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Ludlow Retreats

Representative Louis Ludlow, author of the famous congressional bill to provide for a popular referendum before the declaration of war, has announced that he will introduce his bill again in the next session of Congress—but in a modified form.

Whereas the last version of his bill provided that war could not be declared by the government without a popular referendum to sanction it, unless there was an actual attack by a foreign power or powers, the latest form of the bill announced by Ludlow provides that the government may declare war without a referendum "in case of attack by armed forces, actual or immediately threatened."

This is the second important "modification" introduced into the Ludlow Bill by its sponsors. Originally it provided for taking from Congress the power to declare war unless the territory of the United States was actually invaded by armed forces. Under pressure of the very imperialists and war-mongers the bill was supposedly directed against, sponsors Ludlow and LaFollette amended their own proposal to provide that Congress can declare war without consulting the people and getting its approval, provided the armed forces of another nation or nations attacked "any country in the Western Hemisphere."

By this first "modification" Ludlow placed himself openly on an imperialist basis. He acknowledged thereby the "right" of Wall Street's Congress to hurl us into a war in order to protect its financial and industrial interests throughout Latin America. According to Ludlow and LaFollette, it is perfectly all right for Congress to declare war in order to uphold the American imperialist protectorate over the Western Hemisphere.

The second "modification" is, if anything, more revealing. Originally, the bill narrowed the powers of Congress by specifying its freedom of action only if there was an actual invasion of U. S. territory. The revised bill permits Congress to declare war without a referendum if Congress believes that an invasion is "immediately threatened." Congress could easily interpret this proviso tomorrow in such a manner—as assuming the bill were already law—as to declare war upon Japan, on the ground that an invasion of the United States is "immediately threatened."

We have never believed, and do not now believe, that even if the original Ludlow amendment were adopted as the law of the land, it would actually prevent war. The imperialist masters of the U. S. have a thousand tricks at their disposal for circumventing any law on the statute books that stands in their way. But, as we declared in a recent issue, the sentiment aroused by the Ludlow Bill expressed an entirely progressive feeling among the American masses, reflecting their healthy distrust of the capitalist government and a determination to have a direct say in the vital life-and-death question of war. Such a sentiment deserves cordial support.

At the same time, however, all experience, the latest included, demonstrates that the capitalist and middle class politicians do not and cannot conduct a struggle against war, even if on a small scale. If they are in the struggle at all, they participate only in order to betray it to the imperialist war-mongers. Ludlow's second retreat is a sample of the sell-out. What little "guts" the original Ludlow Bill had, are being cut out of it by its very author.

Only if the working class, whose interest in fighting imperialist war is direct and decisive, takes the leadership in the struggle, and ceases to rely upon its capitalist "friends" and "patrons," is there any guarantee that the fight will be conducted seriously, consistently and triumphantly.

T.V.A. and War

One of the outstanding enterprises of the New Deal, to which its advocates point with great pride, is the Tennessee Valley Authority (T.V.A.). Countless speeches and endless articles have sought to demonstrate what a great price of governmental benevolence it represents; how it is to bring cheap power to the people of the Valley, cheap fertilizer to the farmer, and in general, have the effect of an enormous social boon conferred upon the people by the Great Liberal President.

The reality is far from being quite so idyllic. The T.V.A., like so many other Roosevelt-New Deal enterprises, is another cog in the vast, complex, carefully constructed war machine which the government has been erecting in preparation for the next slaughter of the peoples. The benevolent appearance of the T.V.A. is only a peace-time mask which is to be ripped

off at a moment's notice the minute war breaks out.

In connection with the visit to Tennessee of the Congressional T.V.A. Investigation Committee, the *New York Times* (July 17, 1938) reports the following highly significant item:

"Dr. Harry A. Curtis, T.V.A. chief chemist, explained to the Committee at nitrate plant No. 8 at Muscle Shoals that the plant, built during the World War, was now being used to produce concentrated fertilizers in connection with the T.V.A. farm improvement and soil conservation program, and was being kept in standard condition, so that it could be used to produce war materials."

