

PLANES AND PLAIN TALK by JOHN PAGE

National Issues

A SURVEY OF POLITICS AND LEGISLATION

March 1939

The People's Health

Peggy Duane

Congress and the Farmers

Allen & Coleman

Rescue the Housing Program

Sidney Hill

The Byrnes Report and WPA

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EDITORIALS

The Republicans and Lincoln	Gene Dennis	3
Hoover—Hitler's Echo		4
PLANES AND PLAIN TALK	John Page	5
CONGRESS AND THE FARMERS	Allen and Coleman	8
THE PEOPLE'S HEALTH	Peggy Duane	10
RESCUE THE HOUSING PROGRAM	Sidney Hill	12
THE BYRNES REPORT AND W.P.A.	Roger Bacon	13
THE LIFE INSURANCE MONOPOLY	David Ramsey	15
MR. DIES AND FOREIGN PROPAGANDA	Joseph Starobin	18
NOTES ON GOVERNMENT SPENDING		19
A STUDY OF UNEMPLOYMENT IN THE U.S.A.	W.D.C.	21
CONGRESSIONAL CALENDAR AND DIGEST		23

APRIL NUMBER

REVISING THE SOCIAL SECURITY ACT • MR. DIES RIDES A TROJAN HORSE • CONGRESS AND NEUTRALITY LEGISLATION • FEDERAL AID TO EDUCATION • THE REPORT OF THE LAFOLLETTE CIVIL LIBERTIES COMMITTEE • LABOR AND THE WAGNER ACT AMENDMENTS • RESULTS OF THE CHICAGO MUNICIPAL PRIMARY.

NATIONAL ISSUES: *A Survey of Politics and Legislation*

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The Republicans and Lincoln—*an Editorial*

Republican orators tried to make an All Fools' Day out of the birthday of the man who said you can't fool all of the people all of the time. As part of their campaign to camouflage their reactionary program with liberal demagoguery, the Republicans used the occasion of the commemoration of the glorious traditions of Lincoln in an effort to falsify history and deceive the people.

Hoover, Taft, Vandenberg, Barton, et al., attempted to claim Lincoln as their own and the Republican Party as Lincoln's party. But times have changed and so has the party which was founded and led by Lincoln.

President Roosevelt was a thousand times right when in his Jackson Day speech he stated: "Does anyone maintain that the Republican Party from 1868 to 1939 was the party of Abraham Lincoln?"

The Republican Party today is the party of the economic royalists and monopoly capital. It is the party of the Morgans, Rockefellers, and Mellons and not of the common people. It is the antithesis of everything that Lincoln fought and died for.

That is why the descendants of the slave oligarchy, the Southern Tory Democrats, have established a working coalition with the Republicans in Congress to defeat the New Deal program. That is why the gentlemen from the South, led by Garner and Glass, join with the modern secessionists in the Republican Party in preparation for a reactionary victory in 1940.

The political heirs of Lincoln's enemies do not hesitate to desecrate Lincoln in their attacks upon Franklin D. Roosevelt, who continues the fight for the rights of the common people. And this is why the progressives in the Republican Party who remain true to the traditions of Lincoln, like Mayor LaGuardia, join hands with Roosevelt in support of the social objectives of the New Deal.

The Hoover Republicans and Garner Democrats attack the President as a war-monger just as the Confederates and Copperheads attacked Lincoln. The aim of the Tories to-

day, just as that of their predecessors of 1861, is to divide the people, disrupt national unity and thus endanger the very existence of the nation itself.

Hoover, Nye and Reynolds allege that the efforts of Roosevelt and the progressives to safeguard national security "are leading the United States into war." This also had its counterpart in Lincoln's time when the reactionaries charged that his efforts to preserve the Union were "tricks of a warmaker" and that:

"... the attempt to enforce the Federal laws within its boundaries will be the inauguration of a civil war, and the question recurs not how to save the Union—for the Union is gone—but how can we preserve peace? We answer, in the recognition of the Southern Confederacy for the sake of peace." (New York Tribune, January 28, 1861.)

