

F. D. R. PUSHES DRIVE ON JOBLESS

DANZIG NEW FOCAL POINT OF WAR CRISIS

Powers Ready to Cede "Free City"

But Poland Balks at
Yielding to Hitler
Demands

RUSSIA UNCERTAIN

The "Free City" of Danzig becomes now the latest focal point of the European war crisis.

Hitler has announced his intention to restore Danzig to the Reich. By omitting Danzig from his list of nations in his recent "plea," Roosevelt tacitly recognized that Danzig would have to go. The politicians in London and Paris feel the same way.

Only the Poles feel differently about the Danzig grab and the prime question of European diplomacy became one of getting Warsaw to agree not to make a war issue out of the return to the Reich of a city that is overwhelmingly German and whose local regime is already Nazi.

Ominous Comparison
In his speech before the Reichstag last Friday Hitler compared Poland's position today to that of Czechoslovakia a year ago—and this parallel holds in more ways than one, especially in the fact that Poland's "friends" in Britain and France are trying to get it to give up territory to the Reich without forcing the French and British to go to war.

Britain and France were bound by pledges to Czechoslovakia. The abandonment of those pledges caused the whole post-war diplomatic system of pacts and alliances in Europe to crumble into the dust. During the past few weeks the British and French, by a new series of sweeping pledges and pacts, have erected the rough beginnings of a new bloc directed at Germany and Italy. If they should let Poland ride to a fall as they did Czechoslovakia, this new half-formed structure would be in turn razed.

Yugoslavia, one foot already in the axis camp, would jump in with both feet. Rumania, already badly singled between two fires, would be sure to plunge headlong towards Berlin and Rome for fancied safety. Greece, Bulgaria—all the Balkans, would follow suit. Most important of all, the Anglo-French "come-up-and-see-me-some-time" flirtation with the Russians would come abruptly to an end.

Potent Reasons

These are some of the reasons why the Poles are in a position to put the screws on their new guarantors in London and Paris. Because it therefore becomes quite possible that Danzig could become the starting point of a general war, Hitler, on his part, is stepping quite gingerly. If this were not the case, Danzig would have been swept into the Nazi bin long ago together with Bohemia, Moravia, and Memel. The incidental irony in this is that Germany is more "entitled" to Danzig than to almost any of the other territories it has added to its swelling frontiers in the last year, for Danzig was part of the territory wrenched out of the Reich by the Versailles Treaty.

For the Poles, however, it is a vital issue, for they realize quite clearly that if Hitler cuts across the Corridor and takes Danzig, he will have Poland economically, as well as strategically, at his mercy. Warsaw is therefore putting up the strongest front it can muster. Part of this process is tightening the already rigid military dictatorship by placing extraordinary powers in the hands

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British Democracy At Work in India!

As a part of their conscription campaign the British "democrats" have launched a drive to enlist Indians as soldiers in their army.

But the 400,000,000 workers and peasants of India will have nothing to do with it.

In a small native state near the city of Bombay a group of workers and peasants staged a demonstration against recruitment.

The response of the British police was to open fire on this unarmed crowd and kill 65 people. Another Amritsar massacre has taken place! British democratic imperialism has again shown its close kinship to Hitlerism in practice.

LEWIS CHARGES GREEN ACTS ON BOSSES' ADVICE

Offers Proof Bosses
Inspired Wagner Act
Amendments

That A.F.L. President William Green proposed amendments to the Wagner Act with the advice and counsel of anti-labor manufacturers and representatives of the National Association of Manufacturers, was the grave charge made by John L. Lewis on April 28 in a letter to the Senate Committee on Education and Labor.

Lewis offered to provide "documentary proof" of his charge to the committee.

"I charge publicly that these amendments recommended by Mr. Green and his associates have been prepared with the aid, advice and counsel of representatives of the National Association of Manufacturers and of several of the most reactionary and anti-labor corporations of the country."

Has Proof
Lewis asked the Senate committee, which is holding hearings on Wagner Act amendments, to address a series of questions designed to reveal the asserted link between Green and the anti-labor elements.

"In the event Mr. Green and his associates either refuse to answer this charge or the questions suggested, or evade or deny the same," Lewis concluded, "I am prepared to present to your Committee at any time documentary proof of my charge."

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"We Break With The Socialist Party!"

(Special to the Socialist Appeal)
NEW YORK CITY, May 1.—Sickened by the degeneration of the Socialist Party and its orientation toward the Social Democratic Federation, fourteen militant left-wingers chose May Day to declare openly their complete break from its cowardly policies in the face of the approaching war.

All of them joined the Socialist Workers Party and the Young Peoples Socialist League (Fourth International), declaring that they were convinced the program of revolutionary overthrow of capitalism and establishment of socialism advocated by these two organizations is the only one in the whole labor movement which honestly and genuinely represents the interests of the workers.

The complete statement of these fourteen young Socialists is as follows:

The New Deal



1,500 New York Workers at Anti-War May Day Demonstration

ALL WAR FUNDS TO UNEMPLOYED IS S.W.P. CALL

(Special to the Socialist Appeal)
NEW YORK, May 1.—Striking the only militant anti-war note of the day, the Socialist Workers Party rallied 1,500 workers to a colorful, enthusiastic May Day demonstration at Columbus Circle.

While the Stalinists seized on the May Day turnout of the workers to ballyhoo their support of Roosevelt and his war budget, speakers for the Socialist Workers Party sharply castigated the drive towards another general war and called on the workers to follow in the path of the heroic Russian workers who in 1917 made the first revolutionary assault upon the world system of imperialist oppression.

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"Three Cheers for Red, White, Blue"

When the Communist Party in New York paraded for the Founding Fathers of Wall Street on May Day, the Workers Alliance contingent joined in lustily.

As the members of this alleged unemployed organization threw out their left feet and began marching, the band struck up that well-known patriotic air, **THE ARMY AND NAVY FOREVER** which ends its chorus with the words, "Three Cheers for the Red, White, and Blue!"

No doubt this song was selected by Workers Alliance officials as particularly appropriate for the unemployed of America since it is their funds which Roosevelt has patriotically taken to build a bigger and better army and navy.

C. P. STAGES A STAR-SPANGLED JINGO PARADE

(Special to the Socialist Appeal)
NEW YORK.—In the name of the workers' holiday which was carved into American history by the martyrdom of eight labor leaders at the hands of a "democratic" government, the Stalinist May Day parade whooped it up for our priceless American heritage of democracy. Social patriotism and a pre-war hysteria were the order of the day.

Carrying fifteen star-spangled banners for every red one (with the red one hidden in the middle), they chanted "Up Democracy," and here and there lifted banners proclaiming that such triumphs as "Housing Projects and W.P.A. are the American Way." Little children carried little American flags.

Mild labor demands "Support the National Health Program"; "Build Unity in the Working Class—Defeat Tammany in November" shared space with placards and banners proclaiming the vital sections of international Stalinist policy. The main slogans of the demonstration were the war-breeding, "Stop Hitler Now!" (not by workers' action, but by boss war); and "Support President Roosevelt's Peace (!) Policy!"

Labor Demands Absent
A lone cigar-worker at the tail end of the procession lifted a small placard saying that "American Labor Wants a Thirty-Hour Week." Wage demands were nowhere present. In sympathy with the "good" capitalists they urged: "Break Wall Street Sabotage—Put Labor Back to Work."

The biggest war budget in (Continued on Page 3)

PASSPORT CASE GOES TO JURY

BULLETIN

(Special to the Socialist Appeal)

NEW YORK, May 2.—All three defendants in the Robinson-Rubens passport conspiracy trial were today found guilty as charged after the jury had deliberated for three hours and forty-five minutes. Declaring that the "defendants probably have foreign connections," Judge Goddard raised the bail bond from \$1,000 to \$5,000. Sentence of the three convicted men was set for Tuesday, May 9, at 10:30 A.M. in Federal Court.

By NAT LEVINE
NEW YORK.—Summons by the defense in the passport conspiracy trial involving Os-

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Lops Another Billion Off Appropriations for Relief

Jobless Want Jobs, Not Battleships!

AN EDITORIAL

President Roosevelt continued his leadership in the drive against the unemployed with the relief message which he sent to Congress last Thursday.

For the entire fiscal year beginning July 1, Roosevelt proposes a total W.P.A. appropriation of \$1,477,000,000. This sum is exactly \$773,000,000, or more than one third, less than the total appropriated during the current fiscal year.

W.P.A. during the past year has been shamefully and pitifully inadequate. Providing, on the average, only 3,000,000 jobs, it has left millions of men who are able and willing to work on the sidelines. Its rate of pay is far below the level necessary for health and decency.

The only possible conclusion that could be reached by anyone genuinely interested in the welfare of the people of the United States would be to expand W.P.A. so that it could give every unemployed worker a job, and to increase its rate of pay at least to a minimum of \$30 a week.

That is not Roosevelt's conclusion. Roosevelt has other plans for the future of the unemployed. He is getting his war machine and his war ready to absorb them.

His present proposal on relief, meanwhile, is to cut the W.P.A. rolls at least to 2,000,000. 2,000,000 jobs is the maximum that his \$1,477,000,000 can provide during the next fiscal year, and these at an average wage of around \$13 weekly.

This is not the proposal of Republicans or Tories or fascists. This comes straight from Franklin D. Roosevelt, the smiling white father of the New Deal.

Will Roosevelt get away with this outrageous assault on the unemployed? If the unemployed themselves don't wake up, there is a good chance that he will.

Roosevelt is trying here the same trick that he has so often used successfully in the past.

Some of his opponents in Congress, led by Representative Woodrum and Senator Byrnes, want even more drastic reductions than he calls for. In fact, some of them would like to eliminate work relief altogether in favor of the dole, and to turn administration of relief over to the States and municipalities.

In his message to Congress, Roosevelt pretends that his big fight is with these people, that he is trying to protect the unemployed against their onslaught.