"In case of war, he said, the plant could produce in a day twenty-seven tons of elemental phosphorus, used for incendiary bombs and smoke screens. He added that it has an 'enormous capacity' for that purpose."

It might be added further that the T.V.A. itself is only a huge smoke screen behind which the war-preparations organized by President Franklin ("Big Navy") D. ("I hate war") Roosevelt are taking place.

Capitalism prostitutes even most progressive social and economic possibilities to the cause of imperialist war and devastation.

Watch Their Hands!

The more frequently, the more ardently, and the more eloquently the heads of capitalist states proclaim their devotion to peace and their desire for disarmament, the more assiduously and cunningly do they prepare to plunge the peoples into the shambles of an imperialist war. This has become axiomatic.

A *New York Times* dispatch from San Francisco on July 14 reported that President ("I Hate War") Roosevelt, "standing within sight of sixty-three gray-hulled men o' war at anchor in the bay today, declared that 1939 would be a year of 'world-wide rejoicing' if it saw 'definite steps toward permanent world peace.' He expressed the 'fervent hope' that the costly and dangerous world armaments race would be halted and stated that the United States was ready to help in this direction."

The circumstantial irony of this pretty little peace talk, as we observe, was not lost on the *Times* correspondent who wrote the news dispatch. He went on to quote Roosevelt as saying: "We fervently hope for the day when the other leading nations of the world will realize that their present course must inevitably lead them to disaster. We stand ready to meet them and encourage them in any efforts they make toward a definite reduction in world armament."

This "holier than thou" piece of sanctimonious hypocrisy stands out all the more boldly and revealingly in view of the fact that the last session of Congress, on Roosevelt's initiative, passed the greatest peacetime military and naval budget in the history of the United States: Even while Roosevelt was speaking his piece, navy yards were rushing work on two 35,000-ton battleships scheduled to be completed within two years. At the same time, blue-prints were being drawn for a super-battleship of 45,000 tons.

In the realm of political hypocrisy, the palm goes to the heads of the "democratic" capitalist states. The fascists can afford to be more outspoken. On July 15, the day following Roosevelt's San Francisco speech, Sir John Simon, chancellor of the exchequer in the British cabinet of Prime Minister Neville Chamberlain, warned in the House of Commons that civilization might perish "if every country goes on piling up armaments forever and ever."

What was the occasion for this speech? It was delivered in connection with a government plea for the passage of the 1938-39 army, navy and air force budget amounting to \$1,750,000,000, which the House proceeded to pass without a single dissenting vote—meaning that it was also voted for by His Majesty's Loyal Opposition, the British Labor Party, whose parliamentary representatives are just as ready today as they were in 1914 to betray the interests of the workers by enlisting them in a war for the profit and aggrandizement of their imperialist exploiters.

