country today. It will also be a decisive issue in 1940—perhaps *the* issue. That was made further inevitable when a reactionary bloc, led, directed and inspired by the Republican Party, imposed an embargo against peace as the crowning achievement of the first session of the 76th Congress.

When the death knell of the Administration's drive to revise the Neutrality Act was sounded by Congressional leaders at their White House conference, President Roosevelt and Secretary Hull solemnly warned "that the failure by the Senate to take action now would weaken the leadership of the United States in exercising its potent influence in the cause of preserving the peace among the nations in the event of a new crisis in Europe between now and the first of January."

That was a mild and diplomatic way of putting it. What Congress did was flash the go-ahead signal to Hitler and Mussolini. With Olympian impartiality, it served notice that the United States would continue to deny the materials of war both to the heavily armed aggressors and to the unarmed victims of aggression. Hitler was told that his next victim could not count on a single gun or a single round of ammunition from the United States. It was a fitting proclamation from a fascist-minded Congress that wrecked the W.P.A. program and attacked every social reform of the New Deal.

Will Hitler march into Danzig per schedule this month? Will he change his plans and attack Rumania first? Will Japan launch a new Far Eastern diversion with increased attacks against American and British interests in China? The exact move cannot be predicted. What we do know is that Congress tilted the precarious balance of international affairs toward war. And we know this too: we know whom to blame and where to place responsibility should another world war break out between the first and second sessions of the 76th Congress.

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Perhaps more than on any other single issue, the Republican Party must accept direct responsibility for the Congressional embargo against peace. On relief, as on most domestic policy, the Republicans were content to take the back seat in public. They permitted the tory Democrats to act as their strategists and their front men. Of course the solid Republican phalanx of votes, particularly in the House, was decisive in every case; but the Republicans allowed their Democratic allies to make the speeches and hog the limelight. On the issue of peace, the Republicans came to the fore. As always, they had the aid of their

faithful friends in the majority party, but this time the Republicans led.

In the House it was Hamilton Fish who led the isolationist bloc which passed the Vorys amendment to the Bloom bill re-enacting in effect the iniquitous arms embargo in the present law. The Republicans had on their side a significant number of tory Democrats including three of the six Democratic ax-men on the Woodrum Committee. Two of the others did not vote, and only one voted against the Vorys amendment; making a score of three to one against peace. But the fight was led by the ranking Republican member of the House Foreign Relations Committee, and the decisive vote took place on an amendment introduced by another Republican member of the committee.

This held true in the Senate as well, where the leading members of the isolationist bloc were for the most part Republicans such as Nye, Borah and Vandenberg. All this is not, however, intended to take away due credit from the tory Democrats on the Senate Foreign Relations Committee who cast the balance of power vote for shelving the peace issue. Senators George and Gillette earned their own little niche in history for placing party politics above the peace and security of their country.

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More important than the titular leadership of the Republicans was their ideological leadership of the tory-isolationist bloc. They followed a consistent policy which closely parallels that of the British Tories.

In a speech before the Institute of Public Affairs at the University of Virginia, Earl Browder, General Secretary of the Communist Party, warned that victory for the Republicans or the Garner Democrats in 1940 would probably mean that the United States would be forced to "repeat in all its gruesome details the tortuous course over which Chamberlain has dragged Britain."

Of course Hoover and his associates long ago put the stamp of their approval on Munich. Even now when Chamberlain himself claims to have deserted appeasement, they are sticking by their guns. As late as July 20, William R. Castle, Hoover's Under-Secretary of State, said: "Chamberlain, I am convinced, could have done in Munich only what he did." Castle, it will be noted, is now retained by the Republican National Committee as its official expert on foreign policy.

But the Republicans and their allies have gone far beyond academic approval of Munich and its consequences.



They are pursuing an active policy which points in exactly the same direction.

Even a number of conservative observers have agreed with the Communists and with the progressives generally that one of the driving forces behind Chamberlain's appeasement policy was and is the fear of the British ruling class lest Hitler be overthrown, lest people's front governments gain the upper hand in Germany, in Spain, in France. This fear which the British Tories had of the people and of the labor movement and their policy of trying to maneuver others to pull their chestnuts out of the fire, far outweighed their concern for the national and even imperial interests of Great Britain, and today accounts for Chamberlain's continued sabotage of the Soviets' peace proposals and offers for a peace front to really resist and curb the fascist aggressors.

A similar thread runs through Republican speech-making during the entire foreign policy debate. Hamilton Fish declared that he did not intend "to send our soldiers to throw out Hitler and establish Communism, in Germany, Italy and all over Europe." Those who have followed Ham Fish's spectacular red-baiting will know of course that "Communism" for him includes even the mildest liberalism.

What amounted to direct support for Hitler, sprinkled only lightly with surface distaste for some of the tactics of the Nazis, was voiced by Castle in the same July 20 speech which we have already cited. Here is what Castle said:

"Whether we like them or not—and at the moment nearly everything they are doing makes us dislike them—the Germans are a strong, virile people who are, as a people, entitled to respect and to their share of world prosperity. A generation ago, they were crushed. Today, they have risen like the phoenix and are as strong as ever. Are we to look forward to a world in which every successive generation feels that it must crush the German people? It is madness."

As if the movement against Hitler, throughout the world as well as in Germany itself, is designed to crush the German people! This attempt to identify himself with the German people has been the cornerstone of Hitler's propaganda and demagoguery.

It will be recalled that before Munich Chamberlain and his spokesmen were loud in proclaiming the isolation of Great Britain from the affairs of Central Europe. The idea was that it didn't matter if Germany gobbled up the Sudeten areas.

Hoover has gone Chamberlain one better. His argument in an article in the *American Magazine* is that it doesn't matter to us if Hitler should conquer England and France. As a matter of fact, he believes that the fall of the two European democracies would assure our peace for at least twenty-five years.

"I don't believe that they will fall," Hoover said. "But

if they do fall, the exhaustion of the dictators will be such that these countries will leave us alone for a quarter of a century at least."

This was the underlying motif of the Republican argument against repeal of the arms embargo. But naturally it was subdued in favor of more popular theme songs. There were several of these theme songs. One was that to permit the democracies to buy munitions here would simply help the munitions makers. The Republican big business boys suddenly became holier than thou; maybe they will argue next that it is wrong for undernourished kids to drink milk because that means profits for the milk trust.

But the main theme song was that the Administration program as embodied in the Bloom Peace Bill meant that the United States would get involved in European "power politics," that it was a "war bill," that it was an "interventionist bill." Translated into plain English, this meant that the Bloom Bill was lining up the United States on the side of the democracies and penalized the fascist aggressors.

Unfortunately, this was not true. All that the Bloom Bill attempted was to undo some of the most blatant injustices of the Neutrality Act. Most important of all, it provided for repeal of the arms embargo. Then it gave discretionary power to the President to invoke the provisions of the bill only when the peace and security of the United States were involved and not necessarily on the outbreak of hostilities. Other provisions would have kept American citizens and ships out of combat zones, and would have kept American commerce during war time on a cash-and-carry basis by forcing the transfer of title to foreign principals of all materials intended for export to belligerents.

In other words, the Bloom Bill did not prevent fascist powers from buying arms and equipment here. It simply made it possible for the more poorly armed non-fascist powers to make purchases here. Because of their superior naval strength, England and France were given the advantage over Germany and Italy. On the other hand, the Bloom Bill continued the intolerable situation in the Orient of large-scale American aid to the Japanese aggressors.

It was against this extremely mild, middle-of-the-road measure that the Tories laid down a barrage which was unequalled for demagoguery and deliberate distortion since their attack on the reorganization bill.

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The failure of the Administration to counter this attack successfully to the extent of winning a Congressional victory was due to a number of complex factors. Certainly the State Department did not prove a dynamo of energy and inspiration for New Deal Congressmen interested in backing up the President's position. Inefficient handling of the neutrality issue by Administration leaders in both the House and the Senate contributed to the defeat. Not only

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was the labor movement as a whole inactive on the peace issue, but the A. F. of L. leadership actually opposed the Administration program.

Perhaps most important were these two factors: first, the inadequacy and mildness of the Bloom Bill proved a source of weakness rather than of added strength and support. Second, the peace issue was never aggressively taken to the people by the Administration while the neutrality debate was under way in Congress.

There can be little question that ever since the President made his famous Chicago speech calling for a quarantine against the aggressor nations in October of 1937 there has been a remarkable development of American public opinion on foreign policy. With every fresh advance of the aggressors, the process of anti-fascist public education and sentiment has continued until it is plain now that the American people by and large are no longer isolationist. They are very definitely against fascism. They are against the Rome-Berlin-Tokyo axis.