This is nothing but a cheap piece of shadow-boxing. The only dispute which Roosevelt has with his Congressional opponents is over what method and speed to use in driving through the campaign against the unemployed. Roosevelt, Woodrum and Byrnes, each in his own way, are all carrying on a joint fight against the unemployed.

But Roosevelt thinks that by this shadow-boxing, and with the help of his Stalinist and labor bureaucrat agents in the camp of labor, he will again turn aside the wrath of the unemployed from his own head. Lewis and Browder, he figures, will once more end up yelling for support of Roosevelt and the New Deal in the fake battle against the bogeymen Tories.

That is, Browder and Lewis will end up yelling for support of a one-third cut in work relief. This is how Roosevelt reasons, and he thinks the unemployed as a whole will finish by lining up behind him and his pals: the unemployed will help cut their own throats.

Is he right? The unemployed have got to answer that question for themselves.

If the unemployed don't fight back, and fight hard, everything will go through as scheduled. That is a foregone conclusion. And the fight is first of all against Roosevelt and the New (War) Deal. It is Roosevelt and his War Deal that are smashing the unemployed—not Herbert Hoover, who is a long way from Washington these days.

Roosevelt's budget figure for war is twice that for W.P.A. There's the real Roosevelt for you; not the one you read about in the *Daily Worker*.

So let's fight.

IN THE NEXT ISSUE . . .

Will the Ukraine be one of the cockpits of the coming World War? What is the situation in that country? What are Hitler's present and future intentions? What role does the Soviet Ukraine play in the bureaucratic set-up of the Kremlin clique? What do the revolutionists propose with regard to the Ukrainian problem?

The next issue of the *Socialist Appeal* will print an extremely important and timely article on the subject:

THE PROBLEM OF THE UKRAINE By Leon Trotsky

The article, just received from the author, promises to arouse widespread comment throughout the entire world!

Red Baiting Barrage Levelled at W.P.A. Workers

DROP P.W.A. FUND

(Special to the Socialist Appeal)
WASHINGTON, D. C.—

Encouraged by the lead provided by President Roosevelt's message to Congress last week, which proposed almost a billion dollars less for relief during the coming fiscal year than was spent during the current year, a series of new assaults were launched against the relief system.

Roosevelt's proposed appropriation for the year beginning July 1 was \$1,477,000,000 for W.P.A., as contrasted with this year's figure of \$2,225,000,000.

W.P.A. officials immediately began steps to drop about a million W.P.A. workers from the rolls which now stand at 2,800,000.

No P.W.A. Appropriation
The President's message proposed to merge W.P.A., housing, P.W.A. and other construction agencies into one unit, but provided no appropriation for P.W.A., thus in effect liquidating this form of employment.

A barrage of red-baiting against W.P.A. workers was initiated on May 1, in the form of hearings by a House Appropriations Subcommittee. H. R. Burton, a notorious reactionary attorney, retained by the subcommittee as its investigator, trooped a line of stool-pigeons and patrioters to Washington to paint a lurid tale of radical control of W.P.A. projects.

Although Congressional legislation specifically protects W.P.A. workers against inquisitorial investigations into their political affiliations, Burton had attempted to force New York W.P.A. workers to divulge whether they belonged to unions or radical parties. When he reported to the subcommittee that he had been balked in this attempt, Representative Woodrum, chairman, and other committeemen joined Burton in seeking ways and means to circumvent the existing law.

"Hearings" Attack Workers
Obviously the hearings were to provide information for the House of Representatives on the administration of relief, to guide that body in drafting further legislation, but from the opening gun the hearings were manipulated to smear W.P.A. workers as radicals, unionists, incompetent and overpaid.

Meanwhile Senator Byrnes, chairman of the special Senate committee to investigate unemployment and relief, announced that he would press for legislation providing that states contribute one-third of W.P.A. funds—a proposal which means that wherever reactionaries are firmly in the saddle in a state government, they could practically put an end to the W.P.A.

The senator, a Democrat from South Carolina, stated that he thought the President's statement in his message asking "a substantial amount of administrative discretion," did not indicate opposition to a Congressionally-drafted formula such as Byrnes proposes.

Figures Contradict President
Figures released by the U.S. Bureau of Labor Statistics give the lie to the President's declaration in his message that employment prospects were improving. The Bureau's estimate for March, 1939 was that 360,000 more persons were employed in non-agricultural industries than in March, 1938, but the increase was admittedly only the normal annual increase in the nation's working forces in relation to the growth of population.

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In the Trade Unions

By B. J. WIDICK

Two significant straws in the wind of the trends in the labor movement in relation to the coming world war were revealed last week.

From Buffalo, N. Y., came news that the S.W.O.C. had signed a contract with the J. H. Williams Steel Co. which included a clause guaranteeing continuation of seniority rights to employees drafted for conscription in war.

Now every unionist is in favor of observation of seniority rights under all circumstances. What is disturbing is the calm acceptance of the idea of conscription during war-time.

It remains to be seen if this is an official S.W.O.C. national policy or whether it was done purely on a local scale.

The steel company's acceptance of this clause was a clever maneuver to pacify the resentment still felt by workers from their experiences after the world war.

Thousands of soldiers returned to U. S. A. and found that their jobs had been taken permanently by those "who stayed behind," as they were called. This fact was the source of considerable agitation among the ex-service men.

Purge Aliens

A report from North Tarrytown, N. Y., indicates how far General Motors has gone with its policy of purging alien employees. Over 175 out of the 3,000 employees have been dropped from the pay-roll permanently because they were not American citizens.

Regrettable is the fact that this policy has been pursued with the approval of the auto-workers union. Joseph Galgano, financial secretary of Local 118, U.A.W.A., made it very clear in his comments to reporters that the union was not taking any stand against the dismissals.

He added that the purge was done with War Department approval. It was part of the preparation for M-day.

A leading steel progressive from another area informed us that a similar purge was being carried on in many steel plants. Unfortunately, the S.W.O.C. is doing nothing to prevent this terrible kind of discrimination. In fact, even mention of this subject in some unions brings howls of disapproval.

Of course, this purge policy is in line with Roosevelt's policy of throwing all "aliens" off W.P.A. and home relief.

We have heard not one word of protest over this cold-blooded plan of starving every non-American citizen living here from those who shed crocodile tears over the fate of the refugees in Europe.

Wealthy Don't Suffer

It is not the petty-bourgeois or wealthy "foreigner" who suffers from this purge policy. Only the workers who came from Europe and plunged into the factories will suffer—the workers who toiled so hard that exhaustion at night prevented any activity but sleep in preparation for another day's hard work.

It is these workers who are being blacklisted from all jobs. They face outright starvation! They can't even get on relief!

Acceptance of this policy happens, among other things, to be a violation of the constitution of the C.I.O. which solemnly pledged to organize and protect all workers irrespective of race, creed, color, etc., etc.

More fundamental than this, it is a direct expression of the development of chauvinism and its deliberate extension by the bosses among the workers in an effort to divide them and also whip up their patriotism.

To those of us whose very life and ideas stem from the spirit of internationalism, sharpest struggle in unions to prevent this blow at working class solidarity is an elementary duty.

ANNOUNCEMENTS

WELCOME THE 14 EX-S.P.ers into the S.W.P. at a social this Saturday at the home of Anne Russell, Apt. 19, 100 Norfolk St., N. Y. C., 9 p.m. Admission 20c. All welcome.

At Your Service
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Teachers Propose Opposition Slate

College Teachers' Union Opposition Weakened By Vagueness of Program and by Individualism of Leaders

(Special to the Socialist Appeal)

NEW YORK—With the writing of an opposition slate of officers and national convention delegates for the coming year, the Stalinist majority of the New York College Teachers' Branch of the American Federation of Teachers, Local 537, faces organized opposition for the first time since it was formed out of the college section of Local 5.

At the nominations meeting of the local on Friday, April 21, a sufficient number of anti-Stalinists were nominated to form an almost complete opposition slate, the nomination of Alonzo Myers for President being uncontested. As a result of the proportional representation system, there is hope that some of the nominees will be successful.

The meeting was marked, however, by virulent Stalinist attacks on the formation of an opposition and elaborate attempts at character assassination of the opposition leader, Dr. George Hartmann. In a milder moment, the chairman saw fit to characterize as "absurd" the recent letter in the New Republic written by Dr. Hartmann and offered for distribution to the membership.

Obvious tricks to prevent the mailing of this letter to the members were resorted to, one member pointing out the absence of a union label (the New Republic has a union label but it does not appear on the reprint), while another wished to limit the size of the paper for the enclosure to one smaller than that of the reprint.

Whitewashing the Union

Anti-Stalinist forces had begun to crystallize in the college local after the publication in the Nation, December 17, last of James Wechsler's article "Twilight at Teachers College" and the subsequent exchange and publication, in the Nation and the Post, of letters from John L. Childs and others on the Teachers College faculty and statements from the Executive Board and various officers of the College Teachers Union. These statements consisted of general whitewashing of the Union on the part of its officials, and personal defenses of the integrity of Professor Childs on the part of his friends at Teachers College.

More recently, an article by Jerome Davis, national president of the A.F. of T., in the New Republic of March 15, with its flat denial of charges of Communist control, and its indignant reference to attacks on the Union from a "miscellaneous assortment of sharpshooters stretching from the Dies Committee all the way to John L. Childs," has provoked new response in the press, from Dr. Hartmann, who recently resigned the chair of the Columbia Chapter in protest against the Stalinist control of the Executive Board of the local.

In the New Republic of April 26, Dr. Hartmann, a Socialist, puts forth a series of specific proofs of Stalinism in the Union, which are denied in the same issue by Jerome Davis in a manner which may with some understatement be described as flimsy.