Today Hoover gives voice to this kind of treason by advocating that the United States and the democracies of the world should capitulate and surrender to fascism in the name of peace.

Herbert Hoover, in his Lincoln Day speech, further claimed that Lincoln, looking upon the world today, would find that "Americans have by the ballot again spoken their demand that the safeguards of liberty be maintained."

But Lincoln, out of his own experience, would know better than Hoover how to read the meaning of the November elections and how to answer them. In the elections of 1862 the Lincoln opposition won its own "victories." Far from retreating, as the Republicans and copperhead Democrats would like Roosevelt to do today, Lincoln saw in this election "defeat" a popular mandate to move away from a vacillating, middle-of-the-road policy and to press forward more vigorously than ever before for abolition, victory on the field of battle, and peace. Lincoln's answer to the Congressional election reverses of his party was to dismiss the traitorous General McClellan and to adopt bolder and more aggressive measures against the enemies of peace, in-

dustrial production and national unity. And this proved to be the key to victory.

Today the Republican Party tries to protect its "favorite" Democratic Senators and Congressmen from the Roosevelt invitation "to take a walk" because they, too, next to a great defeat most fear a decisive victory for the New Deal.

The Lincoln who freed labor in the black skin that labor in the white might also be free would not today curtail labor's rights by emasculating and destroying the Wagner Act, nor by nullifying the constitutional rights of the Negro people as do the Hoovers and Garners. The Lincoln who said the rights of labor were prior to the rights of capital would not slash social expenditures and deprive millions of Americans of their right to work, as do the Hoovers and Garners. The Lincoln who placed human rights above property rights would not sacrifice the national and social security of the American people for the vested class interests of the pro-fascist sections of finance capital as do the Hoovers and Garners.

What would the pro-fascist Dies Committee and the Tory advocates of a foreign policy of isolation do with the Lincoln who said:

"The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations and tongues, and kindreds."

No, the Hoover-Vandenberg-Ham Fish Republican or-

ators had better leave Lincoln alone in the future. He is too hot for them to handle. He belongs to the common people from whom he came. This is why the working people, including the Communists, hold high the banner of Lincoln's progressive traditions. For, as Earl Browder stressed:

"Lincoln carried the fight against reaction to the American masses. He roused them and mobilized them for an offensive in behalf of the struggle against tyranny, for liberty and democracy. In this cause, he called upon the traditions of 1776, as we Communists do today."

Rededicating themselves to Lincoln's principles, the people carry on his work. This is why the genuine progressives in the Republican Party are working in ever closer cooperation with the New Dealers in the Democratic Party, moving in the direction of establishing unity of action in behalf of maintaining and extending the social gains of the New Deal and in support of a broad, democratic labor-progressive coalition in 1940.

This is why the struggle for labor unity and national unity is inseparably interwoven and is placed by history as the foundation upon which democracy, peace and social progress can be preserved from the attacks of the reactionary monopolists and fascist war-makers; and the traditions of Lincoln best advanced so "that government of the people, by the people, for the people, shall not perish from the earth."

GENE DENNIS

Hoover — Hitler's Echo

Two days after Hitler's Reichstag speech, Herbert Hoover delivered an oration on February 1st on our "new departure in foreign policy." We are in no position to say whether Hoover prepared the text of his speech before or after he heard Hitler. It is not our purpose to accuse Hoover of plagiarism. It is, in fact, not beyond the realm of possibility that he may have come by his conclusions quite independently.

In any case, one cannot avoid remarking the inescapable similarity between what Hoover stated and what Hitler said. It is true that Hitler was more outspoken.

Hitler charged that the European democracies were flooding the United States with war-scare propaganda. Hoover said: "Their (the fascists') neighboring democracies are consciously or unconsciously flooding us with propaganda that we, too, are in danger, that we will inevitably be drawn in."

