

## SOCIALIST APPEAL

Vol. III, No. 95 Saturday, December 30, 1939

Published Weekly by the  
SOCIALIST APPEAL PUBLISHING ASS'N.  
at 116 University Place, New York, N. Y.  
Telephone: ALgonquin 4-8547

Editors:  
FELIX MORROW MAX SHACHTMAN  
General Manager: Assistant Manager:  
GEORGE CLARKE SHERMAN STANLEY

Subscriptions: \$2.00 per year; \$1.00 for six months.  
Foreign: \$2.00 per year; \$1.50 for six months. Bundle  
orders: 3 cents per copy in the United States; 4 cents  
per copy in all foreign countries. Single copies: 5 cents.

Registered as second class matter December 4,  
1935, at the post office at New York, N. Y., under the  
Act of March 3, 1879.

FIGHT WITH THE SOCIALIST  
WORKERS PARTY FOR:

1. A job and a decent living for every worker.
2. Open the idle factories—operate them under workers' control.
3. A Twenty-Billion dollar Federal public works and housing program.
4. Thirty-thirty—\$30-weekly minimum wage—30-hour weekly maximum for all workers on all jobs.
5. Thirty dollar weekly old-age and disability pension.
6. Expropriate the Sixty Families.
7. All war funds to the unemployed.
8. A people's referendum on any and all wars.
9. No secret diplomacy.
10. An independent Labor Party.
11. Workers' Defense Guards against vigilante and Fascist attacks.
12. Full social, political and economic equality for the Negro people.

## The Red Army

A thick veil of censorship and newspaper propaganda hides the detailed facts about the military situation of the Red Army in its invasion of capitalist Finland. There is no first-hand information available concerning the actual condition of the Red Army, its equipment, its food supply, its morale.

The reports in the bourgeois press that the Finnish army is winning victory after victory, decimating the Red Army, that the Red Army is badly equipped, that its morale is low, that it is hungry and on the verge of mutiny—all of this must be taken with more than a grain of salt. Some of the stories read like those of the period of the Civil War (1917-20) when the heroic soldiers of the Red Army were pictured as a stupid, unkempt, cowardly mob.

The capitalist press is fond of comparing the lightning-like speed with which the German army smashed Polish resistance and the slow pace at which the Red Army is advancing in Finland. They deliberately omit from consideration such factors as the more difficult terrain upon which the Red Army is operating and the greater help made available to bourgeois Finland by the Scandinavian, British, French and American capitalists.

Nevertheless, as revolutionary defenders of the Soviet Union we consider it our first duty to tell the truth about the terrible ravages of Stalinism in every field, military as well as economic. Only in this way can the defense of the Soviet Union be strengthened and the world struggle for socialism aided. The dreadful effects of Stalinism are manifest today in Finland, both in the act of an invasion carried out against the will of the Finnish workers, and in the plight of the Red Army. The Red Army is no longer the kind of army that fought in the days of Lenin and Trotsky because the Soviet Union is no longer the same kind of Soviet Union. The difference is embodied in Stalinism.

The soldiers of the Red Army come from the masses, from the ranks of the workers and peasants; the morale and spirit of the masses is reflected in the army and in the way it struggles. By crushing every form of democracy within the Soviet Union the Stalinist regime has destroyed the wonderful spirit and initiative that characterized the workers and peasants in the early days of the Soviet Union. Bureaucratic discipline has supplanted the self-imposed discipline of conscious fighters for the revolutionary cause.

We long ago—precisely at the time when Stalinist intellectuals and even military experts of the capitalist states wrote with admiration of the "great" Red Army—pointed out that the Stalinist regime could not but weaken the Red Army.

When Stalin decapitated the Red Army by executing its best commanders, he struck a terrific blow at the Soviet Union and at the Red Army. The Stalinist lackeys laughed at us. The purge, they said, would "strengthen" the army. We can see now how it has been "strengthened" in the battles in Finland.