Avoids Main Question

Dr. Davis, well-known crusader against Stalinism, dismisses the essential question of the relation between the Union and the C.P. with "In regard to alleged Communist control of the New York Unions, ask Ned Dearborn, Dean of the Division of General Education of the New York University." The compelling logic of this reply must be apparent to the most skeptical. Dean Dearborn, incidentally, is the most recent of the prize lambs to walk blindfold into the pen; having joined the Union this March, and being too busy and too important to be an active member, he may be looked on as an authority on its affairs.

Stormy sessions of the local and the Columbia Chapter since December have revealed great nervousness on the part of the administration and its supporters. Although controlling a large majority vote on every motion except one made in the Columbia Chapter (insisting on retraction of charges of anti-labor bias against Professor Childs), the leadership resorts to every device to forestall genuine discussion of the dangerous questions.

On the other hand, the opposition group has been, until the past week, completely unorganized, its attacks on the Stalinists coming in individualistic, and in the public press for

the most part. Righteously irritated individuals like Dr. Childs and Louis Hacker, George Counts and George Hartmann, have been "forced" to spread their complaints abroad, lacking the time or the resolution or a sense of trade union technique, or all three, to organize an effective bloc within the local.

Vague Program

Whether the new "opposition" will be sufficiently disciplined and resolute to campaign effectively for its slate remains to be seen. Its platform, while avoiding a mere blanket charge of "Stalinism," is vague. Two of the four points offered, concentration on professional problems and rapid expansion of membership, are so generally given lip-service as to be without special meaning. The crucial point—"Such conduct of the Union's affairs that membership therein shall not be, or be considered to be, tantamount to membership in any political party or partisan organization" does not give a positive and specific program for action.

But no written program will take the place of constant and active participation in union affairs. To compete with the Stalinists, the august and individualistic liberals at the colleges will have to take on some of the onerous hack work that is fundamental in union activity. They may even have to attend union meetings.

LEWIS CHARGES GREEN ACTS ON BOSSES' ADVICE

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charges. Green began testifying before the Senate committee on Monday. Prior to his appearance he issued a general denial of Lewis' charges, and challenged Lewis "to prove his charges and allegations." He promised that "any and all questions propounded by the Committee" would be "answered in a direct and definite way."

Green committed the A.F.L. to the amendments to the Wagner Act proposed by Senator Walsh of Massachusetts, but disassociated the A.F.L. from amendments introduced by Senator Burke of Nebraska, Representative Hoffman of Michigan and Senator Holman of Oregon, which he termed "destructive of the purpose and theory" of collective bargaining.

Favorable to Boss

Among the Walsh amendments those which the C.I.O. has denounced as especially favorable to bosses are:

1. Wiping out the present personnel of the National Labor Relations Board and empowering a new "Federal Labor Board" to permit employers to initiate elections to determine whether a union has the majority in a given plant. Under the Wagner Act, only unions may initiate such elections. Green emphasized that it would be merely "discretionary" under the Walsh amendments whether the Federal Board would order such an election in any specific case, but the proposal, as the C.I.O. contends, would provide bosses with an opportunity to attack unions at their lowest ebb and to reopen the question of union recognition whenever it suited the employer.

2. The Walsh amendments would prohibit the new board from ever invalidating a union contract. This provision is plainly designed to protect the A.F.L. practice of signing "union contracts" with frightened employers who are faced by a successful organizing drive of a C.I.O. union. In practically all cases of this type, the A.F.L. has signed up without having any membership and on terms inferior to those demanded by the C.I.O.

In defending the Walsh amendments, Green blasted away at the National Labor Relations Board as being in an "unholy alliance" with the C.I.O.

Many of the big A.F.L. unions and central bodies, including the Teamsters International, have dissociated themselves from the Green-proposed amendments to the Wagner Act.

Three-year-old David was playing in the yard and fell into a shadow casement window well. His cries attracted the janitor who pulled him out. "A rabbit bit me," sobbed David, pointing to his thumb

Rents Rise as Housing Plans Are Forgotten

What has happened to the \$300,000,000 housing appropriation voted last year by the people of New York State? Various bills, five in all, designed in one form or another to implement the voters' decision, are up for consideration by the legislature. Why has no action been taken upon them?

That the problem is one that demands immediate and drastic action is once again proved—if further proof were necessary—by recent reports of widespread profiteering by landlords in slum areas. This profiteering is of the most ruthless and meanest sort. Some 750 families on the Lower East Side have been ordered to vacate their premises by May 6 so as to clear the site needed for the new Corlears Hook building project. But these families have no place to go.

"Tenement owners," declared Emeric Kurtagh, Henry Street Settlement director, a few days ago, "are cashing in on the housing shortage. Landlords are offering them (the families that have to clear out) worse slums than they now live in—at unheard of rentals."

Miss Jean Brand, executive secretary of the Tenant Union, asserted that rents have been raised as high as 50 per cent. "Owners of nearby tenements," she stated (N. Y. Post, April 26), "have not only set ridiculous figures on vacant apartments but have even boosted rentals in occupied units."

These 750 families cannot pay the increased rentals. What is to become of them? And how does it happen that the city authorities (don't forget, Mayor LaGuardia is the people's friend) permit profiteering at the expense of human misery?

Action Needed

The Corlears Hook problem is not an isolated one. The same problem has occurred before and is bound to occur frequently in the future. It is a clear indication that the question of slum clearance and erection of low-rental homes cannot be handled piecemeal. Comprehensive plans must be laid and executed at once if the existing evil is to be corrected.

The people of this state have endorsed the expenditure of \$300,000,000 to meet this need. The legislature remains inactive.

Unless some action is taken quickly, there is every likelihood that the whole matter of housing will be scuttled. Evidently this is the legislators' plan. It is also the plan of the profiteering landlords whose interests the "people's representatives" are so eager to serve.

MORE PEOPLE BITTEN BY RATS IN MINNEAPOLIS

(Special to the Socialist Appeal)

MINNEAPOLIS, Minn., April 27.—Four more Minneapolis residents who have been compelled to live in vermin infested districts because of poverty have been bitten by rats during the past few days.

Three of them are children of Mr. and Mrs. Harris J. Stevens, the fourth, Mr. Stevens himself.

Two daughters in the Stevens family, Mildred, 16, and Muriel, 14, were attacked by rats in the middle of the night. Both girls were bitten on the forehead; Muriel in addition was gnawed on the arm.

Tuesday night the rats attacked Mr. Stevens, and last Sunday night, Arthur, a son, was severely chewed on the thumb by rats.

These cases bring to seven the number reported to have been bitten by rats within the past 14 days. Two weeks ago two babies of the Jacques family were attacked. Last Monday morning another Minneapolis child, little David Swanson, 3, son of Harold Swanson, member of the Federal Workers Section of Local 544, was bitten by a huge rat.

The Swansons live in the Summer housing project, an island in the center of the worst slum district in the city.

"Rabbit Bit Me"

Three-year-old David was playing in the yard and fell into a shadow casement window well. His cries attracted the janitor who pulled him out. "A rabbit bit me," sobbed David, pointing to his thumb

World's Fair Bars Jobs for Negroes

Committee Organizes Picket Line against Jim Crow Policy of New York World's Fair Corporation

More than 500 persons picketed the New York World's Fair on opening day to protest the discriminatory practices used in the employment of Negroes by Grover Whalen and his World's Fair Corporation.

Although the Fair is now employing thousands of people, only 391 jobs have been given to Negroes. Not only have fewer jobs been given to persons of the colored race, but these jobs have been only the most menial ones. Of the 391 jobs that have been given to the Negroes, 191 of them are as "sanitary attendants." The term "sanitary attendant" is a high-sounding title for toilet cleaners.

Almost all other Negroes hired are employed as porters. No white collar jobs or skilled labor has been given to colored people. Whalen has assigned only the most lowly and low paid position to the Negro.

Qualified persons who have applied for employment in every other category of work have been turned down because they are Negroes.

Committee Organizes Fight

The Greater New York Coordinating Committee for Em-

ployment has been fighting Grover Whalen's anti-Negro policy. This committee, which represents 207 trade union, church, and fraternal organizations in New York City says that "Democracy means Democracy for all, Negro and white alike." The sham of "democracy" where no rights are given to Negroes is no democracy at all.

During the past week the Committee has kept a picket line in front of Grover Whalen's office at the Empire State building. Nothing could change the callous attitude of Whalen and last Thursday night thousands of Negroes demonstrated in Times Square against the continued discrimination of the World's Fair Corporation.

On Saturday afternoon, at a meeting of the Committee, the delegates voted unanimously to picket the Fair grounds. If Whalen does not stop his "Jim Crow" practices, the picket line will be continued in front of his office from 12:30 to 2 p.m. every day.

A demonstration protesting Whalen's attitude was scheduled to take place Tuesday, May 2, at City Hall.

De Valera Cancels U.S. Trip As Masses Balk at War Plans

Premier Eamon de Valera announced last week to the startled members of the Dail Eirann that he had cancelled his much publicized trip to America.

Behind this sudden change of plans on the part of the Irish premier lies the dramatic story of Ireland's renewed fight for freedom and her deadly enmity to the war preparations of the British Empire.

It is well known, in Irish circles in America, that de Valera planned to enlist the support of President Roosevelt in an ambitious scheme. De Valera was to convince Roosevelt to use his influence and authority with the British rulers to abolish partition and allow the uniting of north Ireland with the Free State.

In return, De Valera was to guarantee Ireland's unconditional support to the British war plans and cheerfully to provide air bases for the British air fleet off the western Irish coast.

New Anti-British Ferment

The events of the last few weeks have dynamited out of existence this over- clever intrigue of the Irish Premier. The recent bombings have brought to the attention of the whole world the fact that an English army of occupation is terrorizing the northern Irish

population, that the Irish Republican Army still exists and commands the support of large sections of the Irish people and that the Irish people are determined not to support or give any comfort to the British war machine.