The trouble with the Bloom Neutrality Bill was that it did not crystallize this anti-fascist sentiment. Had it attempted a more direct hit at the fascist aggressors, the opposition of the isolationists in Congress could hardly have been violent or vociferous. The support of the people would certainly have been more enthusiastic.

This weakness became apparent when Administration leaders in Congress tried to meet the Republican attack. They did not launch a counter-offensive. They did not take the isolationist position apart. They did not show how American national interests were involved in cooperation with France, England and the Soviet Union, in opposition to fascist aggression. On the contrary, some administration spokesmen in Congress argued that the Bloom Bill should be supported because it was just as isolationist as any other bill which could be proposed.

When the fight in Congress was practically over, two moves were made which could have resulted in repeal of the arms embargo had they been launched earlier. Secretary Hull in his long statement which was forwarded to Congress by the President made an incisive criticism of the embargo which might well have turned the tide had it been made soon enough and vigorously enough. He said of the embargo:

"It works directly against the interests of the peace-loving nations, especially those which do not possess their own munitions plants. It means that if any country is disposed toward conquest, and devotes its energy and resources to establish itself as a superior fighting power, that country may be more tempted to try the fortunes of war if it knows that its less well prepared opponents would be shut off from those supplies which, under every rule of international law, they should be able to buy in all neutral countries, including the United States. . . .

"For these reasons those who are supporting the recommendations for the amendment of existing legislation recognize definitely that the present embargo encourages a general state of war both in Europe and in Asia. Since the present

embargo has this effect its results are directly prejudicial to the highest interests and to the peace and security of the United States."

Immediately after the peace issue was shelved in the Senate Foreign Relations Committee, Chairman Pittman announced that he was introducing a new embargo resolution against Japan. His move came too late, and did not receive the necessary backing from the State Department. Had such a resolution come earlier in the session and had it been tied in with the provisions of the Bloom Bill, it might have resulted in the popular support which would have propelled the Administration program to victory.

Even without a formally declared embargo on military-fascist Japan, the Administration had and has the power to declare countervailing duties against Japan as a penalty for discrimination against American commerce. Not only would such a step be enormously effective in halting Japanese aggression, but it would prove the first step toward passage of an embargo resolution by Congress against Japan and the other war-making axis powers.

While Secretary Hull and Senator Pittman acted too late, their moves may be symptomatic of the kind of foreign policy fight which will be waged when the next session of Congress begins. Certainly the President had made it plain that he intends to fight out the peace issue with all the power and vigor at his command.

Ever since the neutrality issue was shelved at the spectacular White House conference, two reports have been current which are too significant to be ignored. One is that the President will take his peace policy directly to the people. The other is that he will call a special session of Congress to pass his program. Should he make these moves, he will find that the American people will be with him as never before. They will not only support his demand that Congress come home from vacation and repeal its embargo against peace before it is too late, but will also insist that a special session be called to wipe out the shame of the present session and to act to protect the national and social security of our country before it is too late.

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# The Third Term Issue

BY PEGGY DUANE

Solicitor-General Robert H. Jackson spoke the mind of the American people when he said recently: "Irrespective of a third term for President Roosevelt there must be a third term for Roosevelt's ideas."

Where is the candidate who can be trusted to embody and carry forward these ideas? The people are answering that so far there appears to be only one—the President himself. They are saying that no other leader has been sufficiently tested; that the stakes are too high for gambling on a dark horse and also too high for gambling on a long shot. The people are saying they must pick a candidate who is sure to win.

All over the country the "draft Roosevelt" movement is spreading spontaneously. A. F. of L. and C.I.O. unions alike are going on record in support of the re-election of the President. Despite the attempts of the Woll-Green clique within the A. F. of L. to split the political strength of labor by charging that Roosevelt is pro-C.I.O., the rank and file membership of the A. F. of L. and their local unions are aligning themselves in the broad progressive movement around the New Deal-for-1940 demand.

The State Federations of Labor of Iowa, Missouri, Tennessee, Texas and Ohio, as well as such A. F. of L. international unions as the Musicians, Railroad Telegraphers, Millinery Workers, and scores of others, by their actions have spiked the hopes of Matthew Woll and the Republican stooges in the A. F. of L. who would like to shackle this section of the labor movement onto the political tail of the Republican Party. Other unions calling for Roosevelt in 1940 include the Brotherhood of Railway Trainmen, the textile unions of the C.I.O., the Maritime Federation of the Pacific, the Steel Workers Organizing Committee, the International Woodworkers, Brotherhood of Locomotive Firemen and Enginemen, and scores of city, regional and state C.I.O. industrial councils. The unemployed, through the Workers Alliance, have taken a stand together with the labor unions.

Montana, Wisconsin, Pennsylvania, New Jersey, Illinois, Oklahoma are among the states where leaders of important Democratic groups have declared themselves behind this movement. Walter White, secretary of the National Association for the Advancement of Colored People, predicts that if President Roosevelt seeks a third term "he undoubtedly will have the support of the Negroes."

Among public officials who have joined the popular demand for a third term are Senators Ellender of Louisiana, Smathers of New Jersey, Minton of Indiana, Norris of Nebraska, Hughes of Delaware, Murray of Montana, Guffey of Pennsylvania, Schwollenbach of Washington,

Lee and Thomas of Oklahoma; Cabinet members Ickes and Murphy, Mayor Kelly of Chicago, Mayor Maury Maverick of San Antonio and the Governors of Arizona and New Mexico.

This spontaneous people's movement in support of Roosevelt at this time comes as a clearcut renunciation of the "budget-balancing" and "economy" bloc reactionaries. The people and their organizations are expressing in no uncertain terms their choice between the national and social security objectives of the New Deal and the pro-fascist domestic and foreign policies of the Hoover-Garnerites. The nation has experienced in the past few years, especially in the first session of the 76th Congress, what a reactionary Congress can do in slashing vital measures needed for the social welfare and national security of the people. It is determined to prevent this reactionary coalition bloc from seizing control of the White House and Congress in 1940.

President Roosevelt won his now historic 27,000,000 majority in 1936 on the basis of his New Deal policies. The people today are expressing their support of the progressive features of that program and want its continuance and, above all, its extension in 1940. And it is because they, as yet, see no one else available who will stand as firmly for the realization of the social aims of the New Deal in 1940 as the President himself that the people are demanding his re-election.

Earl Browder, in his booklet *The 1940 Elections*, while pointing out that the Communist Party in 1940 will stand committed only to its own candidates and to no candidates but its own, makes the following observations on the third term question:

"Inevitably there has arisen a rapidly growing mass demand that the President shall be the candidate to succeed himself. The critical condition of the world and of the nation, which demands continuity and stability of leadership of the government, which demands known and tested leadership, which renders especially dangerous any step which would break up the present *majority coalition*—these considerations have already brought millions to the conclusion that the tradition against a third term in the Presidency must be set aside, at least for the present time of emergency, and that Roosevelt must be called to that post. . . .

"In short, the candidate who can continue and strengthen the coalition which Roosevelt has formed will necessarily be of the Roosevelt type. The issue of the 'third term' has risen in its insistent character precisely because there is not to be seen on the political scene an obvious candidate of the 'Roosevelt type' except Roosevelt himself. Perhaps such a candidate will come forward before the decision must be made, and that is to be hoped for, but certainly his shadow does not fall heavily on the scene today."



These pertinent observations are confirmed not only by the breadth of the spontaneous people's movement which has been indicated above, but are further substantiated by the fact that a growing number of conservative Democrats who heretofore echoed the charges of the reactionary press about the "artificially" created sentiment for a third term are now becoming convinced that even their own political security depends on their acceptance of the people's mood. This, for instance, is the explanation of Senator Bilbo's sudden conversion to the third term idea. The *New York Times* of June 27 also confirms this development when it reports:

"Aspirants for state and county jobs declare that with a Roosevelt-headed ticket the chances for continued Democratic control in states and counties would be enhanced, while a party division, under the leadership of conservatives, would lose many voters won in 1932 and 1936.

"Some of the 23 Democratic Senators up for re-election in 1940 are impressed with the Presidential strength. Some, who early gave encouragement to the movement for the nomination of Vice-President Garner, have now left that camp and are telling Administration advisers that they will stick with Mr. Roosevelt. . . ."

But what about the third term "tradition"? How strong is it and how will it affect the political scene today?