Hitler sought to find justification for his present aggressions in the unequal treaties following the World War, in the impoverishment of Germany, and the loss of colonies.

Hoover said: "Our people must realize that even if there were no dictators present, the blunders in the peace treaties, the pressure of population, the impoverishment of peoples, will create periodic European crises."

Hitler asserted that he has "no further demands" in Western Europe. Austria, Czechoslovakia, Spain, are but dress-parades in preparation for his coveted "drang nach Osten" march into the Soviet Ukraine: Hoover said: "There are other realistic forces which weigh against military attack by the dictatorships on the democracies. The dictatorships are in reality mainly interested elsewhere. The face of Germany is turned more east than toward Western Europe. The face of Japan is turned west into Asia."

Hoover and the economic royalists in the Republican Party, of which he is the ablest spokesman, give "God-speed" to Hitler and his Italian and Japanese allies in their immediate preparations for further aggressions and military invasions of France, the Scandinavian and Balkan countries, the Soviet Union, China, etc. Not only do they condone and support these war plans, but the Hoover-Taft-Nye

NATIONAL ISSUES

trio uses them as a camouflage to conceal the increased penetration of fascism into Latin America and its threat to the safety and security of the United States.

Hitler told the United States to mind its own business. Hoover said: "This idea of America sitting alone determining who and what in the world shall stop and go would make us suspect of the whole world."

Hitler disclaimed any designs upon the Western Hemisphere. Hoover said: "Obviously, our dangers are much less than those of the overseas democracies. . . . In any event, these dictatorships have nothing to gain by coming 3,000 miles or 6,000 miles to attack the Western Hemisphere."

Hitler proposed that the democracies on both sides of the Atlantic peacefully cede colonies and markets to Germany. Hoover said: "We should not be isolationists in proposals to join in the most healing of all processes of peace—economic cooperation to restore prosperity."

Hitler made it clear that any action on the part of the United States which overstepped the bounds of strict isolationism would be considered a threat to the totalitarian states. Hoover said: "A nation which sets up such policies (concerted peace efforts) and builds an armament of dimensions to back them is sure to arouse fear."

Above all, Hitler made it clear he wanted the United States to stand aside. Said Hoover, in his own inimitable

style: "Our country, standing apart, can make a contribution of transcendent service in holding aloft the banner of moral relationships."

What Hoover said is what his Tory colleagues in Congress are now saying in their effort to sabotage the Administration's foreign and domestic policy. Hoover tried to drape the American flag around a policy which is inspired in Berlin, which aims to permit the fascist triangle a free hand wherever it chooses to strike and which would betray the democratic aspirations and the national safety of our people. Hoover and the Tories in Congress deliberately advocate that America stand by and allow fascism to swallow the rest of the world while the United States exists as a lone democratic isle in the fascist sea. Hoover brings forward this program, in the name of peace, knowing full well that this isolated isle would be inundated by fascism.

It is time that a few pertinent questions, having to do with allegiance to country, be asked in the halls of Congress.

It is time that our American Chamberlains—the Hoovers and Vandenberg, the Reynolds and Coxes—are unmasked. It is time that Congress heed the will of the people and adopt a foreign policy in accord with the President's January message, a policy for curbing the fascist warmakers and safeguarding world peace and thereby the national security of the United States.

Planes and Plain Talk

BY JOHN PAGE

The crash of an American military plane, carrying an observer from the French air mission now in this country, was seized upon by the pro-fascists in the United States as an excuse for launching a vitriolic attack on President Roosevelt and his program in defense of democracy at home and abroad. This accident, cried the reactionary enemies of security and peace, "revealed" that manufacturers have been selling planes to France with the knowledge and consent of the American government. This, they said, showed that the President had effected a drastic change in our foreign policy and was "secretly" aiding the democracies of Europe. That the sale of planes and other munitions to nations not at war is entirely lawful, that it takes place regularly and is recorded and published by the Munitions Control Board which issues licences for such sales—are simple facts ignored by the shocked discoverers of the "secret."