The bombings showed the whole world that De Valera was not undisputed master in his own Irish house, and that he was not in a position to pledge Irish support. The introduction of conscription by Chamberlain knocked the bottom out of the whole policy of Irish-British cooperation.

Right Against Conscription

On April 27, Viscount Craigavon, Prime Minister of Northern Ireland, requested of Chamberlain that the conscription measures be made to apply to Northern Ireland. Within 24 hours a campaign was raging throughout Ireland against conscription. Northern Irish Nationalists demanded of De Valera to "mobilize the Irish race at home and abroad immediately" to resist British conscription. The powerful Irish Republican Army threatened further punitive action. Even the "Irish Press," de Valera's own newspaper, took cognizance of the public outcry and answered Vincent Craigavon that conscription "would be resisted by every means."

Eamon De Valera explained his sudden decision to cancel his American trip as follows: "Certain grave events . . . changed the situation and I have deemed it necessary to alter my plans and postpone my visit."

Today's war preparations and war plans of the British empire have hit their first snag: Irish resistance. The actual outbreak of the second imperialist World War will see the determined resistance of Irish people to that war and their strong battle for national freedom.

Colonial peoples throughout the world will act with the courage and determination that has been displayed by the Irish revolutionaries.

NATIONAL COAL TIE-UP DELAYED

(Special to the Socialist Appeal)

WASHINGTON, D. C.—Extension of the Anthracite coal agreement covering 100,000 members of the United Mine Workers of America for another week temporarily averted a nation-wide coal industry shutdown.

Meanwhile, John L. Lewis, president of the U.M.W.A., told the soft-coal operators in behalf of 320,000 strikers that all efforts to break the U.M.W.A. through a prolonged shut-down would boomerang on them.

It was also revealed that Secretary of Labor Frances Perkins in a private telegram to the operators said that the U.M.W.A. had a perfect case against the operators and they should sign the contract calling for a union shop.



"Please find enclosed a money order for \$3.00 for a year's subscription to the Appeal. The paper is for a friend of mine."

"I will try to get new subscriptions among my friends. The single copy I have been getting has a circulation of 5 or more. The people that read it find it very fine indeed."—A friend in Habana, Cuba.

We urge all readers to write in and let us know what they think of the May Day Appeal.

STATEMENTS IN THE MAIL

We are mailing out the regular Appeal statements to branches this week. As usual, action is the key-word and we expect every single branch to make a substantial payment immediately on its bundle order debt.

APPEAL POSTER OUT:

The new Appeal poster is finished and will be mailed out this week. Watch for yours in the mail. And if you want more let us know immediately as the supply is limited.

ON THE WAY TO THE TRENCHES

Germany on April 26 made three demands on Lithuania: (1) to increase trade turnover with Germany by 25 per cent; (2) to revise commercial treaties with Great Britain and other countries to give certain privileges to Germany; (3) to establish a trade agency in Kaunas, capital of Lithuania, for buying foodstuffs in the open market. The object of the demands, it is clear, is to impose a German monopoly on the economic life of Lithuania.

Poland is bracing its border defenses in answer to Hitler's Reichstag speech.

British war fliers will be trained in Canada according to an agreement reached between the two governments. The Canadian Defense Department will superintend the training schools. \$6,000,000 will be spent on the scheme which does much to show the insincerity of the Canadian government when it pronounced it would not be part of England's armies in a "European" war.

Troops which would ordinarily not enter their training period until next fall have been called to service by the Danish government. 9,000 troops will proceed to garrisons on the South Jutland German frontier. . . . Denmark has created a war risk marine insurance fund of 40,000,000 kroner (about \$10,000,000), half of which will be subscribed by the State, and half by shipping, banking and industrial interests.

Secretary of War Woodring will ask Congress in a few days for legislation to remove from the army's officer rolls the aged and physically unfit. The purpose is to give the War Department the power "to apply to the army's officer personnel the same rigorous vitalization which is now taking place in its organization and armament."

In preparation for its use in the production of warcrafts, General Motors has begun the dismissal of foreign born workers in its Chevrolet and Fisher Body plants at North Tarrytown, N. Y.

That the British Secret Service knew about the invasions of Bohemia and Albania well

PASSPORT CASE GOES TO JURY

(Continued from Page 1)

sip Garber, Aaron Sharfin, Edward Blatt and six fugitive defendants, among them the Moscow-imprisoned Robinson-Rubens couple, were begun in Federal Court on Monday, May 1.

A last-minute effort was being made by the defense to save the three-defendants from conviction. M. Michael Edelstein, attorney for Sharfin, in order to spike the soft-repeated charge that the defendants were underlings of the G.P.U., declared to the jury, "This is a criminal case and should not admit of any other evidence than that which has been legally introduced."

Defense Lauds Prosecution

Edelstein began his summation with a eulogy of American justice and American ideals, lauding the conduct of the government prosecution as "exemplary." Edelstein's praise of the prosecution is understandable when it is recalled that not once during the trial did it use any evidence pointing to the G.P.U. affiliations of the defendants.

George Nathanson, counsel for the defendant Garber, described Adolph Arnold Rubens

in advance of the actual operation leaked out after a speech by Winston Churchill to the House of Commons. Speaking in praise of Britain's spy service, Churchill indicated how the Empire's spies are busily engaged in collecting military intelligence for the use of the War Office.

Despite war appropriations greater than any since the U.S. organized its American Expeditionary Force for the last World War, administration leaders are now seeking to step up the national "defense" program to even greater speed. It is expected that Roosevelt will ask the Appropriations Committee for \$790,429,453 for the navy. The Naval Supply Bill which comes before Congress this week includes an item for two 45,000 ton battleships, and an item for \$65,000,000 to be spent on naval air base construction.

DRIVE TO CUT W.P.A. RELIEF PUSHES AHEAD

(Continued from Page 1)

The American Federation of Labor estimates present unemployment at 11,200,000. Its figures have always erred on the conservative side.

More People—Less Work

Today 4,250,000 fewer workers are employed than in 1929, despite the fact that since then five to six million have been added to the potential working population, according to the Bureau's own figures. The New York Times business index stands at 86—where it stood in October, 1938. Yet at that time 3,350,000 were on the W.P.A. rolls, which now stand at 2,800,000. The 550,000 who have been fired since October, and the 900,000 to be fired by July 1 are being thrown into the streets without the faintest prospect of getting jobs.

Roosevelt piously dedicated the week of April 30 as Employment Week. This mockery is reminiscent of the Hooverian period of Give-A-Job and Apple Weeks.

as "the mystery man in this case, whose alleged relations with Garber are entirely open to question." It had been previously established by the prosecution that Rubens, under the name Richards, had occupied desk space in Garber's photographic studio. Nathanson had Garber stand before the jury box and pointed out to the jurors the defendant's frailty and honest face.

On Friday, the three defense attorneys made separate motions for dismissal of the charges. Judge Goddard denied all three motions.

Conviction Expected

Close observers of the trial were of the opinion that the government will secure a conviction, especially in view of the fact that the defense avoided placing the defendants on the witness stand. At the beginning of the trial, the bourgeois press was well represented in the court room. Each of the papers made initial comment concerning the "possible" Stalinist affiliations of the three men. But as the case continued to be heard, sometimes dragging along wearily, the correspondents fell off one by one, as it became apparent that the prosecution was avoiding a political expose of the defendants.

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SOCIALIST APPEAL

In the World of Labor

By Paul G. Stevens

French Teachers Uphold Militant Anti-War Tradition

These days bear witness to the fact that history does repeat itself. Sadly enough, little seems to have been learned by humanity as a whole to take advantage of the repetitions quickly. It is all the more gratifying to find that certain sections of it have at least not unlearned their correct reaction to events such as are recurring now in new form. Among the teachers of France a strong tendency is today repeating the valiant anti-war stand of the unionized teachers during the last war. It is still a minority today, but substantial enough to carry important local unions like that of the Ardeche region by big majorities.

The Teachers Union of the Ardeche has recently adopted resolutions which not only denounce the war preparations of the French bourgeoisie in the abstract, but also call for concrete resistance to the campaign of the government which is enrolling the educational personnel of the country in the war machine under the sign of "passive defense."

"The (Ardeche) section," says one of the resolutions, "true to its past of intransigent struggle against war, affirms that 'passive defense' is a sinister deceit and that it is meant to lead to nothing else but passive acceptance of war. The section calls upon the national union to denounce most energetically the criminal lie of 'passive defense'; it protests against the scandalous attitude of the C.G.T. (the General Federation of Labor) and the Federation of Functionaries who are not only not doing anything in this sense, but on the contrary, are complacently doing the dirty work for the General Staff."

"Its attention having been drawn to the Ministerial Circular of February 4 relative to the teaching of 'passive defense', the section contests the right of the minister to introduce new teaching material by means of a simple circular announcement into the schedule; remarks that no legal compulsion exists obliging the teaching personnel to participate in the teaching of 'passive defense'; observes that the application of the Ministerial Circular leads to a militarization of academic life similar to that practiced in the totalitarian states . . . etc."

At the National Council meeting of the union early in April, the organized minority called for similar action, proposing in addition, a public propaganda campaign to be conducted by the union in its traditional anti-war spirit. The resolution of the minority recalls the

past actions of the union against capitalist war and continues:

"The particular task of the teachers is to revive the hatred of the popular classes against the war which become impossible the day on which the proletariat refuses its consent or simply its resignation to it."

"(The union) denounces energetically the imperialist character of the present international tension which is laying the ground for a conflict between various capitalist group interests camouflaged as ideological blocs. . . Reaffirms its complete hostility to the threatening war and refuses to follow the lead of the governments engaged in a policy of intense preparation for the massacre."

Of course, the bureaucratic machine succeeded in defeating the resolution and the practical motions flowing from it, but the agitation along the lines described is widespread among the teachers and through them, reaches vast layers of the working population.