The reactionaries have scurried to the history books. They are trying to confound the carriers of the true democratic traditions of Washington and Jefferson with distorted quotations from the founding fathers. But in time of national crisis, the people, no less than their enemies, turn to the past and draw inspiration and guidance from the great leaders of earlier struggles. But the people, unlike their enemies, study history in the light of objective conditions and the relation of forces that existed at a given period.

So it is that history and facts work against the pseudo-historian scribes of reaction. Washington, who today is falsely projected by the anti-New Dealers as the father of the no-third-term precedent, left a different testimonial. In his farewell address, upon completion of his second term, he said:

"I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination [long-standing personal desire to retire—*P.D.*] incompatible with the sentiment of duty or propriety; and am persuaded whatever partiality may be retained for my services, that in the present circumstances of our country you will not disapprove my determination to retire."

There can be little doubt that had Washington opposed a third term on a principled basis he would have based his farewell remarks on it rather than solely upon his intense personal desire to retire from public life.

Further, in a letter to Lafayette in 1788, Washington expressed his opinion on the principled aspects of the third term issue when he wrote:

"There are other points in which opinions would be likely

to vary as for instance the ineligibility of the same person for President after he should have served a certain course of years. I can see no propriety in precluding ourselves from the services of any man who on some great emergency shall be deemed universally most capable of serving the public."

It is true that Jefferson at one time feared the principle of re-eligibility for any office. True democrat that he was, Jefferson was alert to the dangers that then threatened the new republic—the threat of the restoration of the monarchy and hereditary rule. But in a letter to Samuel Kirkeval, written July 2, 1816, Jefferson re-examined many of his own earlier views on the problems of the young republic and revealed the roots of his fears and indicated how the years had brought him a deeper wisdom. He wrote, in part:

"In truth, the abuses of monarchy had so much filled all the space of political contemplation, that we imagined everything republican which was not monarchy. We had not yet penetrated to the mother principle that governments are republican only in proportion as they embody the will of the people, and execute it."

Already, at the end of his own second term of office, Jefferson saw that the third term could be a weapon against monarchy, as well as a means of its restoration. Placing, as always, his reliance for the safety of democracy in the people, he understood that disunity of the democratic and progressive forces was above all else to be feared in the struggle against the chief enemy of the period. In this light he wrote in a letter to John Tyler in 1809:

"There is but one circumstance, however, which could engage my acquiescence in another election; to wit, such division about a successor as might bring in a monarchist."

Today, when the main source of danger to American democracy is not monarchy but the fascist-minded monopoly power of finance capital, the need for national unity and unity of action of labor, farm and progressive forces is of decisive importance. "Such division about a successor" as might bring in a Vandenberg or Garner "monarchist" would mean a catastrophe for democracy to be avoided at all costs. To split the progressive and democratic majority which supports the New Deal and demands a "third term for the Roosevelt ideas" on the question of a successor to Roosevelt would be to open the road for the victory of reaction, fascism and war. It is precisely in the interest of such division that the Hoovers, Garners and Burkes now seek to create confusion and dissension by injecting the third term "tradition" as an "un-American" idea.

But in 1928, under different conditions—when a third term would have kept the Wall Street puppet Coolidge in the White House, Herbert Hoover and other stalwarts of the Republican Party actively campaigned for a third term. They opposed bitterly the anti-third-term resolution introduced into Congress by the Democrats in 1928 who



were attempting to head off the re-election of the reactionary Coolidge. At that time a third term would have meant an additional four year lease by Wall Street upon the reins of the nation. Today a third term would mean the opposite. It would open the way for strengthening and expanding the New Deal, for promoting national and social security.

Unable to stem or cope with this growing draft-Roosevelt sentiment, the reactionaries are attempting to confuse the people by trying to identify the question of the third term with "dictatorship" and "bureaucracy." The fact that if Roosevelt is re-elected it will be by democratic processes and at the expressed will of the majority of the people is of little consequence to them.

And yet these spokesmen of reaction are themselves the crassest proponents of dictatorial methods in strangling the will of the people. Through their coalition bloc in the Senate and the House, the Vandenberg-Garner-Glass reactionaries have maintained a dictator's hold upon important pending legislation. They have curtailed, hamstringed and killed vital peace and social legislation in committee rooms and conference sessions. They have appropriated thousands of dollars for "red-smearing" investigation committees whose chief aims were to defeat important progressive measures before they even came on the floor for discussion.

The Republican and anti-Roosevelt Tories have slashed W.P.A. appropriations and sentenced millions of unemployed to starvation. They have refused, by one vote, to allow Congress to act on Administration proposals for strengthening the national security of the nation and thereby have encouraged the acts of aggression of fascist Germany, Italy and Japan.

The reactionary opponents of the third term idea oppose economic recovery such as provided for in the President's new spending-lending program. They prefer crisis and chaos as a political asset with which to enter the 1940 campaign.

Yet under the haste and confusion of adjournment preparations they now prepare to release from committees for hasty action such measures as the vicious alien and sedition bills and amendments to the Wages and Hours Act.

Through dictatorial manipulations and control these reactionaries work to sabotage and nullify the people's mandate. As their Wall Street counterparts are doing in the sphere of production and finance, so they—the political representatives of Wall Street—are carrying through a deliberate sit-down strike within Congress. And they seek in 1940 to so entrench themselves within the government and Congress as to extend their dictatorial pro-fascist activities and policies to every sphere and phase of American life.

But the people are preparing and acting to head off such a catastrophe. In the event that no other candidate comes forward in 1940 who can assure a third term for the

Roosevelt ideas, the popular demand for a third term for Roosevelt will undoubtedly become even more irresistible. For the people agree with Postmaster Farley that "The triumph of Roosevelt's principles will be a victory not only for the party, but a victory for the whole American people."

Those reactionaries from both major parties who would like to keep the people back from victory by falsifying history, promoting disunity and spreading demagoguery, are playing a dangerous game. The devil may quote scripture, but scripture answers back.

To Senator Burke, the self-advertised Jeffersonian, and to all others who seek to use him against the people he knew and trusted, Jefferson replies:

"[You] . . . ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment. I knew that age well; I belonged to it, and labored with it. . . . It was very like the present, but without the experience of the present; and forty years of experience in government is worth a century of book-reading; and this they would say themselves were they to rise from the dead. . . .

"Each generation is as independent of the one preceding, as that was of all which had gone before. It has then, like them, a right to choose for itself the form of government it believes most promotive of its own happiness; consequently, to accommodate to the circumstances in which it finds itself, that received from its predecessors." (Letter to Kircheval.)

The man who wrote that, the man who said: "I am not one to fear the people," cannot be raised from the dead to sanctify any campaign to deny the people their democratic right freely to choose their own candidate and their own destiny in 1940.

## HISTORY OF THE COMMUNIST PARTY OF THE SOVIET UNION (BOLSHEVIKS)

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NATIONAL ISSUES



# W.P.A. Boomerang

BY ALAN MAX

One might have expected, from reading the tory press, that enactment of the Woodrum-Garner Relief Bill on July 1 would have ushered in a month of celebrations and nation-wide rejoicing. One might have expected that the name of Clifton A. Woodrum would be on the lips of all good Americans as a great national hero.

For when his committee presented the measure which, according to Hearst and Colonel Knox, should have immortalized him, wasn't the country told that it was designed to prevent the Communists from "controlling the W.P.A."? Certainly, the majority of the people are not in favor of the Communists or any other minority group controlling relief.

But something went wrong. Instead of hailing Woodrum and the anti-New Deal "economy bloc" as the saviors of the nation, an outraged people rose in protest. Strikes and demonstrations began to sweep the country. The name of Woodrum was hissed at mass meetings. Wrathful mayors called for the revision of the bill that bore his name. In cities like Toledo, Chicago, Minneapolis and Seattle, the C.I.O., A. F. of L. and the Workers Alliance were welded into joint committees to conduct the fight to make Congress rewrite the relief measure.

No one even attempted now to pretend that the purpose of the Woodrum Bill was to save the relief set-up from the Communists. With 650,000 W.P.A. workers being fired under the myth of a "furlough," with the prevailing wage and the Federal Theatre destroyed, and with the monthly earnings of 2,000,000 workers being slashed by from \$5.00 to \$20.00 a month, the country knew that a horrible crime had been committed against the people and against the drive for economic recovery.

The technique used to put over the Woodrum Bill should leave no doubt in the minds of anyone of the purpose and danger of anti-Communist propaganda. Those who may not have had their eyes opened fully by the insidious methods of the Dies Committee must be thoroughly alarmed by now by any type of red-baiting.