Following close upon the plane crash and its accompanying furore came the President's meeting with the Senate Military Affairs Committee—called at the request of Senator Sheppard. The story, reputed originally to have been given out in Berlin, that the President said our "frontier

is now on the Rhine" was picked up and repeated by those Tories who have become the habitual echoers of Hitler's canards.

At once the Hoover pack was in full cry. Our traditional foreign policy allegedly had been scrapped by the President "without consultation with the people" or their representatives. We were meddling in "other people's wars." We were preparing "to police" the world. We were involved in "entangling alliances" with France and Britain. We were being drugged and "dragged into war."

The Republicans showed their hand. Their members on the House Foreign Affairs Committee, in attacking the defense program of the Administration, called for "the sale of airplanes produced in this country to any nation with which we have diplomatic relations"—a plea to openly aid the fascist aggressors. Their real motive was to hamper sales to the democracies and legalize sales to the aggressors. Hitler could ask for no better invitation to speed up his war plans.

The Republicans on the Senate Military Affairs Committee likewise called for "freedom of trade under the spirit of true neutrality, this to include traffic in airplanes

with all nations receiving exactly equal treatment." It was therefore logical for the Republicans to demand the publication of material bearing on essential defense plans since it has been revealed that the Nazis have just stolen an import- and new helicopter design.

Significantly, the Kiplinger letter for the private information of businessmen admitted on February 4th that the Republican attack was wholly without basis in fact. It stated that our foreign policy is "reasonably clear," that it is not news that we are aiding Great Britain, France and China in informal and unofficial ways, and that "on merit" most officials and members of Congress approve the sale of planes to the Western powers.

The motives for the hue and cry, said the Kiplinger letter, were purely political, and directed against the President's prestige. What the Kiplinger letter did not say was that the motive was much more than undermining the President's prestige. It was to wreck a developing policy for democracy and peace, thus giving encouragement to the fascist war-makers.

In the course of the House debate on the first defense bill, H.R. 3791 (the so-called May Bill), it became apparent that the reactionaries were afraid of burning their fingers on the issue they had ignited. The bill was passed with only fifteen dissenting votes. The Republicans, in their new role of "constructive critics," advocated "only" a slowing up of the tempo of combat plane construction. But in these days when our national defense must be strengthened immediately, Republican advocacy of easing up the vital program necessary for national security is nothing less than sabotage in the interests of Hitler, Mussolini and the Mikado. Their amendment, introduced by Representative Andrews of New York, was defeated by a vote of 183 to 136, taken on strict party lines.

The narrow question of airplane construction provided a forum in which to open up the whole question of foreign policy. Republicans and Tory Democrats used the opportunity to carry on the attack against Roosevelt's program begun in the Senate and the press. Afraid to come out openly against adequate defense, they resorted to sniping so as to more effectively prepare their ground for the coming fight on revision of neutrality legislation. The real battle will be fought around this decisive issue.

With the dwindling of popular sentiment for isolation, as shown in repeated Gallup polls and reflected in the House debate, the character of the opposition to the President's foreign policy has changed. Its backbone is no longer found among sincere, though misguided, pacifists, but among the most reactionary clique of finance capital, driving toward fascism and war.

Hoover, Clark, and Nye, who speak for this clique, make demagogic use of familiar pacifist phrases, to advance their own policy of surrender to fascism. They repeat the fascist lies that the President is drumming up a "Holy War" to cover up "his failures in domestic policies."

Senator Reynolds sheds crocodile tears over our 12,000,000 unemployed. Senators Clark and Nye join in protestations that the way to peace is to "make democracy work." Even Herbert Hoover becomes the apostle of democracy, of liberty, and of social security:

"I am confident that if the lamp of liberty can be kept alight these (anti-democratic) ideologies will yet die of their own falsity. They spring not from moral and spiritual inspirations but from the cupidity of men."