Two New Revolutionary Organs: In France and in Argentina

In recent weeks two new publications have seen the light of day which are in every sense powerful contributions to the international arsenal of revolutionary Marxism. They are the magazine "La Voie de Lenin" in France and the newspaper "La Internacional" in Argentina.

"La Voie de Lenin" (Lenin's Road) is edited by comrade Jean Rous in collaboration with Fourth Internationalists and other comrades belonging to the P.S.O.P. (the French Socialist Workers and Peasants Party). Devoting a good deal of its space to theoretical articles by Trotsky and to polemics by Rous and Craipeau, its literary section is conducted by the noted proletarian poet Henri Poulaille.

"La Internacional" is published in Cordoba, Argentina by one of the groups working for the constitution of an Argentine Section of the Fourth International. The first number features the interview between Trotsky and the well-known Latin American trade unionist Matteo Fossa and includes excellent material on Latin American as well as on international affairs.

Both publications are well balanced and full of the punch that revolutionary papers should have. We greet them heartily into our midst and wish them the success that their efforts surely deserve.

On the Line . . . with Bill Morgan

"Dear Comrade Morgan:

"I was with the Pinocchio Company of the Federal Theatre from its inception. I was one of the first ones to audition for it, on the basis of which I was prominently cast in a dancing and speaking part. I was with the company for six months and received favorable comment in the press.

"When it became clear that the pink slips were coming the director assured those that had been in the company from the first that they would not be affected. That assurance held for everyone but me and my partner who shared a dance number with me. It all seemed mysterious since our number was a vital part of the show for which there were no understudies. At least twenty walk-on extras and off-stage voices were retained but we were fired.

Director's Manner Changes

"A prelude to what was in store for me was indicated by the director's sudden change of manner toward me. From complimentary approval of my work he suddenly changed to destructive criticism. On one occasion he ordered a change in my part immediately before the curtain rose. I pleaded for an opportunity to run through the new routine but he refused, choosing to hurt the performance in an effort to make me appear incompetent. Further persecution was proved by the fact that our names were crossed off the programs handed to the critics to be sure our names would not be mentioned in reviews of the show. (They overlooked one daily, "Women's Wear," in which we were singled out for our dance number.)

"I also learned that a few weeks before I was fired two other girls were secretly rehearsing our number—both good Stalinists. This was a maneuver to secure their jobs. The unit manager decided that they were a detriment to the show and insisted on our reinstatement. The producer was willing to reinstate us providing that two non-essential workers were fired; he admitted that our firing was an administrative error. The steering committee, which was all Stalinist, refused. But when it became a question of reinstating Stalinists—completely unimportant to the production—the committee did not function. I know of two such people whose pink slips were almost immediately rescinded and in each case someone else was fired.

"My next move was the Workers Alliance. As a member in good standing and a contributor to its various causes (including Lasser's trip to Russia) I felt entitled to their assistance. At the Alliance they would have nothing to do with my case unless I paid a four dollar service charge. Unable to pay the four dollars in a lump sum my request to pay it in installments was rejected—so I gave them my last cent.

"They did absolutely nothing for me while in the meantime my partner who was not a member of the Alliance was reinstated.

"Marion Stevens of the Alliance (who has since made good and has a job in Washington) became interested in my case, especially since my partner got back, and promised to arrange an immediate hearing for me with the Labor Relations Director, Reiss, and a jury, on the basis of discrimination. For some mysterious reason his interest in my case suddenly ceased. He informed me that he couldn't bother with individual cases and that I'd get my hearing in time. After many weeks I was finally called for the hearing. When I arrived, Reiss had me put out of the office saying, "Put that woman out! I know too much about

her case. She has wasted too much of everyone's time around here!"

"The Workers Alliance representatives who were there, said nothing in my defense.

"The producer, Ankrun, promised to reinstate me upon the first resignation from the company. The Workers Alliance used this as a graceful exit from the case. Proof that this was merely a maneuver is the fact that three people have since resigned and I was not notified. The producer simply refused to see me. The first resignation, whose place I was to fill, was filled by a Stalinist who never had anything to do with our show; she had spent the winter in California. . .

"A fantastic and monstrous case is being built up against me to forestall my efforts of reinstatement. In typical G.P.U. fashion my entire past is being investigated and the most unbelievable stories about me are being circulated on the project. I am accused of everything—of having sabotaged a rent strike and squealed to the landlord way back in 1933 (I was a Stalinist in good standing then) to being a stool pigeon for the Dies Committee. . .

"For the past three months I have been working continuously for my reinstatement. I have met with nothing but rebuffs. All doors are closed to me. With every passing day the case against me becomes more colossal—to the point where even non-Stalinists steer clear of me for the sake of their own jobs. . .

"I charge that my firing was perpetrated by the Stalinists because I refused to subscribe to their continuous scabby political activity on the job.

"I further charge that there is collaboration between the union officials of the Workers Alliance and the officials of the Federal Theater Project to prevent my reinstatement. (signed) Bronka Stern"

Not the First Such Story

This is not the first such story to be told about the activity of the Stalinists and their G.P.U. activities on the job. There are hundreds of them. Many workers are afraid to expose these conditions for fear of hurting their friends who have been overlooked by these "rule or ruin" wreckers.

But this is not the way to fight back. The one fear they have is daylight. When they are exposed they run for cover like rats. And unless they are exposed they will continue to bleed the working class by blackmail and bribery, by every underhand method known to gangsters—including murder. Wherever the Stalinists operate the stories are the same. And it is time to bring these scoundrels to account for their crimes.

Every worker who finds himself discriminated against in the shop because he cannot stomach the filthy line of the Communist Party, should immediately expose the set-up and carry it to every worker on the job. The Socialist Appeal will publish the facts if workers send them in.

THE ROLE OF THE CHURCH

Says the Rev. Chester B. Emerson, dean of Trinity Episcopal Cathedral in Cleveland, opening speaker in a "Crusade for Christ" sponsored by a group of Twin City laymen: "The church cannot tell society how to improve its economic and political systems. The church is not intended for that. Its role throughout the ages has been to develop men who can do the job in a Christian spirit. . . And just let the bosses see you try. You and the other sky pilots would be on the streets begging for the 'salvation' you try to sell us.

S.W.P. Holds Anti-War May Day Demonstration

(Continued from Page 1)

The demonstration was flanked on all sides by a colorful Y.P.S.L. contingent in uniform. The speakers' stand was surrounded by a color guard of fifty girl comrades of the youth organization. The Yipsel chorus provided songs and a loud speaker system carried the addresses of the speakers into every part of the Circle. Slogans read: "Smash Hitlerism At Home," "Jobs Not Guns," "For Workers Defense Guards, Against Hague's and Coughlin's Hooligans," "For the 6-Hour Day," "All War Funds to the Unemployed," and other militant planks in the program of the Socialist Workers Party.

Jobless Pay for War

Speaking for an hour to an attentive crowd, Max Shachtman, editor of the Socialist Appeal, declared, "The American war machine is being built at the expense of those who can least afford it, at the expense of the unemployed. Over a billion dollars has been slashed from the federal relief budget and that enormous sum is being put at the disposal of the Army and Navy." The crowd broke into cheers when Shachtman made the demand that "All war funds be turned over to the unemployed."

Analyzing the imperialist drive towards war, Shachtman declared, "The sordid imperialist aims of the world-powers are being shrouded in noble slogans for democracy. Yet even prior to the outbreak of war, democracy is being abrogated step by step."

Shachtman received enthusiastic applause when he called for the masses' getting the right to decide on the next war. "Let the masses decide their own fate through a People's Referendum on War," Shachtman said. Outlining the opposition in Congress to a popular referendum on war, Shachtman counseled the workers to take matters into their own hands. "You are weak," he said, "not because they are strong, but because you are not united."

The Sixty Families

Contrasting the disunity within the ranks of labor and its consequent inability to make common cause against the class enemy, Shachtman described how the Stalinists and the social democrats are steering the workers into the camp of the 60 families. "These families," Shachtman

said, "are united in a common effort to send millions of workers to their death in order to repeat their profits of twenty years ago." "Expropriate the 60 families," Shachtman declared, "Their money will be more than enough to finance a 20 billion dollar public housing program."

Declaring that the Socialist Workers Party had nothing but contempt and hatred for fascism and anti-Semitism, Shachtman pledged a ceaseless struggle against every form of capitalist reaction.

The speakers also included Bert Cochran and E. R. McKinney for the party and Louis Becker for the Y.P.S.L., with William Morgan as chairman. Becker declared, "This May Day, as never before, we, the revolutionary youth, renounce all ties with capitalism." He denounced the conscription of British youth into the army and warned against the impending conscription of American youth.

Y.P.S.L. Gains Recruits At May Day Meeting

Inspired by the militant anti-war spirit of the Y.P.S.L. at the New York May Day demonstration in Columbus Circle, ten youth joined the ranks of the Y.P.S.L. fighters.

Following the demonstration, the Yipsels held a brief meeting where the national secretary delivered an analysis of the importance of the only anti-war demonstration in the streets of New York this May, and contrasted it with the disgusting parade advertising the World's Fair held by the Stalinists.

The spirit and morale of the Y.P.S.L. was conveyed to the new members. They were greeted by the membership assembly, and by the national secretary in his address.

In addition, the Y.P.S.L. welcomed into its ranks as fighters against war and fascism six youth who, until yesterday, were members of the decrepit reformist substitute for a Y.P.S.L. attached to the Norman Thomas outfit.

Join the Socialist Workers Party

Whooping It Up For War With Waldman

(Special to the Socialist Appeal)

NEW YORK.—The Social Democratic Federation's pro-war program was the dominant note at the "united" pre-May Day indoor meeting Sunday evening at the Hippodrome.