For it is obvious now that the witch-hunt conducted by the Woodrum Committee into the part played by Communists in the Workers Alliance and in the relief set-up, was just a hoax—a leaf borrowed from Hitler's *Mein Kampf*. The trickery that accompanies the cry of "red" became most transparent when Senator Davis of Pennsylvania, the Republican who had been elected with the help of William Green, suddenly turned upon the A. F. of L. building trades workers, and attacked the W.P.A. strike of this most conservative section of the Federation as a "Communist" plot, "bordering on rebellion." Red-baiting, it should be clear by now to the entire country, is ever the

mark of the reactionary and the fascist, and their first weapon against the rights of the people.

As the full meaning of the Woodrum Bill was revealed to the people, the tories who had been responsible for it retired modestly to the background and attempted to place the blame upon the New Deal.

President Roosevelt had originally asked for an entirely inadequate appropriation for relief for the new fiscal year. Basing himself on unrealistic estimates of an economic upturn, he proposed a relief program to provide an average of only 2,000,000 jobs, whereas the C.I.O., the Workers Alliance and the U.S. Conference of Mayors had insisted that a program of 3,000,000 jobs was an absolute minimum.

The figure proposed by the President would certainly have worked some immediate harm. But when its inadequacy was realized, an additional appropriation could have been made as was done last year. But the "economy" bloc of Hooverites and Garnercrats wrote a bill to disorganize and practically destroy the entire W.P.A. in the very first month, work incalculable hardship upon millions of people, and so discredit the entire relief system that it would make it much more difficult to recover the lost ground.

When the Woodrum Bill was rushed through the House, with the Republicans letting the tory Democrats carry the ball for them, the measure was enacted only over the vigorous protests of the New Dealers. When the country first became aroused at learning the real provisions of the bill, the New Dealers in the Senate were able to wipe out practically all the wrecking provisions of the measure. But the conference which was to resolve the differences between the two bills had been packed with tory partisans of the House measure. Not only did the conference ignore the revisions made by the Senate, but even inserted—illegally—a provision on wage differentials that had been rejected by both Houses.

In their effort to shield themselves from the wrath of the people, the tories had the eager assistance of Matthew Woll and some other leaders of the American Federation of Labor. Foes of the New Deal and the W.P.A., these leaders had maintained complete silence when the C.I.O. and the Workers Alliance were trying to prevent the Woodrum Bill from being enacted. In fact, at that very moment, William Green was penning an editorial which later appeared in the July issue of the *Federationist*, in which he stated:

"The present relief proposal before Congress is a step in the direction of a well-considered relief program, but we need a comprehensive and constructive program."

According to Green, it was only a "step" in the right direction. It apparently did not destroy the W.P.A. as



completely as some of the Republican Party henchmen on the Executive Council wanted to be done.

Only when the A. F. of L. building trades workers went out on strike did Green consider it necessary to speak out. He then asked that the prevailing wage be restored and, after pressure from the A. F. of L. theatrical unions, made a half-hearted plea for the Federal theatre. But while Green disclaimed all responsibility for the A. F. of L. strike, he proposed no alternative methods of struggle, such as one-day stoppages, demonstrations, etc. Moreover, he continued to remain completely mum on those aspects of the Woodrum Bill which had the most serious effect on A. F. of L. workers, along with everyone else, namely, the wholesale dismissals and the wage-cuts.

Meanwhile, the A. F. of L. chieftains and many Building Trades Union leaders in different parts of the country carried on a policy of trying to protect the guilty parties. When they assailed Congress they would take care to make no differentiation between the reactionary Republicans and the tory Democrats, on the one hand, and, on the other hand, the New Dealers who fought the bill. All their vehemence was reserved for the W.P.A. administrators, and veiled attacks were made on the President.

Certain unfortunate weaknesses in the Administration itself played into the hands of the tories and their friends among the A. F. of L. leaders, who were trying to shift the blame for an intolerable situation onto the shoulders of the New Deal.

The inadequate relief appropriation originally asked by the President has already been referred to. Then, there was the uncalled-for severity with which the W.P.A. administrators enforced the tory law, even going so far as to speed up the date set by the tories for the dismissals.

Another weakness was the blind spot in certain administration circles with regard to wages in the building industry. For some time, there has been an unfortunate tendency to advocate an annual wage for the workers in this industry, without realizing that it must be an annual wage *at trade union scales*. This tendency was reflected in the failure to support a continuation of the prevailing wage of W.P.A. Of course, if the A. F. of L. leaders themselves had felt any concern about the prevailing wage on W.P.A., they undoubtedly could have convinced the Administration, just as the spokesmen for other labor groups easily won the energetic support of the Administration on various points.

The strike of the building trades workers, mostly A. F. of L., was violently attacked by the tories as a "strike Against the government." Here the tories were raising a false issue, hoping to discredit the fight against the Woodrum Bill, maneuvering to put the Administration on the spot.

The walk-out of the construction workers, which continues at this writing, was definitely not a strike against the government. It is a constitutional form of protest against the action of the tories in Congress and is apparently the only kind of language that some of them understand.

Whether such prolonged stoppage is advisable under all conditions is another question and should not be confused with the matter of legality. The Workers Alliance, for example, has found that under the New Deal administration, unlike the Hoover administration, the democratically chosen spokesmen of the unemployed have been recognized as such and have been able to negotiate with the Administration generally in an atmosphere of mutual respect, if not always of agreement. Under such an Administration, the Alliance has found that where protest action is needed, short stoppages, picket lines and demonstrations are more advisable, since they afford greater protection to the job of the individual worker and avoid playing into the hands of the enemies of the New Deal.

In making their statements about "striking against the government," certain Administration leaders unfortunately accepted the false issue pressed upon them for political purposes by the tories. The stand of the Administration at least belies the propaganda disseminated by the tories among the middle classes to the effect that the Administration encourages sit-down strikes and incites to strike action.

On the other hand, those sections of labor which were perplexed by the Administration's position should remember that the responsibility rests with the Republican bloc, abetted by the tory Democrats, who brought about the present situation. They should remember too that the weaknesses displayed by the W.P.A. administration are due to the fact that it received more pressure from the Right than from the Left.

Both labor and the middle classes should realize that President Roosevelt is indeed, as the Communists have characterized him, a "middle-of-the-roader"; that the New Deal requires ever increasing support and pressure from labor, the farmers and the middle classes to help it steer a more consistently progressive course and to protect it from the pro-fascist attacks by the reactionaries on the Right.

The great wrongs committed against the people by the Garner-Taft-Vandenberg coalition through such measures as the Woodrum Bill, must be righted by Congress before adjournment. In addition, Congress should pass the President's lending program and the enlarged housing program to provide the jobs which private industry refuses to give. However, since at this writing it appears that whatever action Congress may take at this session on the Woodrum Bill would be far from satisfactory, the need for a special session assumes great importance.

Had the A. F. of L. leaders agreed to unity of labor instead of unity with the G.O.P. chieftains, the tories never would have dared lay a finger upon the W.P.A. United action of all sections of labor is indispensable now if a great crime is to be undone. The just indignation and militancy displayed by the first victims of the Tory Woodrum Bill show that the people will never stand by and permit their gains to be snatched away from them. Unity and coordinated action are the keys to victory.



# Curb Japanese Aggression!

BY LAWRENCE HEARN

Barring an unexpected turn of events Congress will have adjourned in the early or middle part of August, having disregarded a clear mandate from the American people on foreign policy. With Japan's invasion of China entering its third year as a first-class war and with the high probability in a few weeks' time of another fascist-instigated crisis in Europe the Congressional record has been to increase rather than lessen the dangers across both oceans and hence within our own borders.

The Sino-Japanese war is doubly affected by the failure of Congress to act. The postponement of Neutrality Act revision is an open invitation to Nazi aggression in Europe, a serious break in the ranks of the democracies, and a reflection of what will doubtless be interpreted abroad as uncertainty and confusion in the American mind. The Japanese militarists cannot help but interpret the situation as encouraging to themselves. Failure of the fascists' opposition to unite to maximum strength at any given point is an invitation to further aggression everywhere.

But with regard to the Far East the more direct mistake of the American Congress has been its failure to enact special legislation to break the present vicious war materials alliance between the United States and Japanese aggression,\* or to take any official cognizance whatsoever of Japan's repudiation and violation of virtually every treaty to which the two nations are party. Here, again, Congress has flashed the all-clear signal to fascist lawlessness.