What trust shall we put in those who in one breath tell us that we must safeguard democracy by "making it work" at home—and in the next breath cast their votes for a relief slash, call for destruction of the Wagner Act, or block every move to consolidate and expand the social gains made under the New Deal?

These "defenders" of democracy surrender it in advance, assuring us that if war comes, democracy cannot survive. "A great war today is a mobilization of the whole people," says Herbert Hoover. "It means that our country must be mobilized into practically a fascist state." Thus he ignores the lessons of history, and particularly the lessons of Spain and China. Not fascism, but the *extension* of democracy alone can mobilize the whole people to heroic struggle in defense of the nation. It is this unification and mobilization of the masses in defense of peace that Hoover and his like most fear as presenting a democratic barrier to their fascist plans.

And it is toward this same unification and mobilization of the whole people in defense of their national and social security that President Roosevelt is striving. A positive peace policy means uniting with all the democracies, means frustrating fascist aggression. Today, lifting the embargo against democratic Spain is a step of basic importance to the defense of our vital national interests. It is even now not too late to lift the embargo and so change the complexion of the world situation that peace and Spanish democracy are saved, and the national interests of America protected.

But in the recent uproar over the sale of planes and the conference with the Senate Military Affairs Committee, the pro-fascist opposition was most vocal. Where were the supporters of the people's interests in the House and Senate? On them devolves the duty to really expose the motives, un-American allegiances, and methods of their Hoover Republican and Tory Democratic adversaries—adversaries they cannot overcome on the domestic front unless they grapple with them as well on questions of foreign policy. It is time for men like Senator Barkley, Senator Norris, Senator Wagner to speak out as did Senator Pittman on February 20, and take the floor and boldly come forward in defense of a positive peace policy such as outlined by the President.

Senator Thomas of Utah has indeed introduced some of the amendments proposed by the Committee for Concerted Peace Efforts. The Thomas resolution, S.J. Res. 67,

is a step, though a very halting one, in the right direction. It extends the present Act to include, in the President's discretion, the raw materials of war. It provides further that after the Act has been invoked, the President may, with the approval of Congress, exempt the victim of aggression from its provisions while continuing the embargo against the aggressor nation. Besides being a slow and dilatory way of dealing with aggressors, the Thomas amendments fail to touch on the inclusion of fascist-provoked civil strife and thus leave the iniquitous embargo against Spain intact.

Much more than this is needed. Best of all would be to forge a real instrument of our peace policy, revising the Neutrality Act so as to make invocation against aggressor nations, and aggressors only, mandatory. The introduction of such a measure by an Administration spokesman in the Senate would take the ball away from the reactionaries and rally the strongest nation-wide support. It would expose the "patriotism" of those proponents of "neutrality" who today demand that we sell armaments to the war-makers, Germany, Italy and Japan.

While this is one of the main answers to Hitler's friends at home, there are other answers that need to be made in the course of the coming Senate debate. It is urgent that the friends of peace expose the demagoguery inherent in Senator King's proposal for a disarmament conference (S.J. Res. 19) and of the Ludlow resolution (H. J. Res. 3) which would prohibit all shipment of arms, as well as of the Ludlow referendum on a declaration of war (H.J. 89). These would hamstring the nation from taking effective steps to preserve peace and would encourage further fascist aggression.

Those who protest that the President is "reversing" our traditional foreign policy at the same time insolently call for the recognition of Hitler's and Mussolini's puppet, General Franco. This is a clear reversal of the policy of non-recognition established in the case of Manchuria and Ethiopia. They should be answered by Senators and Congressmen ready to declare their support of the President if he exercises his legally established right to lift the Spanish embargo.