The Socialist Party, the Workmen's Circle and the Independent Labor League (Lovestonettes) also participated in the meeting, but if they differed in any way from the war-mongering keynote speech of Louis Waldman, the difference was undiscernible to the naked eye. The Lovestonettes didn't even get a speaker.

The meeting was held, declared the high priest of the Social-Democratic Federation,

Louis Waldman, in commemoration of the 150th anniversary of George Washington's inauguration. This militant bourgeois note set the tone for the rest of the meeting.

Waldman devoted his speech to a political lecture obviously addressed to the erring runaways of the Socialist Party who, under certain conditions, he would now permit to re-enter a party with him. In the united party, Waldman made clear, there "would be no compromise with communism," i.e., revolutionary socialism.

On the basic question of war, Waldman declared that the united party must be a supporter of the democratic capi-

Poles Balk At Ceding Danzig To Reich; Powers for Yielding

(Continued from Page 1)

of the puppet president, Ignace Moscicki, behind whom the army oligarchy, headed by Marshal Edward Smigly-Rydz, rules with an iron hand.

Russian Position

Meanwhile the position of Russia in the diplomatic-military set-up remains as uncertain as ever. At the May Day celebrations in Moscow Marshal Voroshilov and other Soviet spokesmen were just generally bellicose, but failed to be very specific about the objects of their wrath.

In London a very crude attempt was made to cover over the obvious inconclusiveness of the parleys with Moscow by spreading reports that the British were worried about what Portugal, the Vatican, or Japan might think if England went into an alliance with Russia. The fear was expressed, with regard to Japan, that conclusion of an Anglo-Russian alliance would drive Japan firmly and finally into a military pact with Germany and Italy.

Japan's Place

Of course this is so much bunk. Japan is already bound to Germany and Italy as much as she ever will be. Japan's only reservation is that she will not be drawn blindly into a European war except under conditions from which the Tokyo militarists think there is some immediate advantage to be gained. In considering this possibility, the Japanese have to remember that they will have to deal in the future not only with England, France and Russia but with United States imperialism as well. Roosevelt's move in sending the Pacific fleet back into the western ocean was by no means lost on the saber-rattlers in Tokyo. That is why publicly, at least, the Japanese are being cautious about any European commitments.

No, the real reason behind the bogging down of the Anglo-Russian parleys is still the fact that the Russians are demanding the most iron-clad guarantees that Britain and France will be actually carrying out their end of the bargain before the Russians have to move. If they don't get these, the Russians threaten constantly to seek terms with Hitler. But such ironclad guarantees the British are by no means willing to give. The English are used to doublecrossing, not being double-crossed. So the stalemate continues.

"We Break With the Socialist Party"

(Continued from Page 1)

there was any possibility of stemming the drift of the S.P. toward reformism and decay. We worked loyally within its ranks. This period is over and we have drawn our conclusions—

S. P. Not Revolutionary

The S. P. is not and never will be a revolutionary party. The S. P. cannot carry on a Socialist struggle against war. On this May Day it tails after avowed supporters of the pro-war policies of Roosevelt and of the arms budget—the S.D.F. At the first shot of the war—if not before—the S.P. will crumble away, together with the pink-tea pacifists and isolationists with whom it has identified itself.

The S. P. will never be a Socialist force in the union and unemployed movement. It has no trade union line or discipline.

The S. P.'s overtures for a merger with the Social Democratic Federation show the direction in which the S. P. leaders are faced. If the merger is not yet consummated, it is because they cannot decide on the exact shade of pink they prefer.

The S. P.'s "internationalism" permits it to be an uncritical member of the same Second International with the strike-breaking Blum of France, of the Negroes of Spain who shoot down the revolutionary workers and hand Spain over to the fascists.

Finally, the S. P.—far from being a revolutionary party—can be called a party at all only out of habit. To its lack of a line, of discipline, of real leadership, add a deep-going organizational disintegration.

To the Socialist Party left-wingers we say: How long will you wait, outside the main stream of revolutionary action, while you try to doctor the galloping gangrene of the S. P.? The question is: For or against the revolution? If you answer "For," you belong with US—NOW!

We leave the shambles of the S. P. because we are left-wing Socialists, revolutionists. We

join the SOCIALIST WORKERS PARTY because there we see the rallying center for all militant workers who wish to raise their fists unitedly to strike blows for the cause of the working class, to fight against the bosses in peace and in war, and to ACT for the Social Revolution.

(Signed): HARRY DIMON, Newark br., former Trenton organizer; ALICE FALIK, secretary East Side branch; ROSLYN FARMER, East Side branch; STANLEY LANE, East Side branch; GEORGE PAPCUN, org. East Side br., former National Organizer; BILL PETERSEN, Newark br.; DAVE ROTH, Boro Park br., and Y.P.S.L.; DAVE SHARON, East Side br. and Brooklyn College Y.P.S.L.; JULIUS DAVIDSON, East Side Y.P.S.L.; DAVE KLEINMAN, C.C.N.Y. Y.P.S.L.; DON MURRAIN, C.C.N.Y. Y.P.S.L. (resigned January 1939); JEAN-NETTE REISEN, Y.P.S.L., Bronx; CYNTHIA WHITE, Williamsburg Y.P.S.L.; FRANCES WOLFE, Hunter Bronx Y.P.S.L.

C. P. STAGES JINGO PARADE

(Continued from Page 1)

American peace-time history was nowhere mentioned. Only one slogan attacked W.P.A. slashes: "Extend W.P.A.—No Cuts." The unemployment and relief questions were dismissed with "Adequate Relief to the Unemployed."

The most prominent banners of the day strove to create a war-hysteria: "Protect the Americas from Fascist Penetration"; "Unite Against Fascist Aggression!"; "U.S.A.—U.S.S.R. Cooperation Against Fascist Aggressors." The quotation "United We Stand, Divided We Fall—Thomas Paine" Americanized a float labelled "Collective Security—Poland, Britain, U.S.A.—U.S.S.R., France, China." Another float followed, showing this "Democratic Front" destroying Anti-Semitism.

The youth summed up this approach with "Youth Wants Peace, Support F.D.R."

WHY THEY CARRY GUNS
Arrested and charged with over 60 holdups, two Minneapolis youths explain why they were carrying loaded guns. "We carried them to protect ourselves," they patiently explain. "Against what?" asked the judge. "Why from interference, of course," they answer. Which is exactly the reason for armies and navies: to protect the bosses from interference from the other gangsters who would poach on their racketeering preserves.

SOCIETY NOTES

You Don't Have to Be A Butterfly To Own Industry

Who do you think ran smack into each other a few nights ago at New York's newest night club, the "Monte Carlo"? Barbara Hutton Haugwitz Revendow and Doris Duke Cromwell!

Both were attired in black and wore "sparklers" Peggy Hopkins Joyce would have scored as "road-show jewelry."

Totally different in temperament and appearance are these two "Golden Girls" who, between them, control \$100,000,000 made in American industries.

If Mrs. Matthew Astor Wilks had arrived and claimed the table between the two "Golden Girls," that would have been SOMETHING. For she, not Barbara or Doris, rates the title, "The Richest Woman in the U.S.A.!"

Mrs. Wilks, who never goes to night clubs, could match Barbara and Doris COM-

BINED dollar for dollar and then have a few millions to spare.

Which chalks up another point to prove the calamity-prophets wrong—it's not always the night club butterfly who can boast the snootiest collection of gilt-edged stocks!

Sometimes Economy Can Be Carried Just a Bit Too Far!

Budget pruners in the New York State legislature who have been slashing away at special State services, appear to have accidentally done away with the most special of them all—the services of Robert Elliott, the executioner at Sing Sing.

Attendants at the prison were amazed to discover that the Sing Sing "special service" appropriation has been dropped from the tentative State Budget.

The bulk of this appropriation, which was \$2,500 for the current fiscal year, is used to pay Elliott his fees of \$150 for each time he pulls the electric chair switch.

It was pointed out that the legislators at Albany could easily have been deceived by the blanket way in which the appropriation was designated and which would make it appear easily dispensable on its face.

But with war coming on and new waves of unrest to be expected from the radical fringe directed especially against the present form of government, it is one of the services which can least be dispensed with. It is expected that the budget pruners will hastily reconsider.

British Lion and the Draft

What a humiliating spectacle for all of world labor is the performance of the British Labor Party in the face of Chamberlain's conscription plan!

The Labor Party parliamentarians whine and plead in the House of Commons that conscription is not "necessary" at this time, that it will "cause bad feeling," that it ought to wait until the war begins, that at least wealth might be conscripted a little at the same time.

They think they can give Chamberlain advice on how best to fight British imperialism's war.

Chamberlain taunts them. You want the war, don't you, he says; you criticized me for "appeasing" instead of going to war. Very well, then: you've got to be serious about it, and you can't seriously get ready for this so-popular war of ours without drafting the workers into the armies under the threat of guns and prisons.

Chamberlain threatens a General Election if they don't stop whining. And these Labor Party cowards and traitors don't dare face the thought of an election.

When the entire British working class should be aroused to a flaming, nation-wide struggle on every front against this dictatorial plan of Chamberlain's to draft the workers for the imperialist slaughter, the Labor Party chiefs try to hide their miserable heads, and proclaim themselves better English patriots than Chamberlain.

They are only tasting the dregs of their own treachery. Since they long ago swung to the side of the war, they cannot genuinely resist any of the required steps in preparing for it. They are only the tamed eunuchs of Britain's imperialist rulers. And they have all a eunuch's softness and sterility.

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Editor:
MAX SHACHTMAN
Associate Editors:
HAROLD ROBERTS **FELIX MORROW**
Staff Members:
EMANUEL GARRETT **JOSEPH HANSEN**
Business Manager:
S. STANLEY

FIGHT WITH THE SOCIALIST
WORKERS PARTY FOR:

1. A job and a decent wage 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

Gyp Artist

On Tuesday, March 14, President Roosevelt delivered a message to Congress in which he posed as the champion of the unemployed by demanding that Congress appropriate another \$150,000,000 for their benefit.