The deeper significance of the Congressional failure is that the actual result of the reactionaries' successful obstruction of effective peace legislation is just as direct an incentive to fascist aggression as was Munich, or as is the current British procrastination over signing a peace pact with the Soviet Union, or as is the new Munich already begun by Great Britain in the Far East.

In gauging the probable effectiveness of any action against Japan and on behalf of China that the United States can now adopt, it should be emphasized that, despite substantial American assistance, the Japanese invasion of China has been bogged in the mire of Chinese resistance for many months. If further proof is needed than the present press reports showing the vitality and progress of China's partisan resistance inside and outside the so-called occupied areas, Japan's failure to exploit the invaded

regions financially and the ever-growing strength and determination of China's political unity, one has only to look at the present Japanese efforts to make Great Britain the scapegoat. Having failed to smash Chinese resistance or even to make headway in the so-called occupied areas, the Japanese fascist-militarists are trying to excuse themselves at home by throwing the whole blame on British aid to Chiang Kai-shek. Japan is dealing its cards from a transparently weak hand.

Both the American danger and the American opportunity lie in the desperate straits in which Japan's leaders find themselves. The worst error that Americans can make is to view the trend of Far Eastern events complacently, to rely on the Japanese army beating itself to death against the stone wall of China's defense. The error lies in two directions: under-estimation of the seriousness of permitting the long-drawn-out warfare, inevitable if China is to defeat Japan, without substantial outside aid; and the probability that Japanese fascists, blocked on one front, will, in order to retain political control, strike elsewhere.

The attack on the foreign concessions is the first indication of the latter probability. If, thanks to British appeasement—always a world danger of first importance—the Japanese are successful against the concessions, the result will simply be to strengthen the Japanese army's ability to prolong the war—but not to win it. With or without a victory against Great Britain, Japan's leaders will be forced from their own predicament to strike elsewhere. Elsewhere can mean only one or both of two directions: the Soviet Far East, or the foreign colonies of southeastern Asia. An attack on the Soviet Union will be a signal for Hitler and Mussolini to act in Europe; an attack on Netherlands India, Indo-China, Malaya, or the Philippines cannot help but draw the European democracies, the British Dominions and the United States into the conflict. Herein lies the danger of Japan's weakness—a danger that Americans must face if they refuse to take the far safer and surer steps before that situation arises.

The American opportunity to take the necessary steps with a minimum of risk also lies in the relative weakness of Japanese military fascism. At this point, let us remind ourselves that fascist desperation is not akin to fascist strength. The screaming and shouting of threats—the fascist bluff—tone down to whispers whenever the bluff is called (for example, whenever Admiral Yarnell replies to Japanese bombasts, the Japanese capitulate). If the fascist situation is sufficiently tight, bluff may, in the face of opposition, give way to military action, but who can be really frightened of Japanese military action in the face

\*For details of U. S. exports of war materials to Japan, see Y. T. Hu, "Sale of War Materials by the United States to Japan, January-November, 1938," *Special Bulletin*, the Chinese Council for Economic Research, Washington, D. C.; and Philip J. Jaffe, "The United States Continues to Arm Japan," *Amerasia*, July, 1938.



of united democratic resistance, as compared with the genuine alarm of a world-wide war toward which the present policy is definitely heading?

The best course is to take effective steps against aggression in concert with other democratic powers, in the first place the Soviet Union. Certainly, the national interests of the Soviet Union and the United States demand such co-operation, particularly in the Far East. Both countries, on this point at least, can be in full agreement.

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There is a twofold task to be done before the next meeting of Congress, whether in special or regular session, and both must be carried forward simultaneously. On the one hand, the Administration should take such steps in aid of China and against Japan as the law permits without Congressional action. The issues of foreign policy, on the other hand, as they are linked with all other issues facing the American people's determination to preserve democracy, must be carried to the country and to the members of the House and Senate with increasing clarity and persuasiveness.

With regard to the immediate steps that can be taken by the Administration without reference to Congress, there are several, either directly in aid of Chinese resistance, or directly aimed against Japan's ability to secure dollar exchange for the purchase of war supplies. It is the job primarily of the government to determine precisely which of the possible steps can be taken and in what manner; it is the job of the electorate to make it unmistakably clear to the Administration that it will strongly support any and all steps in an indicated direction.

To achieve widespread and articulate support for Administration action, however, a few of the concrete alternatives should be kept in mind. The sort of unequivocal statement of American interests already issued by the Secretary of State in the series of notes to Japan, or by American naval and consular representatives at the scene of war is one form of action, the continuance of which must be encouraged. If supported by a growing inclination to more substantial steps, these often-repeated definitions of the American position are in themselves powerful instruments.

The two financial steps on behalf of China taken toward the close of 1938 can and should be extended and repeated. At that time, the Export-Import Bank authorized a \$25,000,000 credit to a Chinese corporation of New York, to be used for the purchase by China of American supplies. It is believed that the major expenditures made from this credit have been for General Motors and Chrysler trucks and automotive supplies, for use on China's trans-frontier and internal highways. A few days after the granting of this credit, the American government announced its decision to continue the extension of credit to China against Chinese gold deposited in this country. This

Chinese gold, against which dollar credits can be issued, was obtained by the sale of Chinese silver to the United States. While the amount of this gold reserve has never been announced, it is usually believed to have been over \$100,000,000 at the turn of the year. These credits, coupled with the Treasury's manipulation of the Stabilization Fund on behalf of the Chinese dollar, are types of American financial aid which have proved to be of substantial help to China's defense economy. They can and should be continued and extended.

By way of direct action against Japan, the Administration should be strongly urged, at the very least, to apply against Japanese imports into the United States the same tariff increases as it has already invoked against German goods. In practice, however, this would probably affect Japan's exports so slightly as to be little more than a firm gesture. The more drastic form of import embargo, whereby the President may exclude any or all Japanese articles, can be invoked under Section 181, Title 19, United States Code, or Section 338 of the Tariff Act of 1938. In the opinion of a well-known American authority in international law, Professor Quincy Wright of the University of Chicago, to do this the President has only to conclude that Japan has not made a satisfactory answer to the allegations of discrimination made in the United States note to Japan of October 6, 1938. An additional opening for Presidential action is his power of excluding Japan by proclamation from the benefits of most-favored nation treatment under the Commercial Reciprocity Act of 1934, amending Section 350 (A) of the Tariff Act of 1930.

While the President has these powers, the question has arisen whether, by exercising them, the United States would be violating its commercial treaty of 1911 with Japan. Professor Wright's opinion on this point (see *Amerasia*, February, 1939) is that the President would be legally justified in imposing import restrictions and even in imposing an embargo prohibiting export to Japan of proclaimed materials on the ground that Japan has already violated the treaty in question. Here, then, is another type of action which the American people should urge upon their government at the earliest moment.

Of equal and perhaps greater importance is the need to prepare the way for favorable foreign policy legislation at the next session of Congress. Here, the primary task is to expose the true connections and objectives of a highly organized reactionary minority which not only was responsible for the failure of such legislation in the present session, but which is also the Congressional representative of the dangerous forces of potential American fascism. The point must be emphasized and re-emphasized that their attitude on the revision of the Neutrality Act and on the stoppage of war supplies to Japan is not an isolated phenomenon, but integrally linked with the tactics of reaction along the whole political front.

These forces of reaction are in a minority, within Con-



gress as well as outside it, but until their motives and connections have been thoroughly exposed, and until the program of the progressive forces of democracy is more clearly understood and more forcefully advanced, the reactionary minority will be able to continue its obstruction.

Progressives must therefore renew their efforts in carrying the issues of foreign policy throughout the nation, with the object that, when Congress reconvenes, the mandate of the electorate will be so clear as to obliterate all reactionary obstruction.

# “Sound Money”

BY ROBERT NORTON

The recent struggle between the Roosevelt Administration and its reactionary opponents in Congress over the renewal of the New Deal's emergency monetary powers provided an illuminating contrast, in a specialized but nonetheless crucial field, between the methods of democracy and reaction in a period of world crisis.

The struggle exposed the hollow demagoguery of the attacks on this phase of the New Deal program by the Republican Party and its allies in the camp of the Garner Democrats, as well as showed the willingness of these factions to resort to the most unscrupulous methods in their effort to discredit the New Deal at home and abroad. Moreover, since the effect of the recent reactionary Senate filibuster was to strip the United States Government of its most important monetary powers during five days of acute international tension, these tactics revealed again the treasonous implications of Wall Street's campaign of sabotage against democratic government.