The Red Army is composed of the same human material as in the days of Lenin and Trotsky, the same workers and peasants who would gladly give their lives for the Workers' Fatherland and for the World Revolution. But the heavy hand of the Stalinist bureaucracy has crushed the spirit of that army by destroying the party that led the workers and peasants to victory, by depriving the masses of the right to think and act without fear of repression.

How happy are the imperialists that Stalin and

his bureaucracy now dominates the Soviet Union instead of the revolutionary leadership of Lenin and Trotsky! How gleefully the lackeys of imperialism write about the weakness of the Red Army under Stalin!

We recognize those weaknesses and we know the causes. The Russian workers, passionately attached to the Soviet Union which they created with their flesh and blood, and determined to defend it against any and all imperialists, must come to recognize that only the overthrow of the Stalinist bureaucracy can guarantee the defeat of the imperialist armies.

The Soviet workers are compelled to fight on two fronts: against the Finnish bourgeois army and against the Stalinist bureaucracy. They must not permit the Finnish capitalist army, fighting in behalf of world imperialism, to be victorious. They must defeat that army; and to do so quickly and decisively, in the interests of the workers of the world, they must overthrow the treacherous and reactionary Stalinist regime which is undermining the Soviet Union and the world revolution.

## MUDDLING ALONG

Ambassador Neville Henderson, in the British War Blue Book, reporting a conference with Hitler: "Things are different than they were 125 years ago," says Hitler; and Henderson replies, "Not so far as England is concerned!"

## "Cemented By Blood"

Lenin said that he would accept help from the devil and his grandmother, but he never therefore embellished the devil and his relations as fine, upstanding people. In every contact between Stalin and Hitler which becomes public, we are provided with further evidence of the fundamental difference between Lenin's conception of maneuvering among the imperialist powers and Stalin's servility toward the imperialists. The latest instance is the exchange of felicitations on Stalin's birthday. Stalin is not the official head of the Soviet state. By what conceivable diplomatic conception need he express his "thanks" and "gratitude" for Hitler's good wishes? The really greasy touch was in Stalin's message to von Ribbentrop: "The friendship of the peoples of Germany and the Soviet Union, CEMENTED BY BLOOD, has all grounds to be prolonged and stable." (*Daily Worker*, Dec. 26).

Cemented by whose blood? The blood of the anti-fascists in Hitler's execution chambers? The blood of the German communists who fled to the Soviet Union and were murdered by Stalin? The blood of the Polish workers whom Stalin delivered to Hitler?

## SUCCESS STORY

John Wanamaker promised his mother never to play playing cards in his store.

## Business Is Business

If a French peasant sells a pig to a German worker, that's "trading with the enemy", a crime punishable by the firing squad. Meanwhile, however, French big business is regularly exchanging Lorraine iron ore for German coal. It's like the difference between stealing and high finance. If you take a few dollars, it's stealing, if you take millions, it's high finance. The French peasant would be shot as a traitor, but the French bankers and industrialists are accounted economic statesmen.

A dispatch from Copenhagen to *Iron Age*, steel trade magazine, last week revealed that, through the medium of Belgian firms, the French and German capitalists are transacting this business in coal and iron. The *New York Times*, in a rather awkward editorial, December 27, seeks to justify the transactions. It insists that, "Although the thought of such trade between belligerents, especially in the sinews of war itself, is repugnant, the ethical point involved is subtle." So subtle, indeed, does the *Times* make the ethical point, that the point vanishes altogether under the skillful hand of the editorial writer.

But let that fact sink home in the minds and hearts of the German and French workers and farmers who stand firing at each other across the Maginot Line: "Our masters go right on doing business with each other while they send us to kill and be killed in these trenches."

Let that fact sink home, as in the last war Russian soldiers learned that the Czarina's court remained friendly to the Germans; as the French soldiers learned that the opposing general staffs had arranged not to bomb each others' headquarters or steel plants.