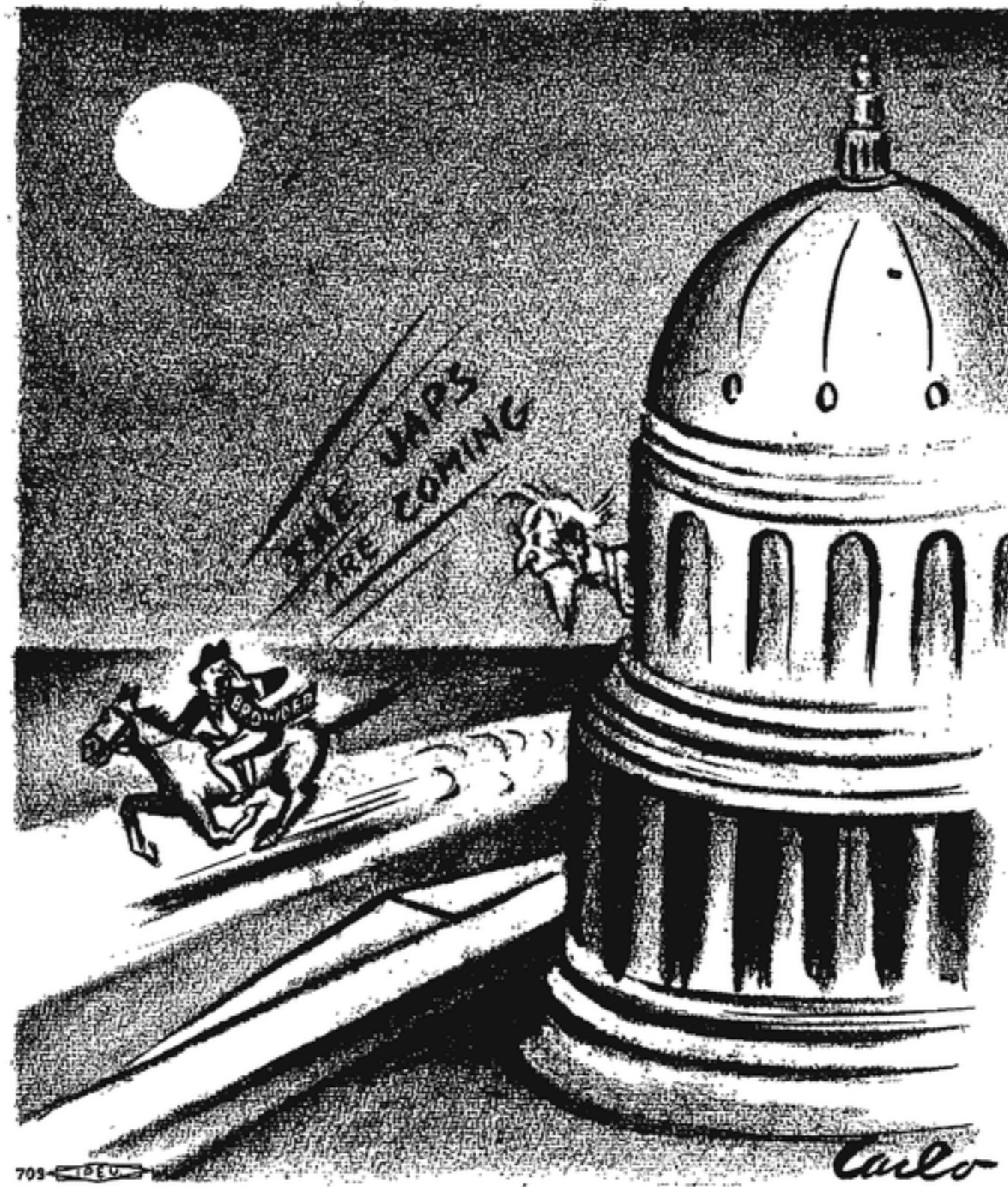
Sir John Simon, wrote the *Times* correspondent, spoke "with emotion such as he seldom allows himself in public speeches," and declared that "if we do not succeed and the world does not succeed in finding some way to end the folly of this everlasting expenditure on armaments, then, indeed, the future we shall be preparing for our children is one at which we may shudder." To cap this: "While Sir John was speaking the Air Secretary, Sir Kingsley Wood, was announcing an order for 1,000 high-speed pursuit planes . . . the biggest aircraft order ever given to a single firm . . ."

We seem to remember that in 1914, while actively preparing to plunge Britain into the world war shambles, the then British foreign secretary, Sir Edward Grey, did quite a bit of public emoting and shuddering in order to deceive the workers he was planning to send to the trenches. A little later, the pacifist Woodrow Wilson repeated the act in the United States.

All of which goes to show that the workers in this and every other country, if they are to be ready to smash the war plans of the imperialists, must watch the hands of the capitalist politicians—not their mouths. Deeds are what count. The pacifist, humanitarian words are merely a cover for deeds leading inevitably to war—humbug to deceive the masses into believing that "their own" imperialists will plunge the nation into war if the country is first attacked or in order to serve some lofty ideal—such as the preservation of democracy and the independence of small nations.