The lesson of this encounter has re-emphasized the importance, from a world standpoint as well as a domestic standpoint, of maintaining in Washington a progressive government responsive to the people's will. The successful outcome of the fight, moreover, contained a lesson for the Roosevelt Administration itself. It demonstrated once again that the New Deal can overcome its enemies only by carrying the fight to the Tories and by mobilizing behind itself the majority public opinion which is its sole source of power against Wall Street.

Throughout the furore of the monetary fight, the facts of the situation remained stubbornly clear. In a world of crises, trade quotas, barter systems, exchange controls and unstable currencies, the surrender of our government's defensive power to devalue the dollar by one-sixth of its present gold value would clearly be nonsensical and dangerous. Doubly so since the New Deal has rid itself of its earlier flirtation with devaluation as a means of domestic price inflation and now views this power solely as an emergency weapon. Furthermore, the mere possession of this devaluation authority by the United States is a potent influence against the resort to such steps for reactionary and competitive reasons by other capitalist powers. It thus contributes to world economic stability, a force which in turn

is helpful to the democratic nations and harmful to the aggressive designs of the fascist powers.

Moreover, in a world where currency raids and currency scares have ceased to be the monopoly of foreign exchange speculators but have been transferred into political weapons also by the fascist powers, where reactionary interests at times employ such tactics against their own governments, as in the case of the drive against the French franc during the Blum regime, the American Treasury's \$2,000,000,000 exchange stabilization fund has been a strong bulwark against the success of such aggressive designs. While the full potential influence of the stabilization fund has never been exerted by the Roosevelt Administration, its specific operations as well as the magnitude of its resources have been a potent force against deliberate unsettlement of international exchange and were the principal reason why an acute currency panic was avoided during the Munich crisis last fall and the Czechoslovakian crisis this spring. The importance of the fund was so obvious, in fact, that the reactionaries in Congress avoided a direct attack upon its extension but were willing to see its functions lapse as a result of the attack on the dollar devaluation power.

These facts are scarcely disputed—in private—by the big capitalists themselves. The one action by the New Deal since it took power in 1933 which has been publicly applauded by J. P. Morgan is the original devaluation of the dollar. While praise from that source is scarcely an endorsement of devaluation from a progressive point of view, it does expose the hollowness of the lamentations of Republican Senators for the Hoover dollar as well as the patent political distortion involved in their present attacks on extension of the devaluation power. Furthermore, the Chamberlain government in England—the apple of Wall Street's eye—not only clings to its power to alter the exchange value of the pound sterling but from time to time exercises that power. In fact, it was only the possession of the devaluation power by the Roosevelt Administration which dissuaded the Chamberlain regime from undertaking a sharp devaluation of the pound late last year.

It was in the face of these admitted facts that the Republicans and their stooges in the Right wing of the Demo-



cratic Party raised the cry of "sound money" as a pretext for their effort to defeat the Roosevelt Administration on the monetary question. Moreover, if the blatant demagoguery of this slogan needed any further exposure, this lack was supplied by the tactics through which the anti-Roosevelt bloc was able to prevent the extension of the monetary powers before their expiration on June 30.

There was a majority in the Senate for extension of the dollar devaluation power, just as there had been in the House. Consequently, the only means whereby the tory bloc could muster the votes in the Senate to defeat the devaluation authority was to acquire the support of the so-called silver Senators from the West in return for an increase in the Treasury price for domestic silver to 77.5 cents an ounce from 64.64 cents. This was, of course, a trade of the most barefaced variety which made a hollow mockery of the pretended concern of the Republicans for "sound money." Since the outset of the New Deal, the Republicans have bitterly attacked—on "sound money" grounds—the political arrangements between the Roosevelt Administration and the silver Senators whereby a subsidy has been paid for domestically mined silver in return for votes for New Deal measures. When the fleeting coalition between the Republicans and the silverites was broken by a compromise price of 71.11 cents an ounce for domestic silver, the Republicans found that the only accomplishment of their strategy had been to bid a higher price for silver votes than the Roosevelt Administration was willing or required to pay.

Characteristically, moreover, the reactionaries struck out against the only phase of the silver program having any claim to progressive support by voting to prohibit purchases of foreign silver by the Treasury. Whereas the subsidy paid for domestic silver operates mainly to increase the profits of the four mining combines which monopolize United States silver production—with only a negligible benefit to employment in the silver mining states—the purchases of foreign silver by the Treasury at much lower prices at least lend important support to the progressive governments of China and Mexico. The Republican vote in the Senate—if it had been finally sustained—would have eliminated this one justification for the Government's silver buying program.

During the ten days which elapsed between the temporary reactionary victory in the Senate and the final vote restoring the Administration's powers on July 5, efforts were made in a considerable section of the big business press to picture the intervening struggle as purely a political fight and to contend that the Administration retained monetary powers fully adequate to cope with any eventualities. This contention, even in a technical sense, was only a half-truth. It is true that the Federal Government would not have been powerless without the devaluation authority and that theoretically it could have altered the exchange value of the dollar by purchases and sales of gold at varying

prices. But the Government would have lost its direct authority to regulate the exchange value of the dollar and hence its best weapon to prevent currency devaluation by reason of its concrete power to retaliate. Moreover, without the stabilization fund, the Treasury would have had to rely on the Federal Reserve Bank of New York for stabilizing activities in the foreign exchange markets. That institution, possessing a large degree of autonomy, is traditionally a vehicle for the Wall Street banks and is controlled by a management notorious for its hostility to the international as well as the domestic policies of the New Deal.

Over and above these considerations, the loss of these powers would have gravely undermined the prestige and influence of the Roosevelt Administration in the international economic sphere. Just as the Congressional attack against the New Deal's foreign policy encourages the fascist aggressors and hinders the development of a democratic peace front, so the attack on the monetary powers would have encouraged economic aggression. This was an outcome which the Garner-Glass-Vandenberg-Taft "economy" bloc not only was willing to accept but undoubtedly anticipated with pleasure.

The turning point in the drive for renewal of these essential powers was President Roosevelt's strong attack against the Senate's attempted repeal of the devaluation power on June 27. By dramatizing in politically effective terms that the issue was between continued progressive control of the nation's currency or restored Wall Street domination of the dollar, he was able to recapture the offensive from the reactionaries and to mobilize popular opinion in his support.

Previously, the Congressional campaign to extend these powers had suffered from the same dilatory and overly cautious tactics which had bogged down the drive for neutrality act revision. After an early victory in the House by a substantial majority, the monetary bill was allowed to languish for weeks in committee in the Senate on the sole excuse that it was not desirable to antagonize the bloc led by Senator Glass and Vandenburg which opposed the extension. The futility of such tactics was demonstrated by the outcome in the Senate, as was the ability of the New Deal to overcome its opponents in Congress when it seizes the initiative and brings into play the strength of its majority popular backing.

IN THE SEPTEMBER ISSUE

STASSEN'S "LIBERALISM"

HEIL WISCONSIN

NATIONAL ISSUES



# The Milk Problem

BY LEM HARRIS AND EDWARD T. ALLEN

The succession of explosions which recently rocked some of the largest milksheds in the country has focused national attention upon a problem which has too long been neglected. While the full story has not yet been told of how the dairy trust dominates these milksheds—its alignments with reactionary political forces, its attempts to subvert farmer cooperatives, and its tie-ups with corrupt elements in many local health departments—enough has already been brought to light to convince farmers, labor, other consumers, and progressive political groups of the need for prompt and effective action.

The recent flare-ups in New York, Chicago and the District of Columbia are not isolated and unique events; all of the large milksheds over which the milk trust has extended its domination are tinder boxes likely to ignite at any time, and even the smaller milksheds wherein the trust does not deal in whole milk are in a similar condition owing to the nationwide control over butter, cheese and ice cream which the dairy trust has established.

Using the most unscrupulous and untruthful arguments, reactionaries are doing everything possible to capitalize on the discontent of dairy farmers and of milk consumers. Not only are they trying to turn farmers against workers but to turn both against the New Deal. While the reactionaries charge in the cities that the Federal fluid milk marketing agreements and the butter price-stabilization program are responsible for high consumer prices, they tell the dairy farmers that the Administration is to blame for the low income of dairy farmers as well as for the high price of feed.

With the milksheds in a restless state, it is not surprising to find that vigilante outfits like the Associated Farmers are trying to penetrate milksheds on the West Coast and that a former milk czar of the Twin Cities, Mr. Schilling, at one time a member of Hoover's ill-fated Farm Board, was backing the unsuccessful attempt to launch an Associated Farmer movement among the dairy farmers of Minnesota. Having failed in the Farmer-Labor state, Mr. Schilling has recently been addressing himself to dairy farmers in eight Southern states. In Michigan, Indiana, Illinois and Maryland the pro-fascist Coughlin-Kennedy forces are likewise making special appeals to the dairy farmers.