Let the simple fact really sink home in the minds of those who carry arms, that there is one law for the masters and another law for the oppressed—and not all the editorial writers in the world will be able to prevent those guns from being turned against the master class.

## CZARIST BONDS GO UP

We call to the attention of Norman Thomas and other such defenders of Finnish "democracy" the following unadorned news item from the Dec. 23 issue of the *Wall Street Journal*:

"PARIS—A minor flurry in Russian Czarist bonds occurred on the Paris Bourse yesterday coincident with Finnish claims of victories over Soviet Russian troops on all fronts.

"About twenty of these obligations, dating from 1822 onward, have been quoted below five francs for 500 gold francs nominal for many years. Yesterday, some purchasing came into the market, sending the price upward one franc.

By Dwight Macdonald  
SPARKS IN THE NEWS

## Book Bargain

Without much question the book bargain of the year, of many years, is a quarto of 396 pages entitled: *The Structure of the American Economy, Part I, Basic Characteristics*. It is put out by the National Resources Committee, a government research agency, and was prepared by a large staff of economists under the direction of Gardner C. Means (who was co-author, with Adolf Berle, of *The Modern Corporation and Private Property*). It is printed on coated stock, with many charts, graphs and maps, covering everything from interlocking directorates of the two hundred biggest corporations to the amount of money spent by various income groups on food, clothing, tobacco, books, etc. And it can be obtained by sending one dollar to the Superintendent of Documents, Washington, D. C.

Marxists should find this book as absorbing reading as any detective story. They will not expect Mr. Means and his staff to reach any valid conclusions, and in this they will not be disappointed. Mr. Means reaches no conclusions at all, in fact, which is in this case perhaps a virtue. But he does present frankly and honestly—within the limitations of the ruling class outlook—the basic data on which any sort of effective political thinking, Marxist or not, must be based.

## Lost: Two Hundred Billion Dollars

In the next *New Internationalist* I plan to analyze and summarize some of the wealth of data in this book. But there is one point made here which is so dramatic an exposure of the insanity of our capitalist system that it seems worth emphasizing here.

Every one knows that during the last ten years there have been from 8,000,000 to 16,000,000,000 American workers for whom the system could not provide jobs. Every one, and especially the unemployed themselves, know to what wretched, subhuman depths of poverty these millions have been reduced. But it will come as a shock to most people to learn that if the available manpower and machines in the country had been employed fully in the eight years, 1930-1937, our society would have produced two hundred billion dollars more goods and services than it actually did.

Two hundred billion dollars is so huge a sum that it might as well be two dollars. When figures reach a certain magnitude, they cease to make any impression on the mind at all. They become abstract concepts, like the number of trillion light years it would take to reach some distant constellation. This volume however, makes it clear what this figure means:

"The significance of this figure of two hundred billions is hard to grasp, but some idea can be obtained by considering what two hundred billion dollars would mean in terms of concrete goods. If all the idle men and ma-

chines could have been employed in making houses, the extra income would have been enough to provide a new \$6,000 house for every family in the country. If, instead, the lost income had been used to build railroads, the entire system of the country could have been scrapped and rebuilt at least five times over. . . . Failure to use available resources meant a lower standard of living for practically every group in the community."

Later on, Means puts it in another way: "If the whole waste of the depression due to idle men and idle machines could have been used to build agricultural and industrial plant, the existing plant could have been completely rebuilt." That is, if we had had an economic system not in contradiction to our productive forces, if socialism had replaced capitalism in 1929, then every steel plant in the country, every cotton mill and packing house and shoe factory and every other industrial plant from Ford's River Rouge plant to the smallest one-room machine shop, every mile of railroad track, every locomotive, every barn and silo and grain elevator—all of this and a thousand other such categories of productive plants could have been duplicated if the unemployed had been fully employed in those eight years. Today we would be able to produce just twice as many goods and services as we actually are able to produce.

