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The "Kingmaker's" Friends

JERSEY CITY, N. J., Nov. 8.—Halling Frank Hague as "your leader and my leader," William H. J. Ely, Democratic candidate for U. S. Senate, told 3,000 persons gathered here today that "he will not find me wanting when he wants me."

"... I think I can say," Mr. Ely continued, "that the people of this state are wholeheartedly behind the greatest humanitarian we have had in the White House—Franklin Delano Roosevelt. I have pledged myself to support the kind of government we have had in the past six years."

At the close of Mr. Ely's address, James A. Hamill, City Corporation Council, who was chairman of the rally, announced:

"The next speaker will be the man who makes United States Senators and other officers, big and small—the kingmaker—our Mayor, Frank Hague."

This little incident speaks a mouthful about the catchwords of labor leaders, Stalinists and liberal capitalist politicians: "Roosevelt Against Reaction! Support New Deal Candidates to Defend Democracy!"

The speech of Hague's picked candidate was return payment to Roosevelt for the administration stamp of approval placed upon him by First Secretary of War Woodring and Postmaster Farley. It is the other side of the dirty deal of the New Deal with the Vice-Chairman of the Democratic Party.

"Let me rule Jersey as I please, for the benefit of my machine and Big Business," says the Hudson County Hitler, "and I will deliver you the votes and the candidates in Congress."

Every worker, every militant anti-fascist, who has been taught to rely on the White House in the fight against Hagueism, can now see what the score is:

Roosevelt and his party back Hague. Roosevelt is not against this vicious reactionary but behind him! Hague's gang is not against Roosevelt but behind him! Roosevelt is not with the workers and labor's democratic rights in New Jersey but against them!

Faced with this situation, the officers of Labor's Non-Partisan League half-supported Barbour, the Republican candidate for Senate, who is no less reactionary than his Democratic opponent. Despite this prostration of the C.I.O. leaders before the capitalist parties, the workers of New Jersey have been given the opportunity to vote a genuine labor ticket by the Socialist Worker's Party. With the modest means at their disposal, the candidates of our party through the program published in their paper "The Worker's Voice" have given expression to the desire of the enlightened workers in the state for militant and independent working class action on the political arena.

While the present electoral campaign has shown that the workers cannot struggle against Hagueism politically by relying upon either of the capitalist parties, the recent decision of Federal Judge Clarke in the famous "free-speech" case of the C.I.O. and the American Civil Liberties Union has demonstrated that they cannot conduct an effective fight against Hagueism by relying upon the capitalist courts.

The decision of this "liberal" judge actually legalized a form of modified censorship against free speech in Jersey City!

First, it did not grant the C.I.O. the right to use the streets for meetings, although Hague's henchmen freely enjoy that right.

Second, the decision gives Hague censorship and control over all planned meetings by suggesting that he demand an advance copy of all speeches. This enables him to refuse a permit on the ground that the speaker might provoke a riot.

Finally, the learned jurist left Hague free to coerce private ball-owners and prevent them from renting rooms to any of his enemies.

This decision, hailed as a "victory" by the C.I.O. leaders, the liberals, and Stalinists, was in reality a partial victory for Hague. But Hague is not content with such partial triumphs. This despot will not permit even this concession to

Hague has already shown his respect for the courts and the law by revoking a permit for a Socialist street meeting where Norman Thomas was scheduled to speak. Hague is a realistic representative of reactionary anti-labor interests. He knows that a legal decision is not worth the paper it's written on without the power to enforce it. So long as he retains possession of the police, the city administration, the state courts, and the state government, he is safe. If these agencies fail, he can always call upon his hired mobsters to break up meetings and assault workers.

He is the law because he controls the power of enforcement.

The workers of New Jersey and all their sincere supporters should learn from the conduct of their adversary that laws can be enforced and "liberalism" within his domain. rights defended only by those who depend upon their own strength.