Eternal vigilance! Watch their hands—not their mouths!

Paul Revere . . . 1938!



Democracy and Communism

How Browder Has Abandoned the Traditional Revolutionary Teachings of Marxism on Decisive and Basic Questions

By M. J. OLGIN

(At its recent convention, the Communist Party adopted a new constitution which says that the "party opposes with all its power any clique, group, circle, faction or party which conspires or acts to subvert, undermine, weaken or overthrow any or all the institutions of American democracy." And in his formal statement to the McNaboe Commission, Earl Browder declared that while the Trotskyists and Lovestonites attributed to the Communist Party a position against capitalist democracy, the party was in fact always the staunchest advocate of this democracy.)

How utterly hypocritical and mendacious the new Stalinist position is, may be seen from the quotations which we reprint below. They are taken from an official Communist Party pamphlet entitled "Why Communism?" by M. J. Olgin, second revised edition, issued by the Workers Library Publishers, in May 1935, that is, two years after Hitler came to power. The quotations are merely a statement by Olgin of the traditional Marxist and communist position, which has now been completely abandoned by the Stalinists—Ed.)

You have been taught that we live in a democracy, that the institutions of this country are bulwarks of freedom, that the government of the U.S.A. is a government by, for and of the people. From time to time you are allowed to cast your vote, and on this occasion you are told that by universal suffrage the "sovereign will of the people" is expressed. . . .

The truth of the matter is that this is a rich man's State and a rich man's government. The State is there to act on behalf of finance capital and to protect its interests against the people. The government is the executive committee of the big trusts . . .

State Exploiters' Weapon

The State is an instrument of power in the hands of the big industrialists, bankers and landlords, who by this token are the ruling class. The State is there to effect the exploitation and oppression of the workers and the poor and small farmers, and also of the subjugated colonial peoples, by the ruling class. The Constitution, the government, its laws, its agencies: the army, the militia, the police, the courts, the jails, the legislatures—all are there to effect the exploitation and oppression of you and millions like you. . . .

At a time when it is necessary for the workers to understand the real nature of the State as an instrument of exploitation and oppression [the leaders of the Communist Party—Ed.] tell the workers that the State, as constituted at present, can be a means of liberating them from exploitation and oppression. At a time when it is necessary for the workers to gather strength and fight against the capitalist State and its laws, the Socialists preach to the workers a reliance

on this very State and its laws. At a time when it is necessary for the workers to develop the will to power which shall ultimately crush the capitalist State and make the workers and farmers the ruling power in a State of their own making, the Socialists tell the workers that nothing of the kind is needed and that they have to remain within the legal limits prescribed for them by the ruling class. . . .

Revolution Only Answer

An extraordinary international Socialist Conference met in Paris at the end of August, 1933. The Socialist leaders discussed the question of fascism, the question of war and peace. Did they suggest any effective remedy against fascism? The only real remedy is a revolution of the working class to overthrow capitalism by first destroying the capitalist State. But the Socialist leaders were opposed not only to revolu-

tion: they were opposed even to the united front against war and fascism. The Socialist leaders again talked "democracy" instead of revolution. They talked League of Nations and disarmament conferences instead of a real struggle against war. What was the actual achievement of the Socialist conference? It spread illusions among the workers to the effect that by using the instrumentality of the capitalist State, they can abolish the evils of capitalist oppression and by using the instrumentality of capitalist international institutions like the League of Nations or the Hague Tribunal, they can abolish wars. . . .

We communists say that there is one way to abolish the capitalist State, and that is to smash it by force. To make Communism possible the workers must take hold of the State machinery of capitalism and destroy it.

The Case of Joseph Zack

An Editorial

The case of Joseph Zack demands the active attention of every worker, every labor organization, every progressive in the country.

Joseph Zack is threatened with an order issued by the Immigration authorities for his deportation to Czechoslovakia. The order was issued despite the fact that Zack was born in Scranton, Pa., and is therefore an American citizen.