## Still More

Nor is this all. Even when our cockeyed capitalist system is functioning at its very top form, even in the boom year of 1929, it was unable to make anything like full use of our productive resources. "The Brookings Institution," writes Means, "has estimated that in the peak year 1929 both production and national income could have been increased 19 percent by merely putting to work the men and machines that were idle in that year, even without the introduction of improved techniques of production."

Nor is this all. Means's figure of two hundred billion dollars only goes through 1937. But in the fall of 1937 there occurred the sharpest economic decline in the history of American capitalism. In half a year, unemployment rose by 3,000,000 to a total of 13,000,000; in a year, the farm price index dropped from 128 to 92, the index of industrial production fell from 118 to 76. Only now, under the artificial stimulus of a war boom, is our economy painfully climbing out of the wreckage of 1937.

Means has no estimate of the losses from unemployment in the last two years, 1938-1939. Considering the severity of the 1937-38 slump, it seems conservative to put the loss in the last two years at the same rate as in the preceding eight years. This would mean adding another fifty billion dollars, which would be enough to replace every residential building in the country, from Park Avenue apartments to sharecroppers' shacks.

## In the World of Labor

By Paul G. Stevens

Fourth International's Activity  
In Germany Confirmed

Some time ago, the *Appeal* carried a dispatch quoting a *Paris Temps* report on Trotskyist action in Berlin. This is corroborated by a news report in the *Copenhagen Politiken* of October 26.

"According to information gathered from divers sources," writes *Politiken*, "the German police is engaged in a widespread raid action against numerous cases of assassination and acts of sabotage. It has organized in Berlin and in other large cities patrols composed of S.S. troops and volunteers to quell disorders resulting from blackouts.

"On a recent night raid, a patrol discovered in the former Communist strongholds of Berlin batches of leaflets bearing the insignia of the Red Front and the words: Down with Hitler and Stalin! Long Live TROTSKY!"

Belgian P.S.R. Calls for Fight  
Against National Unity Gov't.

In Belgium, the government of "National Unity" under Pierlot and the "socialist" Spaak is preparing for its part in the Second World International.

War by instituting a tax program which is to bring a revenue of some 1,443 million francs. It is by far the most extensive tax program ever proposed.

Of the 1,443 million, less than 120 million or 8 per cent is to be levied on the trusts and the inheritances of the wealthy. The balance of more than 90 per cent, constitutes taxes on matches, tobacco, coffee, beer, fruit, etc.—in other words, taxes which place the burden of the war preparations squarely upon the shoulders of the working class population of the country.

The reformist Belgian Labor Party, in its official organ, the *Peuple*, fully approves this plundering program of the bourgeoisie. In its issue of November 11, it gives the usual social patriotic grounds for that support: "In the grave hours which we are now witnessing, it is necessary to act rapidly. At a moment when public opinion reproaches the government, although sometimes wrongly, with being too hesitant, it is desirable that parliament give it at once the means of facing its responsibilities which are urgently necessary."

The only party in the country which is mobilizing public opinion against the anti-working class "National Unity" government and its tax program is the Revolutionary Socialist Party (P.S.R.), the Belgian section of the Fourth International.

In its paper, *La Lutte Ouvriere* it concludes an attack on the tax program with the following words:

"At no time has the slogan of the sliding scale of wages, which is inscribed in the transitional program of the Fourth International taken on such importance as at present.

"The working masses must give themselves a clear account that they can no longer depend for their self-defense, upon the reformist leaders whose whole devotion belongs to big banking and industrial capital.

"They can rely only on their own action. They must create their own organs of defense and struggle: Committees of workers, of the unem-

ployed, of the soldiers. Long live the united front of all the oppressed for immediate demands which will put an end to the starvation plans of the capitalist reaction supported by the leaders of the P.O.B. (Labor Party). Make the rich pay!"