There is only one power in New Jersey capable of enforcing any court decision in favor of free speech—

There is only one force that can undermine and overthrow Hagueism and restore their democratic rights to the people of New Jersey—

That is the power inherent in the working class, mobilized against the bosses in their own party on the political field, organized into their trade-unions on the economic field, and equipped with such a militant program of action as that proposed in "The Worker's Voice."

Duranty Scents the Trail

Preparing the ground for Stalin's attempt to come to an agreement with Hitler, Walter Duranty, unofficial mouthpiece for the Kremlin, has headed east from Paris and is now engaged in broadcasting a series of articles to the world press. From all indications, Duranty is already several laps ahead of the Daily Worker, which is still dragging behind it a good share of the pre-Munich baggage.

The most illuminating of Duranty's articles, dated from Warsaw, appeared in the Times of November 4. It must have given Earl Browder a sleepless night and a bad case of the jitters.

Lo and behold! Wizard Duranty, in the short space of a month, has discovered—keep a tight grip, children, and don't jump out of your chairs when the gun goes off—that Germany, Hitler's Germany, of course, has become: the great guardian of peace.

But this is a typical, Trotskyist-fascist counter-revolutionary slander! Everybody in the modern world of the Seventh Congress of the Comintern knows that the ultimate conflict in civilization is between fascism, especially Nazism which is the most vicious form of fascism, and democracy; and everybody knows that Nazism is the aggressor and the war-maker, and that the democracies alone want peace.

Sorry! That belongs to another chapter. "Europe . . ." writes Duranty, "still thinks in pre-Munich terms and dreams romantic dreams . . ." Germany is going to correct all this, "because it needs clearance of the post-Versailles rubbish. . . ." "Post-Versailles rubbish"? Yes, Duranty talking.

"By allowing Hungary to recover by the Vienna award such towns and communications as Ruthenia possesses, the Germans have effectively neutralized that potentially trouble-making country. Which is immensely significant because it appears to mean that Germany no longer wishes to make trouble or fish in troubled waters."

"Until Munich, the threat of war and war's alarm and what has now become the 'racket' of stirring up national minorities to seek self-determination were among Chancellor Hitler's major cards in the international game. But Munich changed all that and suddenly transformed Germany from a 'have-not' power, which had nothing to lose by strife and confusion and much to gain, to a 'have' power, which needs time and tranquility to digest and develop not merely what has already been swallowed, but the far greater possibilities that are ahead."

What has happened to Nazism "that meant war"? Nazism, need it be mentioned, is not once referred to in the dispatch. And it is unkind to recall that until a month ago, in the Dimitrov-Litvinov, pre-Munich days, the theory of "have" and "have-not" nations was a heresy sufficient to send a Soviet subject to the firing squad?

Then the summary: "That and no other is the meaning of the Ruthenian settlement. It declares to those who have ears to hear that Germany henceforth wants peace." And Duranty's ears, God knows, are long enough.

Let us hope that the ears of Browder, Hathaway, Foster and Ford and Amter, are equally sensitive. If not, if they persist in keeping their noses down in all that "post-Versailles rubbish" of the Seventh Congress, they may, alas, soon find themselves on the skids where even now Dimitrov and Litvinov are so rapidly sliding.

Reporting For More Duty, Sir!



RECOVERY: Industry Re-Geared Not For Plenty But For War

Government money poured into the drying channels of industry has succeeded in bringing about a brief upturn in the declining curve of American capitalism.

But the "recovery" toward which the Roosevelt administration is heading is not recovery for peace and plenty but recovery for war.

It is on this basis that Roosevelt is coming to satisfactory terms with Big Business. It is on this basis that the American industrial machine is now being geared for the gigantic effort that will be required or it when the day comes—and it is not far off—for American imperialism to assert its world supremacy by force of arms.

Arms and Recovery
Henceforth the administration arms program and economic "recovery" will march hand in hand. Capital expenditure on a large scale—\$1,000,000,000 in electric power plants alone—will be devoted almost exclusively to the needs of the war machine.