In Wisconsin, the Heil Republicans have found willing allies for their anti-labor program in the Council of Agriculture, which is friendly to the Associated Farmers and to the dairy trust. In New York State, the reactionary leaders of the Dairymen's League work with Gannett and Eastman, also friends of the Associated Farmers. Conducting the anti-labor and anti-New Deal campaign on a

national scale is Charlie Holman, secretary of the National Cooperative Milk Producers Federation. Mr. Holman along with the Associated Farmers, the leaders of the National Grange and some Farm Bureau leaders, has been heading the group of "farm" lobbyists in Washington in behalf of Republican reaction, seeking to cripple the N.L.R.B. and the Wage-Hour Administration.

If the New Deal is to carry the 1940 elections, rapid strides must be taken to improve the whole of the farm program, until now the weakest part of the New Deal's domestic activity. Special regard must be paid to the problems of the dairy farmers. They have virtually been excluded from any benefits under the A.A.A. program, since milk is not included among the five "basic" crops even though it is the major "cash crop" and is produced by more farmers than any other farm commodity.

The chief Federal program specifically dealing with the problems of the dairy farmers has been that of working out milk marketing agreements. These marketing agreements, whose terms vary greatly from one milkshed to another, could have been so drafted as to curb the abuses of the milk trust and to protect the dairy farmers, but the Dairy Section of the A.A.A. has not thrown its weight on the side of the farmers. Instead, it has, in a blind and docile manner, followed the course urged upon it by false leaders pretending to represent the farmers but actually speaking only for the trust.

Progressive farm leaders have on many occasions hesitated to criticize the actions of the Dairy Section lest they be accused of attacking the New Deal, when the real truth is that the officials of the Dairy Section have been pursuing a definitely anti-New Deal line. They have been carrying out the policies concocted by the trust and have put themselves in the unenviable and absurd position where they and the Administration take the blame for all farmer-consumer complaints, while the big distributors, professing complete innocence, are allowed to pocket the profits of increased price margins. Meanwhile, the dairy trust co-operates with the Associated Farmers, Coughlin, and G.O.P. forces to turn the growing farmer resentment into anti-New Deal channels. Progressives must see to it that the real culprits are exposed and that a milk program capable of aiding both farmers and consumers is quickly adopted.

In many places progressive city groups, especially labor and other consumer forces, have hesitated to grapple with the milk problem because they regard it as a difficult and somewhat technical subject. This, of course, is exactly what the trust desires. Its high-powered public relations experts, rivaled only by the meat packers and farm ma-



chinery manufacturers, have expended huge sums over the past two decades in attempting to mislead city and farm people.

Actually the milk problem is not as complex as it may seem at first sight, the general pattern being much the same in most of the major milksheds. National Dairy and Borden's are the two main arms of the milk trust. They launched their vast national campaign for the formation of a trust shortly after the World War, and in a few years National Dairy acquired 400 important subsidiaries while Borden's took over more than 200 former independents. Together these two companies now handle more than 12 billion pounds of milk annually. In New York City, they sell 76 per cent of all home-delivered milk; in Washington, D. C., National Dairy sells 60 per cent; in Baltimore, National Dairy sells over half; and similarly for other important centers for fluid milk.

The story is much the same for manufactured milk products except that here control is shared with the meat trust. National Dairy and Borden, together with Armour and Swift, control 72 per cent of the total U. S. supply of cheese, and, according to the Federal Trade Commission, the present cheese exchange "has become in effect an artificial agency to establish public quotations for cheese prices." The F.T.C. adds that "the transactions are of a trivial character and without any real competition." The same thing is true of the butter exchange, where a few tubs of butter are traded each week. In fact, weeks have sometimes gone by without a single sale on the butter exchange, only bids and offers, and yet prices were telegraphed about the country to be followed religiously from coast to coast.

Upon entering a milkshed, the trust has sought to secure a monopoly over not only the distribution of milk and milk products in the city but also the supply of milk coming from the farms. Thus, it has driven out independent milk dealers, through the use of racketeers, political pressure, false health reports, control over central bottle exchanges, and the creation of bogus "independents" temporarily set up to cut prices in territories held by recalcitrant competitors. By securing control over the supply of milk, thus establishing a buyer's and seller's monopoly, the trust is able to make independents pay a higher price for milk than it does; can limit or cut off their milk supply, and can decree both retail and farm prices. The axiom of success—"Buy cheap and sell dear"—is then easily realized, providing the farmers, the consumers and the government meekly submit to this domination.

As the trust continues to push up the retail price of milk, thousands of families are forced to cut out milk entirely from their family diet or to reduce the quantity purchased, even though milk is an essential item of food. While a scarcity is artificially maintained in the cities, a backlog of surplus milk is created on the farms. The trust then points to the mounting surplus as an excuse for

continuing to slash prices to the farmers. Thus the F.T.C. finds price spreads for milk higher than for any other farm product requiring a similar amount of processing; officers' salaries are larger; and the rate of profit on investment is greater.

To prevent the farmers from directing their ire against the dairy trust, elaborate systems have been devised. Absurd "health" regulations requiring four hemmed towels at each milking per cow, milk houses "on wheels," or expensive equipment from a particular company, are used to exclude small farmers from the market. Unorganized farmers who object to the trust tyranny find themselves cracked down on, not only by the milk distributors directly, but often by the local health department, which finds their milk a "menace" to the consumers and hence bars it.

By controlling the officers of numerous milk marketing "cooperatives," the big distributors further augment their power. Many of these officials try to hold their positions in the cooperatives by stifling democratic action on the part of the rank-and-file membership and by maintaining a system of rewards and penalties. Milk is peculiar in that the farmer is paid not a uniform price for his product but is paid various prices for a given batch of milk depending upon whether it is used in fluid consumption or for manufactured products.

In some markets as many as seventeen different prices may be paid the farmers according to the grade and use of the milk. Usually the co-op can control the quotas assigned the farmers and can thereby see that "loyal" producers (the large farmers) get the Class I plums while the other farmers can sell only a small percentage of their output at the preferential prices. When resentment flares up, the farmers are reminded that their quotas may be reduced; and, in addition, trust-dominated "co-ops" frequently make their members sign contracts preventing their selling milk elsewhere at the risk of severe fines and penalties.

What is to be done? It is apparent that only the immediate adoption of realistic and effective measures will improve the milk situation and pull the ground out from under the reactionaries now seeking to turn the milk situation to their own political ends. The formation of a national trust has removed milk from its former regional status and made it a *national problem* requiring a *national program*.

The amazingly illogical decision just handed down by the federal court in Chicago that milk is outside the pale of the Sherman anti-trust laws, because the Agricultural Marketing Act gave the Secretary of Agriculture power to regulate milk, makes it especially imperative that the Federal government take action. If the trust is "above" all ordinary laws and need answer only to the Secretary of Agriculture, Wallace should first see to it that his voice carries weight at least in the Dairy Division of his own



agency, and second that a program is written to protect the farmers, consumers and independent distributors—not a program written by the Holmans, Brants and Sexauers, who consistently conclude that the interests of the dairy trust are the interests of the farmer.

A correct national program should, first, revise the marketing agreements and recognize the following objectives:

(1) Ensure prices to the farmers sufficient to cover their cost of production; (2) Simplify the present classified price systems; (3) Eliminate unjustified deductions from farmers' payments, and remove arbitrary rules and discriminatory practices now used to bar small farmers from the market and to maintain monopoly control; (4) Enforce uniform, rational health standards, with appeal boards composed of *bona fide* farmers elected democratically by all producers, together with consumer representatives, thus breaking the collusion between distributors and reactionary health officials; (5) Audit distributor books by the government to prevent false reporting which has been found by the F.T.C. to rob farmers of millions of dollars each year; (6) Bar the sale of milk to the trust at lower prices than to independents, and eliminate the butter and cheese exchanges; (7) Regulate all central bottle exchanges; and (8) Assure democratic control over programs and elections by allowing all dairy farmers, regardless of what co-op they are members of, to vote individually and by secret ballot at designated polling places, instead of allowing distributor-dominated officials to announce a pre-arranged vote for their co-op members.