He admitted that "employment has decreased since the end of December" and that "the number of persons now certified as being in need and eligible for employment is actually higher than it was a month ago." THESE ARE THE PRESIDENT'S OWN WORDS.

If Congress did not grant the appropriation the President asked for, more than 5,000,000 people would be affected. THIS TOO WAS AN ARGUMENT OF THE PRESIDENT'S AGAINST FURTHER REDUCTIONS.

In his speech on February 7, when relief needs were not as great as in March, according to his statement quoted above, Roosevelt admitted that if any cuts in appropriations were made "widespread want or distress would inevitably follow."

Congress proceeded to lop off \$50,000,000 from the President's request for \$150,000,000 and debated whether it should not lop more.

The President PRETENDED to be angrily aroused over Congress cutting down his request to \$100,000,000 and pointed out that not only was this amount absolutely insufficient for the needs of the unemployed, but it would greatly increase human suffering by throwing additional tens of thousands from the relief rolls into the streets.

In justification for his demand that the FULL amount of his request be granted, the President pointed out that his own original estimate contemplated a huge reduction of the relief rolls—300,000, and especially did NOT take into consideration 850,000 people who had been certified by government agencies as eligible and who were awaiting government aid to relieve their misery. That is, HE proposed eliminating 1,150,000 human beings from all consideration for relief, dooming them to hunger.

REMEMBER, according to the President's OWN argument, his OWN original estimates were completely INADEQUATE for relief needs. Even if they were granted in FULL, more than a million people directly would still remain uncared for.

Nevertheless, the President managed to pose as the champion of the oppressed and defender of the unemployed by ACTING ANGRY over the extra \$50,000,000 cut and OSTENSIBLY battling for its restoration. (Roosevelt's key lieutenant in the Senate, Barkley, maneuvered to help accomplish the slash.)

All Roosevelt's friends, the Workers Alliance, the Communist Party, etc., got behind him in this clever trick to gull the unemployed, and raved at the come-on partners of Roosevelt's gyp-joint who fought to cut down the relief appropriations by a few million dollars more. It was a clever act and the suckers (the unemployed) fell for it. They took their cut without PROTESTING MILITANTLY on a wide scale and the funds which should have fed them and their families were dumped into the war machine.

So successful was this trickery, that Roosevelt has now come out for a new cut in relief appropriations that will reduce the present enrollment by ONE-THIRD, and during the next few months throw 900,000 more unemployed into the streets to starve—a slash of three-quarters

of a BILLION DOLLARS. Thus the President, if one adds the 1,115,000 human beings he has already doomed, has condemned more than 2,000,000 people to starvation in the IMMEDIATE future. By his own method of computation, this will affect not less than 10,000,000 Americans. This within a few days after his signing a bill for the largest OUTPOUR OF WAR FUNDS since the American Expeditionary Forces left the battlefields of the last World War.

The come-on partners haven't yet started their part of this new gyp-game. But they will and Roosevelt will again pose as the great champion of the oppressed and defender of the unemployed by furiously battling proposals to reduce relief rolls still further—that is, furiously battling with stern . . . words, and a sly wink for those in on the game.

Right now Roosevelt is going through the first maneuver of his gigantic sucker game. He justifies his latest tremendous slash with the casual nonchalance of a gyp artist who is an old hand at the game of fleecing the TRUSTING "forgotten" man by airily declaring that industry will absorb the TWO MILLION unemployed who are thrown off the rolls. This cheerful promise is no doubt based on the fact that since Roosevelt last pointed out the dire need of the unemployed for \$50,000,000 MORE, the index of business activity has DECLINED precipitously and employment has DROPPED far below the normal season upswing.

"I trust," said Mr. Roosevelt in his latest message announcing his latest slash, "that the people will not be deceived . . . and will not assume that the totalitarian methods of government are more effective than our own."

No, we are not deceived. We must admit that Roosevelt's method is highly effective. No doubt the unemployed will soon be feasting on cake—the gyp artist has a simple way of providing it. He just throws the unemployed off the relief rolls and turns them loose in the streets where, as every backer of Roosevelt knows, cake has filled the garbage cans since New Deal economy went into effect.

"What this world needs is a Christian revolution! Not by violence, but by social change compatible with the nature and purpose of God." Such is the proposal made by Dr. Ernest Fremont Tittle, pastor of the First M. E. Church of Evanston, Ill. It is now over 1900 years—ever since the first (and the last) Christian was murdered—that the sky pilots have been telling us how to make omelets without breaking the eggs.

Independent Action

One of the most remarkable shifts in public opinion which Dr. George Gallup's Institute has yet recorded, according to a survey just completed, is the shift in public sentiment away from the Democratic Party to the Republican Party.

In 1936, right after the election, the Institute reported 30% of the voters expected the Republicans to win in 1940, 70% expected the Democrats.

Now in 1939, after three more years of suffering under New Deal capitalism, 52% of the voters expect the Republicans to win in 1940, only 48% the Democrats.

The bankruptcy of capitalism is filling in the death certificate of the Democratic Party, but unless the workers begin to organize militantly on the political field and construct their own party, it will mean that the agony will be prolonged for another period under the Republicans.

It is high time to cut away forever from the stockholder-owned capitalist parties. The road to a new era for labor in the United States lies only through independent political action.

Labor must build its own political party with a program of militant labor demands inscribed on its banner!

That is the only way to defeat Roosevelt's program of Old Deal dishes under New Deal labels—the only way to defeat the whole system of workers-do-all and capitalists-take-all.

Hearst's *Cosmopolitan* for May carries an "Autobiography of America-1939," dealing with "the much-maligned and often misunderstood American—the average businessman, as he works to feed us, shelter us, give us jobs and pay his taxes." Only teargas is missing to make it a sob story.

Open the Gates!

Further evidence that refugees admitted to the United States are a valuable asset to the nation comes from Dr. Henry Smith Leiper, Secretary of the Federal Council of Churches.

He points out in an article in the May issue of *Current History* that those already admitted, far from competing with American labor, have brought new businesses into existence, new crafts, and new products.

He scouts the argument as ridiculous that a few refugees could seriously complicate the huge unemployment problem in America.

We add to the learned Doctor's conclusions that not only could all the refugees of the totalitarian countries be provided with work in the United States, but our own refugees, the millions hounded out of jobs by the capitalist stockholders could have well paying jobs too if the workers took over no more than the factories that are now idle and ran them on government subsidies under workers' management for production for use instead of profit for stockholders.

Father Coughlin Favors Fascist Dictatorships In His Magazine

He Plays on Anti-War Sentiments of the Common People Now; When War Comes His Tactics Will Change, Making Him Roosevelt's Recruiting Agent

By GRACE SAUNDERS

Father Coughlin, propagandizing prelate of Detroit, is both a faithful follower of his teachers—Mussolini and Hitler—and a willing supporter of causes and principles which will further their aims and ambitions. There is only one point at which he draws the line and refuses to tag along, namely, where his own personal ambitions clash with those of his mentors.

All those familiar with Coughlin's demagoguery are well acquainted with the similarity between his program and that followed by Mussolini and Hitler prior to their accession to power. They are also aware of the fact that Coughlin supports virtually every reactionary demand supported by the European dictators, and that he mimics them slavishly in the anti-Semitic and anti-Communist hate that he spews forth.

Coughlin follows their program because he hopes thereby to create a strong fascist movement here, with himself, naturally, in the role of leader. He champions the same causes they champion because there is basically little difference between his ideology and theirs, and because he understands that the strengthening of the fascist tendencies in Europe will likewise strengthen the same tendencies in this country.

It is not surprising, therefore, that the April 24 issue of his weekly magazine, *Social Justice*, is devoted largely to bitter criticism of Roosevelt and his "peace" notes to Il Duce and Der Fuehrer. This full-blown attack, it should be noted, coincides exactly with the resentment expressed in Rome and Berlin over the President's "meddling" in European affairs. It was timed to create an atmosphere favorable to Hitler's April 28 Reichstag speech.

It must be borne in mind, however, that Father Coughlin is not at all concerned with preventing this country from

embarking upon an imperialist war. He is in no sense an isolationist. He has stated frequently that what he opposes is merely American involvement in what he terms an "unjust" war, and by that he means a war which seeks to keep Germany and Italy from making further grabs.

He, or his editorial board (which is the same thing) states this again quite openly in a front page anti-Roosevelt editorial in the April 24 issue of his paper. Says the editorial: "Without America's help—either openly given or secretly promised—the nations of Europe will not engage in a general war. Without America, the nations of Europe will conduct their 'aggression' as they have done, by 'conquest and conference' but short of actual war."

Apparently, since Social Justice places the word "aggression" in quotes, Coughlin is reluctant to call the rape of Austria, Czechoslovakia, Memel, and Albania by so harsh a word as "aggression." Apparently, too, he considers Mussolini's little set-to in Ethiopia a "conquest" but not a "war." We will leave to the facile pen of the radio priest the task of explaining the distinctions he so finely draws.

Whether or not his thesis—that without American help there would be no war in Europe—is a correct one, it certainly is true that America's aid to England and France would make immeasurably more difficult the task of the Axis powers. And it is for this reason, and for no other, that Coughlin so energetically opposes Roosevelt's policy. Nor is this the first instance where he has made common cause with Hitler and Mussolini.

"Coughlin is doing, and will do, whatever he can to spike American aid to France and England, that is, until the United States is on the verge of entering the war. But when that time comes, he will not hesitate to scuttle the Italo-German cause. Now, by ful-

minating against Roosevelt's intervention in European affairs, he can still serve his dual purpose—aid and comfort to his Axis friends, and exploitation of the isolationist sentiment in this country in order to enhance his own prestige.