There has already been ample indication that the army and navy air budget for next year will be the largest in American peacetime history. The outlay for naval construction, for increasing the army to a force of 400,000 men, and for building an air fleet which, it was intimated last week, will be eventually increased to 10,000 planes, will be well over \$1,000,000,000.

But this is only a small fraction of the actual sums that will be applied on the industrial field for direct war purposes. The Associated Press recently issued a study based upon the opinion of business leaders which concluded that the arms budget of \$1,000,000,000 would actually lead to the expenditure of about \$5,000,000,000 on the industrial front during the next 15 months.

Utilities Expansion
This will include unbudgeted Federal loans and private capital applied to the industrial reorganization called for by the President's power plans and by the army survey recently made of 10,000 plants. In many of the latter government funds will be made available for plant transformations for wartime needs.

The first and most grandiose plan under this heading is the expansion of electric power facilities. Following publication of the report of Roosevelt's National Defense Power Committee, it was announced last week that the first stages of the new plan would be carried out at once. The objective is the construction of plants capable of generating 1,000,000 additional kilowatts in 15 "strategic war material centers."

This plan, according to the Journal of Commerce, will involve the expenditure of about \$500,000,000 in the next two years. Jesse Jones, chairman of the Reconstruction Finance Corporation, announced on Nov. 2 that he was prepared to issue loans immediately for half that amount to get the program started.

Other Lines Affected
This program of course will immediately affect other major

lines of industry. Boiler makers, electrical manufacturing companies, oil companies, and allied lines, will all receive an invigorating shot in the arm. Chicago Edison and Standard Oil both announced vast expansion programs a few days after the publication of the utilities program. The former announced a new capital outlay of \$75,000,000 during the next two years. Standard Oil's expansion will increase its capital expenditure by \$185,000,000 this year. Other lines will shortly be following suit.

The retreat of the railroads from the wage cut proposal was obviously conditioned upon a large scale Government-financing plan for pulling them out of the hole and this, too, is an important part of the war program.

Wall Street Pleased
Wall street has naturally reacted with pleasure to this development over the likelihood that "the Administration's national defense program may lead to an early marked expansion in capital expenditures," the Journal of Commerce added that this program, "it is hoped, will lead to the modification of other Government policies that have been regarded as decidedly inimical to business."

This large-scale spending for war can be expected to give an additional spurt to the upswing which began last Spring and Summer as a result of government "pump priming." It is not difficult to demonstrate that government spending was the basis of the turn. It is equally easy to show that the "recovery" thus achieved is temporary and deceptive, that it cannot arrest the declining curve of American capitalism. That is why it is necessary for the ruling class, represented by the Roosevelt Administration in Washington, to prepare for war, war for a re-division of the world's spoils and the world's markets.

Order of Upturn
The most striking feature of the upturn is the fact that it began not in the capital goods industries but in the consumption goods industries. Building construction began to rise out of the depths of the first quarter of 1938 as early as March. Consumption goods industries generally, with textiles as the main sustaining force, began to climb out of the doldrums in April; rising from their low point of that month by 20% in October. While these curves were rising, capital goods industries were still declining, hitting their low in June when the index of capital goods output was 54.6 (1928=100). In that month a general rise in production, stimulated by the upward swing in the consumption lines, began to take place. Steel led the way, steel ingot production rising 26 points between June and September. Automobiles lagged, but finally joined the parade in August and are now booming.

Artificial Stimulation
This order of recovery is extremely illuminating. Previously the capital goods industries had always led the way up from declines, increasing their output first, stimulating purchasing power,

Election Results Show Need of a Labor Party

(Continued from Page 1)

class must hold itself in check, must not put forward its own independent class aims and program, in order "not to alienate the middle classes" is once more disproven by the facts.

The middle classes, seeing the working class wandering along without a program of its own, submitting to the exploded and collapsing demagoguery of the New Deal, pinning all faith in those who for six years have produced nothing but a continuance of 12,000,000 unemployed and plans for a war, draws an appropriate conclusion, and swings to the side which at any rate speaks in a loud and determined voice.