Coupled with their pro-fascist opposition against a foreign policy of concerted action for peace, the Tories in Congress are beginning another line of attack against the democracies. Led by Senator Reynolds, ally of Dies and Hearst, they falsely present the Soviet Union as "a source of danger" to the United States. It is about time that progressives take a stand on this important question, for the Soviet Union has shown beyond doubt, through its actions, that it is a bulwark for world peace. It is our most powerful potential ally against fascist encirclement and attack. The Soviet Union was born out of the fight for peace and has always striven for peace during its twenty-one years of existence. Its record of never violating a treaty obligation, of upholding not only the principles of the Kellogg Pact, but

equally important, upholding its spirit, is a model unexcelled by any great power.

No one except the fascists and their friends within the United States, the Hoovers and Reynolds, the Trotskyites and Lovestoneites, would dare accuse the Soviet Union of aggressive designs against any nation. On the contrary, the U.S.S.R. has done all it could to help forge a united front of the democracies against fascist aggression, although its giant strength makes the dictator nations seek easier game. Together, the U.S.A. and the U.S.S.R.—the two most powerful countries in the world, both striving for peace, both the objects of fascist conquest—could rally the peace forces of the world and make possible successful resistance to fascism and the second world war which it has already begun. Weakening the ties between these two countries is the expressed purpose of the fascist triangle, and in this aim they are loyally served by their Tory friends within and without Congress.

To promote the national security and welfare of our country, Congress and the President must act and act quickly to curb and halt the fascist war-makers. And, above all the people must organize themselves for peace, must bring concerted pressure on Congress and see to it that the present policy of "neutrality" which aids the worst enemies of the United States is replaced by a positive peace program, in deeds as well as words, which alone can guarantee the very safety of the nation.

Now as never before, the American people must defend our nation from foreign aggressors and from traitors who would admit the fascist enemy through the Trojan Horse of so-called neutrality.

In the
APRIL NUMBER

REVISING THE SOCIAL SECURITY ACT

By Roger Bacon

An analysis of the proposed amendments to the Social Security Act by the President's Advisory Council, the Social Security Board and the Senate Committee on Unemployment and Relief; a review of the recommendations submitted at the Senate Hearings on Social Security by the General Welfare Federation, the Townsend Movement and the Workers Alliance.

Also
CONGRESS AND NEUTRALITY LEGISLATION

By James Allen

A timely review of the chief bills and resolutions before Congress for amending the Neutrality Act which expires May 1, 1939; an estimate of the party line-up in Congress on neutrality legislation and foreign policy, and the popular nation-wide movement to revise the unneutral Neutrality Act in accord with the President's message to Congress.

Congress and the Farmers

BY EDWARD T. ALLEN AND JERRY COLEMAN

The New Deal farm program is under fire. The anti-New Dealers in Congress, who helped organize the pre-November "Farm revolt" against the Roosevelt Administration, point to the rejection of A.A.A. marketing quotas by rice and tobacco farmers, the serious drop in farm prices last year (aggravated by the sit-down strike of big business), and Republican victories in the mid-West farm states last fall as proof that farmers want to scrap A.A.A.

It is true that there is discontent on the farms. In the first place, crop reduction on the family-sized farm has been and is economic suicide. Corporation farms have reduced costs of production and skimmed the cream of benefit payments. Secondly, control and administration of the program in the counties are mainly in the hands of big farmers and anti-New Dealers. The result has been discrimination against the small farmer, reducing his possible benefits. The Tories have done a neat job of sabotage, thus creating antagonism against the New Deal. Thirdly, the drop in prices hurt very much. The New Dealers made a mistake by giving in to the anti-spending crowd, by lowering the amount of commodity loans, and restricting the benefits of the small farmers. Meanwhile tenants and sharecroppers have been dispossessed by the hundreds of thousands.