Moscow Confessions in England:  
Pollitt and Campbell Recant

The Kremlin's old wheel-horses in the "democracies" were caught short completely by the Stalin-Hitler pact. Thus, Harry Pollitt, General Secretary of the Communist Party of Great Britain, wrote in a pamphlet issued early in September: "The Communist Party is convinced that the people of Great Britain are united as never before in their determination to win this war against Fascism and the friends of Fascism in Britain, and to end the horror and anxiety that have overshadowed Europe since Hitler came to power. . . ."

Another Stalinist stalwart of People's Front days, J. R. Campbell, whipped himself up into such a frenzy over the "defense of Danzig" for Polish imperialism, that he saw a "Fifth Column" lurking behind the opposition of pacifists to the government's declaration of war. Thus he attacked the *Glasgow Forward*, mouthpiece of the centrist Scottish Socialist Party in the following words:

"No demonstration of the Fifth Column would be complete without a pacifist contingent and so we find the *Forward* demanding 'Should we fight over Danzig?' (horror of horrors)!"

The final upshot was that Moscow ordered these two to act as scapegoats when the line was changed. Pollitt was "removed" from his post and Campbell was denounced in the C.P. press. Now they have both confessed in the best style of the Moscow trials. In their statements (*London Daily Worker*, November 11) the former says that he "played into the hands of the class enemy, and especially the reactionary Labour leaders, who saw in my attitude the justification of their own policy of supporting the Chamberlain Government" and the latter, that he "slipped into a position of national defense in an imperialist war, involving objectively support for our own imperialism."

A better characterization of the treachery of their People's Front policies could not be given even by us. But two questions remain: (1) Since Stalin was the sponsor of that policy in the first place, why is there no confession forthcoming from him? (2) Since both Campbell and Pollitt are now for accepting the "peace" offer of Hitler, how long will we have to wait until we get their confession of "playing into the hands" of Hitler as well?

At Cairo, Egypt, a university which is older than Oxford ceased teaching only a few years ago that the earth is flat. But it still teaches that Capital is Labor's best friend.

## HORROR ITEM

Says James Farley: "Comparisons are odious, but having been in business for a number of years, I think it can be said that the standards of conduct among office-holders and politicians are at least as high as they are in commercial life."

Lest We Forget  
The Lessons of  
Loyalist Spain

By FELIX MORROW

Among those who have now joined the flight from Stalinism is Ralph Bates. His case is worth examining for a number of reasons. Bates was one of the most valuable agents whom the Stalinists had during the civil war in Spain. Although in Spain it was a matter of public record that he was a member of the PSUC (the Stalinist party of Catalonia) he passed in England and America, on his propaganda tours, as a "non-partisan anti-fascist"; under this guise his articles, in the *New Republic* and elsewhere, appeared to give "independent" weight to Stalinist alibis.

In the very act of breaking—it takes the form of an article in the December 13 *New Republic*—Bates whitewashes the Stalinist record of betrayal and murder in Spain; once again he repeats his praise of its policy and execution of that policy. In casual sentences following his lavish praise, he makes his only criticism of the Stalinists: "The theological bitterness of the Communist party, however, could be seen in its attitude toward the POUM party. That party's policies would have been disastrous had they been put into effect. That indisputable truth was made the basis for the utterly unscrupulous charge that the POUM was in actual contact with Franco and was working exclusively and consciously in the interests of the fascists." But this criticism is so carefully phrased and so placed that the sum total of what Bates has to say on Spain is that the Communist Party played a glorious role in the anti-fascist struggle.

## Bates Conceals More Than He Reveals

It is no wonder, therefore, that Bates confuses instead of enlightens his readers on the present course of Stalinism. Bates begins his article by saying: ". . . we have the duty of understanding how the Russian crime against Finland came to be perpetrated. Only in that way shall we, free liberals and radicals, learn what we have to do." But "we" never learn what we have to do from the article; how the Russian crime against Finland came to be perpetrated is left an impenetrable mystery.