The circumstances of Zack's planned deportation are what lifts the case far above the ordinary.

A socialist party member before the war, Zack became one of the founders of the Communist Party in 1919 and one of its leaders. For years he was a member of the Central Committee of the C. P., more than once a delegate to Moscow, and before his separation from the party, he was in charge of its trade union work.

Broke With Communists Party in 1935

In 1935, Zack broke with the Stalinist party, joined the then Workers Party for a short time, and has since been active in small left-wing movements.

In 1936, Zack wrote to the State Department in Washington, asking it to intervene in an attempt to get his wife and son, held in Russia as virtual hostages, to the United States. The State Department, far more interested in maintaining friendship with the Stalin bureaucracy than in "helping an American citizen," showed no interest in Zack's request.

They did show a great interest in getting rid of Zack. And in their efforts, Zack now charges, the Communist Party gave signal assistance. In a word—and those who know the present Stalinist line will not be astonished—the Browderites turned coppers and deportation-agents at the same time. That's what is called service to America's "democratic institutions"!

Able to Prove American Citizenship

The claims of the State Department in backing up the deportation warrant are that Zack is not an American citizen, because there is a record of his baptism in Czechoslovakia. In reply, Zack is able to prove that his baptism took

place in Czechoslovakia, on his mother's initiative, two years after his birth in Scranton, Pa., from which he and his mother left for her native land. Furthermore, Zack has not only been given regular U.S.A. passports in the past, but the validity of his claim to American nationality was recognized by the Immigration Division of the Labor Department when it cancelled the deportation proceedings in 1934 which had originated with the Michigan Criminal Syndicalism cases in 1923—in which he was involved together with Foster, Browder and Amter, that is, the same gentlemen who have now testified against him before the Department of Labor!

The Browders Act in Silence

The deportation warrant against Zack is in every possible respect a shame and a disgrace. The Browder gang keeps silent in its press, because even it does not yet have the brass to avow and urge in public the perfectly infamous thing they did in the closed chambers of the government's deportation experts.

As for the latter, they are, we believe, part of President Roosevelt's political and administrative machine. Roosevelt today poses as the great friend of the political refugees. He has just arranged an elaborate farce in Evian, to discuss the question of allowing the politically persecuted to find refuge in the "democratic countries."

At the same time, his Department of Labor deports, each year, more people than are admitted under all the immigration quotas! That is a statistical fact. More than that, it now proposes to deport a U. S. citizen, solely because he is a revolutionary worker and does not suit the Stalinist machine in Moscow and on 13th Street.

This revolting plan of Browder and the Labor Department must be scotched in the bud—right now. Every voice must be raised against it immediately, and out loud, for everyone to hear.

Silence or indifference to this unique case is not only a crime, but means that the case will cease to be unique and be turned into just another American Custom!

Stock Market Rises; Basic Crisis Continues

By DAVE COWLES

The upward spurt on the stock market which began June 20, and has continued since, has had immediate reactions. Capitalist economists are aflutter with hopes of a new prosperity. The capitalist press magnifies the spurt with front-page headlines, seizing upon it as proof that capitalism is capable of restoring prosperity. And already there is an answering echo of pious hope among untutored labor leaders, pink-tea liberals and plain, ordinary deceiving scoundrels in the ranks of the working class.

Responsible Wall Street investment houses are not so optimistic. As late as June 18, Poor's Investment Service wrote, "The stock market is gradually working itself toward a point from which a sizeable move may develop. Direction cannot be predicted with certainty, although the economic background suggests the downside." And their judgment of the economic background was that "Only in the January 1932—April 1933 interval of the Great Depression was business activity so low."

Economic Activity Falls

The fact that the stock market rose while economic activity fell indicates that the stock market no longer reflects the self-recuperative powers of capitalism. The present stock upsurge, for instance, did not begin June 20th. Actually, it began two and a half months before, in the opening days of April. From that time on it climbed slowly and waveringly until it began its sharp rise on Monday, June 20th. At no time did this rise reflect rising production and expanding business activity. Both these continued to decline. They gave decreasing profits in the present and even less hope of profits for the future. Such prospects could not sustain a falling market, much less stimulate a rising one. Looking only toward private industry, Poor's could see no justification for a rising stock market and concluded logically that "the economic background suggests the downside" in the stock market.