New Deal Explodes

The political prophets of the bourgeois press will interpret the elections as the sign of a great "shift to the right." In this there is at the most half a truth. The full truth is that the masses seek a solution for the impasse into which they have been led. The New Deal promised such a solution. But six years have proved that its promises are false, that poverty, insecurity, unemployment, the threat of war are just as prominent in 1938 as in 1932.

Beginning their disillusionment with the New Deal, the masses now demand another and clearer answer. They turn to the official leadership of labor, and that leadership has no reply: it repeats the promises of 1932, but those promises have already proved their hollowness in action.

The Choice Ahead

Consequently, the only choice left is: to seek in the other camp a road out of the impasse. But the choice is sharper now. It is not to the easy ways of Coolidge and Harding that they can return. Reaction must draw now from

the weapons of barbarism, from anti-unionism as in the West, from anti-Semitism as in New York, from racial chauvinism as in South Carolina and Georgia. Reaction, that is to say, must today head toward the ideology and methods of fascism.

These elections are an omen of vast import for every worker in the United States. The "shift to the right" which they record is the direct consequence of the failure of labor to organize its own forces. And this shift is even greater than it seems, for it is accompanied by the subordination of labor to the politics of its own class enemy.

How can the workers and their allies be drawn into determined struggle when they are corralled into a vote for Lehman, eighteenth in the list of America's sixty families? How can labor take itself seriously when, in Pennsylvania, it is told to send into office the very men who, last Spring in the primaries, were correctly pointed to as the bitter and uncompromising enemies of labor? How, in Minnesota, can labor and its friends be expected to sweep Benson into office when Benson himself spends his time trying to prove that he is as devoted to things as they are as his opponent, Stassen?

The lesson of the elections is plain and unmistakable. The day of the New Deal is drawing to a close in just the same way as in 1929 the Fordist New Era of capitalism departed. But now the time is shorter. The division into the re-formed armies of Right and Left must now take place. Labor must now cast the New Deal from its shoulders; it must proceed independently, audaciously, with its own program, its own organization, its own methods; or it must admit defeat in advance.

Statement on Diego Rivera

In reply to a misunderstanding with respect to the resolution adopted by the Fourth International at its founding conference in September, 1938, on the situation in the Mexican section and the relations of Comrade Diego Rivera thereto, the All-American-Pacific Bureau of the Fourth International makes the following statement:

The decision with regard to Comrade Diego Rivera's membership in the Fourth International was in no sense taken as a sanction against him, for which there was no occasion or justification, since Rivera's devotion and loyalty to the Fourth International and its program have never been brought into question.

The decision on the reorganization of the Mexican section was not calculated to eliminate Comrade Rivera from the Mexican section of the Fourth International, much less to prohibit him from maintaining such membership. Rather, the suggestion made, in full agreement with Comrade Rivera, was that, in view of the exceptional circum-

stances created in the Mexican section, he should have the right not to belong, provisionally—that is, until the life of the section has once more reached a normal stage— to the Mexican section, and devote himself essentially to revolutionary political work on an All-American scale.

It is towards this end that the decision of the International Conference provided that Comrade Rivera's membership and activity be under the direct responsibility and control of the All-American-Pacific Bureau of which he is a member.

Whether Comrade Rivera joins the Mexican section, now in the process of reorganization, immediately or at a later time, has been left entirely in the hands of Comrade Rivera himself, in agreement with the representative of the Executive Committee of the Fourth International assigned to work in Mexico. His full membership in our movement remains, however, fully in effect and unimpaired. Nov. 8, 1938.

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Socialist Workers Party
New International
Socialist Appeal

S. W. P. MEMBERSHIP MEETING

A general membership meeting of the Socialist Workers Party of New York will be held Saturday, Nov. 13, 3:30 p. m. at Irving Plaza Hall, 15th St. and Irving Place. The meeting is called for a discussion of the Jewish question, the rise of anti-semitism and the problem of organizing a struggle against it. All party members are urged to attend.

MASS MEETING NOVEMBER 13

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