But already a new note is creeping into his propaganda. When the United States does come out as a belligerent against the Axis powers, Coughlin will not be found in the unpopular camp of German and Italian sympathizers. Nor will he be concerned any longer about American participation in a European war. Such a course would then be unpopular, and Coughlin is not prepared to risk unpopularity amongst his followers for such stupid morality as consistency to one's own past or loyalty to one's teachers.

In the same article referred to above, the editors of "*Social Justice*," after protesting angrily against Roosevelt's policy, remark: "Once war is declared it will be too late to protest. Under the emergency of war—whether a 'just' war or a common 'racket' as the last one proved to be—it becomes the patriotic duty of every American to support the government." (Our emphasis).

When war comes—let no one be deceived—Coughlin will be on the patriotic band wagon, and will be one of the loudest trumpeters. He even has his alibi already at hand. Haven't I said all along, he will assert, that I didn't approve of everything that Hitler was doing? Well, now he has gone too far.

Father Coughlin has been an apt pupil of his fascist teachers. He has learned the value of nice sounding words like "social justice" and "peace." But he has also learned that the budding fascist leader must not follow an unpopular course, regardless of the issues involved. To do this would be to lose the following he has so demagogically corralled. And this no fascist pretender is willing to do.

French Empire Faces the Wrath Of Its Oppressed Colonial Masses

By SHERMAN STANLEY

No Empire in the world today rests on a more shaky and unsteady foundation than that of France.

In Central and Balkan Europe the entire system of post-alliances created at Versailles by the French conquerors has crumbled. The blows of German imperialism have smashed the encircling chains of French imperialism.

In its world empire the French have likewise suffered heavy losses. Japan has challenged them successfully in the Far East. Italy has made big gains in the Mediterranean. America has taken over much of France's influence in Mexico and Latin America. Even its closest ally and "friend"—the British Empire—has not hesitated to chisel away at the declining Empire of France.

But not their rivals alone have made the French capitalists and rentiers (coupon clippers) feel the cold chill of death hovering about them. Primarily the French fear the rising wave of nationalist revolt. As in the case of Britain's world empire, the French are facing a movement of 60,000,000 colonial people who will use each and every difficulty of French capitalism to march one step further towards freedom. Above all, when France seeks to drag them into another world war she shall see these native masses fight with the bitterest determination.

SCOPE OF REVOLT AGAINST FRENCH MASTERS

Let us cite a few examples of what the French are facing even now:

(1) **Tunisia-Algeria:** When the French Popular Front Government came into office in 1936 a revived nationalist movement in the North African colonies thought its moment of freedom was at hand. Under the leadership of its party—The North African Star—the people of Tunisia, Algeria and French Morocco closed ranks. But they were disappointed. The Popular Front regime, acting under orders from its industrial and banking overlords, established military rule in these colonies, outlawed the North African Star, jailed hundreds of its leaders and revealed its determination to

hold tight to France's prize colonies.

Since then the nationalist movement has been forced to carry on its work for freedom against fierce oppression. But not for one moment has its popularity declined among the people. When their time comes the revolutionists of "France's India" will take a leading role in the final break-up of the French Empire.

(2) **Indo-China:** This highly important colony supplies France with its rubber supply. Its workers and peasants have been completely at the mercy of the French plantation owners, merchants and shipping interests.

But there exists in Indo-China the strongest colonial section of the Fourth International. It has elected many representatives to important bodies in the major cities. For four years (1933-1937) it forced the Communist Party of Indo-China to have a united front with it, directed against French imperialism. Only when the Stalinists had completely exposed themselves as loyal supporters of the French was this united front broken off. The people of Indo-China now look to the Trotskyists for leadership in a direct assault upon the Daladier semi-fascist government.

(3) **Syria:** We quote dispatches from Damascus and Angora: "Reports from Syria indicate that the rising of tribesmen in the Kurd Moun-

tains is spreading daily in an alarming manner. Tribesmen armed with two field guns, machine guns and modern rifles have sent an ultimatum to the French authorities demanding the immediate release of their chief and fifty others who had been arrested." "The police fired on crowds this morning demonstrating against the action of the Syrian authorities to suppress disorders. The French government notified the Syrian government that they were taking over all powers necessary to preserve internal security. All police functions have been transferred to the Mandatory Power (France)."

All of Syria has been swept by a series of general strikes and mass protest demonstrations against the brutal French rule for the past year. This colonial people is a sharp needle in the side of French imperialism and is in the forefront of the colonial struggles.

(4) **The African Colonies:** France's holdings in eastern and western Africa are experiencing the same general nationalist revival as the British African colonies. Reports indicate intense organization of negro sailors, dock workers, plantation workers, etc. Here, too, the French fear for the security of their rule.

It took two hundred years to construct the French Empire with its 100,000,000 people. It will take a fraction of that time for its destruction and replacement by independent nations of workers and peasants. Just as surely as the British Empire is doomed, so is that of France.

The position of the Fourth International is crystal-clear. We are the opponents of all world imperial systems, be it that of Britain, France, America, Germany, Italy or Japan. There is not the slightest difference between the fascist imperialisms and the "democratic" imperialisms beyond the fact that each wants what the other has. The oppressed colonial peoples, forming the overwhelming bulk of mankind, will refuse to march in any war except one for their own liberation. They will show the workers of Europe and America who the real enemy is and how they too can win their freedom.

Their Government

By James Burnham

Senator Robert Taft, whose hat is well out in the ring for the Republican Presidential candidacy in 1940, last week repeated the familiar charge that Roosevelt is playing up the foreign situation in order to hide the failure of the New Deal at home. This charge, as an editorial in the *Appeal* pointed out at the time, is unquestionably true; but it is true in a sense far more profound than that intended by the Republican Senator.

Taft's differences with Roosevelt are 99% superficial, at bottom little more than a dispute over which set of office-holders shall draw down public pay. But the internal failure of the New Deal is not at all superficial. It represents not the ineffectiveness of the Democratic Party but the chronic, incurable malady of American capitalism. After all, Hoover had three and a half full years after 1929 to demonstrate that the Republicans are every bit as ineffectual as the Democrats.

For Roosevelt to concentrate on the "foreign situation"—that is, the war crisis, is no doubt from one point of view a clever party political maneuver. But it is a maneuver that corresponds not merely to factional needs but to the imperative requirements of the American bourgeoisie.

American capitalism is not working. During the past decade, nearly every sort of internal repair job has been tried, and the machine is more creaky and halting than ever. The only chance that the bourgeoisie now sees is an external device—the war.

Moreover, Roosevelt is succeeding in his maneuver. He is actually turning the eyes of the people away from internal conditions; and no bourgeois opponent is hampering him to any degree, since they all fundamentally share his perspective.

A Few Facts and Figures

In the latter half of 1937, the business cycle turned downward. This was most alarming to the bourgeoisie, since the upturn preceding had been brief and had failed by a long shot to equal the 1928-29 level. And the rate of drop in 1937 was twice as fast as the rate in 1929.

The economists and publicists took refuge in magic. They thought they could wish the renewed crisis away by calling it a "recession" instead of a "depression".

They figured that it would last only a couple of months, and would be followed at once by a much longer, steadier upward movement. Instead, the curve kept going down for almost a year.

With a sigh of relief they watched it turn up again last Spring. Now the predictions were all for a number of years of expansion.

In December the Federal Reserve Board index figure, the key number for the government economists, based upon a weighted analysis of production, prices, purchases, credit turnover, etc., reached 104. The almost universal expectation was that the 1939 average would be well over this level: the government experts themselves predicted a slight fall in January and February, with a rise from then on to a level of from 108-112 in December, 1939.

Nothing of the sort has happened. The estimate for the April figure is 94, a drop of nearly 10% from December.

Other important indices show the same trend. The *Times* index, which is derived from the extremely interesting theory of R. Dana Skinner and based chiefly upon the rate of money and credit turnover, has since the beginning of the year dropped about the same percentage as the F. R. B. index. The *Herald-Tribune* index has gone from 85 to 73. Stock prices have dropped sharply (from a high for the year, in the *Times* average, of 107 to a current 92).

Money on the Unemployed Rolls

The state of health of capitalism is revealed most directly by the amount of "new" financing (as opposed to refunding operations) that takes place, and particularly by the amount of such new financing that goes into capital goods. Never since 1930 has new financing risen to even half of the 1928-29 average and it has for the most part been held to a sixth or a seventh. The credit lies yawning and idle in the great banks and can be used only to buy the government bonds which try to fill in the empty gap left by the absent new enterprise.

Production, purchases and even employment, though declining, are still running substantially higher than the extremely low levels of the corresponding weeks last year. But new financing is averaging considerably less than even the impoverished rate of 1939. So far, the average in 1939 has been only \$27,000,000 monthly as against \$36,000,000 during the same months last year. And, though the statistics have not yet been compiled, the percentage of this meager sum going into capital goods is apparently very low.

All this is happening in spite of the fact that the renewed program of government expenditures, voted last year after the period of curtailment, is just now getting into full effect on the market. The pump no longer primes.

Just Around the Corner

In short, as every serious business man knows, the situation on the internal front is hopeless.

Therefore every serious business man is lifting his eyes from the internal front. During recent weeks, all the "business services" have been returning again and again to the theme: how to get your business ready for the war.

The Tax Research Institute of America, to take a single example, is pushing its new encyclopedia, *Adjusting Your Business* (for the war) by direct mail advertising on most handsome engraved stationery.

"How will your business be 'utilized' for wartime needs?"

"To enable your business to function during a war emergency, the Institute has prepared an analysis to show you precisely what to do."

"This analysis of business during wartime will be ready next week, and it will help you prepare right now for problems such as these—

"(2) how can government contracts be secured during wartime?"

"(3) what will happen to labor costs, wage demands, unionization, strikes, and collective bargaining?"

"Few executives realize that the *Industrial Mobilization Plan* is ready to go into operation almost overnight, if a war is declared. . ."