Stalin's policy in Spain was, in reality, an even greater crime against the international working class than his present crimes, for in Spain Stalin intervened against a full-fledged social revolution, forcing the masses back within the limits of bourgeois "democracy" and, in the process, destroying the morale of the workers and peasants and decisively facilitating the victory of Franco and his Italo-German allies. To turn the clock of the revolution backward, to destroy the collectivization of the factories and the land, Stalin had to destroy the very flower of the Spanish revolutionists. I have tried to tell this terrible story in "Revolution and Counter-Revolution in Spain." But even in book-space I could record only a name here and there—Camilo Berneri, Andres Nin, Alfredo Martinez—of the thousands upon thousands of POUM, anarchist, left socialist, Trotskyist and dissident Stalinist workers who were assassinated by the Stalinist murder squads in order to crush the revolution. Bates whitewashes all this, even today, because he was an accomplice in this bloody work and has not the character to come clean now.

## Bates and the "New Republic" in 1937

Read again the sentences I have quoted from Bates in which he mildly criticizes the Stalinist attitude toward the POUM. One would never guess from his detached words that he was one of the most effective agents in securing "non-partisan anti-fascist" acceptance of the Stalinist murder policy!

I cite, almost at random, two of his articles, in the *New Republic*, October 20 and 27, 1937. There we read that "three days before the Twelfth International Brigade attacked Huesca in an attempt to help Bilbao, the POUM troops were playing football with the fascists in no man's land." There are venomous sneers at "the revolutionary mystics" who called Negrin's government—the agent of Stalin—counter-revolutionary and who said a professional bourgeois army could not win against the fascists. Free political discussion is denounced and its suppression justified because "this atmosphere was one in which enemy agents could work with ease." When even such an observer as H. N. Brailsford unhesitatingly noted that the remnants of the bourgeoisie were finding a haven in the Communist Party, Bates sought to explain it away with a literary phrase: "Perhaps, after all, a grocer may have ideas about freedom, democracy or even revolution." "Often deliberately dishonest bodies such as the POUM," "the May rising of the POUM and their sympathizers," "partisan control of the front enabled areas to be illegally returned to Barcelona to be used against the Popular Front government," "the POUM proposal would have meant military disaster and was therefore counter-revolutionary," "the enormous stock of arms since found in the illegal possession of the POUM and uncontrolled anarchist groups"—these Stalinist frameup slanders were written by Bates.

At that time I exposed what Bates was doing, confronting him with indisputable facts. One article I wrote was condescendingly published by the *New Republic* as a communication, with Bates having the last word and with an editorial in the same issue (November 10, 1937) upholding him against me. In the two and a half years of the civil war, that was the only article published by the *New Republic* giving the revolutionary side of the Spanish story.

Bates' reply included an especially sinister touch. "Possibly Mr. Morrow believes those funny little notes that were 'secretly' sent to Mr. Trotsky [from the Aragon front] by the Belgian Lutte group. The joke is on Mr. Morrow." Note those quotation marks around "secretly"! That was Bates' coy way of making clear that he, thanks to the GPU, was in possession of the mail sent by our comrades—almost all of them murdered by the Stalinists afterward.

## Let Bates Keep That Promise!

There is one sentence in particular of which Bates should now be forcibly reminded. Referring to "Mr. Morrow's obvious debater's trick concerning personalities of the Spanish political scene"—the "personalities" were those assassinated by the Stalinists!—Bates said: "Some day, if by any chance any honest supporter of the Spanish government were troubled by these things, I would be prepared to debunk Mr. Morrow's uninteresting farrago."

Well, Bates, that day is here. Thousands of honest workers and liberals who supported the Stalinist Spanish committees in this country are now evidencing their troubled thoughts about the connection of Stalinism in Spain with Stalinism in Finland. Are you prepared to discuss "personalities"? Are you prepared to defend your role as accomplice to the GPU murder squads?