Were capitalism dependent upon itself for recovery, Poor's prediction would have come true. However, capitalism today is incapable of self-recovery. Today the great stimulant of recovery is government aid. In 1933, government aid in the form of pumping and credit expansion gave the impetus to recovery. The current crash began in the early months of 1937, when government aid dwindled away. Today, too, government spending and credit expansion have begun the work of recovery and excited the stock market with hopes of profit. The stock market, therefore, has become an indicator of hopes of profits based on government spending and not on the expansion of capitalism.

That this is true is proven beyond question if we compare the stock market trends with government spending. The stock market rise that began in April reflected increased government spending that had begun in March. Between February and March, government spending for public construction in 37 states had increased from \$50,000,000 to little less than \$100,000,000. This fact is doubly important. As a user of capital goods, the construction industry is interwoven with practically all the durable goods industries, some of which are dependent upon it almost entirely for their market. Furthermore, as a disburser of purchasing power, construction activity distributes purchasing power in greater degree than average industries. And the purchasing power it distributes goes almost entirely into stimulating the consumption goods industries.

Indexes Rise

By April there were growing signs that the depression was scraping bottom, that government spending was taking hold and that recovery was around the proverbial corner. Some of the more important indicators of cyclical revival began to appear. The unadjusted index of automobile production began to rise slowly in February and continued upward into April. The unadjusted index of new passenger car sales rose over 50 percent between February and April. The index of total residential building contracts awarded rose almost 100 percent during the same interval. Net railway operating income, which declined very sharply during March to April 1937, smoothed out its decline during the same months of 1938. The most comprehensive indexes have either slowed up their decline or made slight upturns.

The question is no more one of when the decline will end. The real questions now are: How great will be the recovery? How long will it last? What will it mean to the workers?

We gave the answer to these questions in the *Socialist Appeal*, over three months ago, when the Roosevelt "recovery and relief" program was accepted by Congress. What we said then is still true today and is worth repeating.

"At best, the program will bring a feverish recovery that will be short in duration, precipitate in decline, and at all times will press down the living standards of the workers and farmers. The public works program will employ a portion of those displaced from private industry by the current depression. The major portion, however, will still be unemployed. In addition, there will remain the 9,000,000 who were unemployed at the peak of economic activity in 1937. The housing program will increase employment in the building industry as well as in the auxiliary capital goods industries. However, all this will fall of its purpose unless private industry joins in the expansion. The Roosevelt administration realizes this. The purpose of destitution of gold and the expansion of credit is to stimulate expansion in private industry by inflation.

"The inflation program will cause a spurt in economic activity, causing a further increase in employment, although it will never absorb all the millions of unemployed. However, it will also increase prices and the cost of living for the workers. Workers now employed will suffer substantial cuts in real wages. The unemployed who are now on relief or getting \$54 a month on works projects, will be even more depressed. Those unemployed only will get temporary relief who get jobs in private industry as a result of this inflationary upswing.

"But this relief will be short-lived. Inflation will cut the purchasing power of the workers and unemployed. Surplus products will pile up as capitalists prepare themselves against future price rises. Consumption will be lagged again behind production. And the illusion of recovery will crash into the reality of depression."

One modification only has to be made to this conclusion. The inflationary upswing will at the same time have tuned up the productive machinery in preparation for war. Within less than two years the alternatives—of catastrophic depression accompanied by the danger of social upheavals or war of imperialist expansion—will present themselves. Wilson before him had chosen the alternative of World War. Roosevelt, far more than Wilson, has prepared for this alternative and will take it when the occasion arises.

The present stock upsurge not only reflects the government's inflationary policy of stimulating recovery but it also presages the coming war for American imperialism.

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