Second, the *Federal Surplus Commodities program* should be extended so that "surplus" milk may be distributed to the millions of families unable to afford trust prices. This plan has already been tried for milk in a few cities and has been highly successful. With farmers receiving 2 to 2½ cents a quart for milk which the trust retails for 12 to 16 cents, there is no reason why the F.S.C.C. should not pay particular attention to the milk problem, distributing free milk to families in dire distress and 5-cent milk to

low-income families now getting an inadequate supply. With the increased appropriation available to the F.S.C.C. this year, such a program could readily be embarked upon without the passage of any new legislation. Furthermore, the F.S.C.C. should extend its butter purchases, should include cheese in its program, and use its power not only to raise prices to the farmers but also to lower retail prices by narrowing the exorbitant price margins now set by the dairy trust.

Third, *Milk should as rapidly as possible be recognized as a public utility*. Publicly owned milk plants, serving as a yardstick of comparison with present rates, should be encouraged through the granting of Federal loans. Government studies have shown that such plants on a municipal basis could pay farmers considerably higher prices for their milk and sell to consumers at markedly lower prices than at present. Federal assistance to publicly owned plants or to *bona fide* farmer-consumer cooperatives is fully possible under present laws.

By uniting their forces in a common drive, the progressive forces, including the working farmers, labor and other consumers, can halt the advance of the dairy trust and achieve public and cooperative milk distributing plants, with benefits to all concerned except the trust. Organizations everywhere should familiarize themselves with the milk problem. Farm, labor and consumer groups should exchange speakers, help to build cooperatives, fight for public ownership of milk plants, and rout the reactionaries on all fronts.

Hearings are now being arranged in the House on the Farmers' Union dairy bill, introduced by Reps. Hull and Gehrmann, providing that the principles of soil conservation be adapted for herd conservation and that parity price be extended to milk. While this measure by itself would not achieve all of the necessary objectives, the hearings on it should offer excellent forums for real farmer and labor representatives to state their case and influence the adoption of a progressive New Deal milk program before 1940.

## G.O.P. Bonfire in Pennsylvania

BY MARTIN YOUNG

The five-month session of the Republican State Legislature has taught the people of Pennsylvania the real aims of Republican reaction. The Republican Party in Pennsylvania has given a preview of what would happen should it win the Presidential elections in 1940. Many hundreds of thousands of small business men, farmers and workers enchanted by the glowing Republican promises and platform in November last are now embittered and disillusioned by the treachery of a political party, which is unequaled in the history of the state.

What are the "accomplishments" of the Republican state administration to date? Except for slight seasonal variations in certain industries, jobs in private industry today are as scarce

as they were in 1938. The average work week in the steel mills and in the mines is two and three days. And were it not for Federal government orders and financing, so much damned by the Republicans, the work week would be still shorter. Big business in this Keystone State is "sitting down," and sabotaging recovery as everywhere else. The elimination of over 100,000 W.P.A. workers makes the growing army of unemployed larger. Of course, this is not what the workers who voted the Republican ticket expected. The Republican slogan was "Jobs for all who want them."

Pennsylvania's dairy farmers never expected their income to be cut in half by Governor James as a reward for their loyalty



to the Republican Party—but this happened when the price of milk received by the farmer was cut 1¼c per quart.

The unemployed had their relief appropriations cut by \$100,000,000, their names will now be published, and the amount of relief will be determined by politically appointed boards of Republican henchmen. Above everything else, the unemployed will have to work for their relief on public projects or take any job offered them in private industry at rates of wages determined by these boards, or starve. The protection of civil service was actually taken away from 7,000 relief workers. This is the Republican way of fulfilling its campaign promises to "humanize relief" and give "relief to all who need it."

The school system is endangered by the Legislature appropriating only \$1,000,000 in place of the needed emergency appropriation of \$12,000,000 to help the school districts unable to meet their running expense. The Teachers Tenure Act was also weakened and complete destruction was prevented only by the militant fight of the teachers.

Aliens in the state will have to carry registration cards. In fact any cop has the right to stop anyone at any time, anywhere, and demand to see a birth certificate, naturalization papers, or a registration card. This is a very unique way of breaking up a picket line, raiding workers' homes and workers' halls.

The labor movement has seen most of its legislative achievements almost obliterated. The amended state's Little Wagner Act has now become an employers' weapon against labor. The amended act fosters company unions, jeopardizes contractual relations between workers and employers, and almost outlaws the check-off system of dues collections. An injunction law was enacted which gives the courts the right to issue injunctions under the slightest pretext even without a court hearing. The limit of working hours for women was extended from 10 P.M. to 12 M. The Workmen's Compensation Act was mutilated and nullifies the most liberal Workmen's Compensation Law of any state in the union. This, in the main, represents the Republican way of saving Pennsylvania from the New Deal. This is what Republican demagoguery befogged in its campaign of 1938.

What is the reaction of the labor movement and the progressive people to the Republican bonfire of New Deal legislation? It is gratifying to see the labor movement refusing to take it lying down. Throughout the state a "sobering up" process is developing, resulting in a political clarification of issues, the beginning of a realignment of important groups and class forces, and united action on the part of the C.I.O. and the A. F. of L. This trend expressed itself in the demonstrations in Harrisburg by the anthracite miners, by the school teachers, and the march of several thousand A. F. of L. and C.I.O. workers under a joint committee.

The sentiment for united labor action in the state is continuously growing and may find expression in the important city and county elections of 1939, which, in itself, will help to assure united labor action in the state in the Presidential election of 1940. The labor movement in the state is now learning its lessons resulting from the split in the primary elections of 1938 to such an extent that William Green, who bestowed his blessings upon the Republican candidates against the wishes of the State Federation of Labor, has been forced to protest to Governor James on the amendments to the state's Little Wagner Act, though he favors such amendments for the national Wagner Act. Truly, the key to the political situation in the state lies in labor unity. A united labor movement, or at least political unity of action, will serve not only the best interests of labor, but the interests of the people as a whole.

The labor movement must recognize its political responsibility

also because under the present circumstances it is the only force capable of crystallizing that movement and establishing that necessary leadership to be able to absorb and give expression to the discontented masses who are and will be turning away from the Republican Party. The present leadership of the Democratic Party in the state has not, on the whole, the necessary prestige, ability and confidence of the masses to be able to lead the people in the footsteps of the New Deal for jobs and for recovery. Part of the present Democratic leadership in the state has its fingers dipped in graft and corruption. Part of it is pessimistic, waiting for some miracle to make the Republican Party "expose itself."

Unfortunately, there is no organized New Deal wing in the Democratic Party of Pennsylvania at this time. It is, however, possible for the labor movement, in collaboration with the progressive New Dealers, through united action on its part, to attract to its side honest progressive Democrats who came forward in the last session of the state legislature in their struggle against Republican reaction, and many other outstanding progressives in the various municipalities of the state. To this end every progressive must cooperate.

The unification of the progressives around a program of New Deal reforms and for struggle against Republican reaction must take into consideration certain new important factors which have arisen since the Republicans came to power. Of first importance is the attitude to the hundreds of rank-and-file people who call themselves Republican and who had voted for James in the last elections. A large section of people in the state can be classified today as "double-crossed" Republicans. No political party or movement can expect to win this year or next year without attracting this group. Can this group be won over to the New Deal and to progress? Yes, it can. This is true not only because of the social composition of this group, consisting of workers, farmers, home owners and business men, but also because it is known that this group voted for James because of the inadequacies of the New Deal in the state, the stupidities of the state Democratic leadership, and its failure to offer a program to these dissatisfied people.

The state leadership of the Democratic Party in the 1938 elections racked its brains on how to appease big business, believing the less it offered the masses in progressive social reforms, and the more it backwatered on its own program, the more acceptable would it become to the Mellons, Grundys and Pews, and the less would it be opposed by them. The Republican Party, however, sensed the temper of the masses and demagogically promised a solution to their problems without the slightest intention of ever carrying it out. Any political party that seeks to recapture state power at this time and in the interests of the people, must, in the first instance, be a unifying force with a united labor movement as its backbone, attracting to its side the farmers and the broad middle class on a concrete program that will offer a way out in bringing about recovery, jobs, and security, and in protecting democratic rights.

In order that democracy and progress win in 1940 and return Pennsylvania to the fold of the New Deal, labor and progressives must not wait until 1940, but must begin now in the present town, city and county elections. In the election struggle this year, such a labor and democratic unity must be forged as will offer the disillusioned masses a program and a plan to defeat Republican reaction, and prepare for the crucial fight in 1940. It is in this light, and with this approach, that the Communist Party in the state is viewing its responsibilities and the contributions that it will make toward progressive democratic victory over Republican reaction.