Republicans, who capitalized on this legitimate discontent of the farmers in the Congressional elections, are now trying to default on their election promises. The big talk now is for replacing crop control by some sort of domestic allotment plan that presumably will give the farmer a cost of production price. In fact, the opponents of the New Deal in the farm areas had to promise cost of production to the farmers. So far, eleven such bills have been introduced in the House, while in the Senate one bill, the Agricultural Equality Bill, S. 570, was introduced by eighteen Senators, including, unfortunately, a few progressives. The Senate Bill S. 570 and eight of the House bills are identical.

The so-called Agricultural Equality Bill, which is being pushed by Father Coughlin, would "guarantee" farmers the cost of production on 50 per cent of their output and provide for dumping the other 50 per cent on a non-existent world market. Appealing to the sincere opponents of scarcity production, this bill, which is modeled after the old McAdoo-Eicher farm bill, would aid chiefly the large scale farmers.

Moreover, S. 570 makes absolutely no provisions for the family-sized farms, for the tenants and sharecroppers. It makes no provisions for democratic administration by the farmers and gives no safeguards against a huge increase in production by the corporation farms. Furthermore, it

would thoroughly disrupt the present farm program, especially tenant aid and soil conservation.

As against this pseudo cost of production bill, Senator Josh Lee of Oklahoma is preparing to introduce a new domestic allotment bill in behalf of the Farmers' Union. The Union's bill calls for price fixing on the domestically consumed portion of the crop, with provisions to help the smallest farms market their entire crop at the domestic price.

Congress will have to give serious consideration to this problem. Domestic allotment is a long ways from being a cure-all, even for the major crops. If the farmer were to get a cost of production price for the percentage of his crop consumed by the domestic market, and dump the remainder on a non-existent world market, it is very possible he would be worse off, especially if the family sized farms were not guaranteed preferential treatment.

Very bluntly, Congress has to face the problem of bountiful production in a market restricted by the profit system. Some measure of crop control appears to be a necessary evil. The shoe will not pinch nearly so much if the family-sized farm were allotted normal production and control was exercised on the corporation and chain farms. Roughly 10 per cent of the big farms produce 60 per cent of the commercial crops. In themselves, neither crop control nor domestic allotment can solve the farmers' problems; whereas a combination of crop control, domestic allotment and price protection would be a practical, partial remedy.

Whatever may be done in 1940 along these lines, the working farmers are pressing for improvements to the A.A.A. now and for an expansion of the present federal farm program.

All three of the national farm organizations—the Farm Bureau, the Grange, and the Farmers' Union—are on record in favor of continuing the general principles of the A.A.A. this year. At their national conventions the delegates of these organizations passed resolutions admitting the benefits of the A.A.A. and opposing any disruptive changes.

In his testimony before the Senate Committee on Agriculture, in opposing the Senate Bill S. 570, Secretary Wallace pointed out that the farmers are tired of having new farm legislation passed late in March and of not being able to learn the regulations until July or August. He therefore urged that the A.A.A. be continued this year and that amendments be kept within the framework of the Act so as not to cripple its administration. This position is essentially correct.

It is possible to greatly strengthen the Farm Act and greatly enlarge its benefits to the farmers without tossing

any monkey wrenches into the 1939 operation of the Act. The three national farm organizations not only agree on this general position but have moved closer together on the amendments most needed at this time. These include:

1. *Raise Farm Prices to a Higher Level.* In view of the 1938 drop in farm prices, with corn and wheat falling to nearly half of their 1937 level, the demand of the farmers for higher prices is of primary importance. The Bureau, Grange and Farmers Union are in agreement on this point. *Instead of being optional, parity prices should be made mandatory on the domestically-consumed portion of the crop.*

Thousands of wheat farmers went through seven straight years of drouth, only to be faced with a sharp fall in prices the first year in which they had a crop to sell. The A.A.A. was not to blame for this drop in wheat prices. Despite the palaver of the Tories, the fact of the matter is that wheat was not under acreage control last year since the Act was passed too late to make compliance possible. But it is essential that instead of 86 cents a bushel proposed for 1939, the working farmers be assured the full parity price—now about \$1.11 a bushel. This can be done, as the Farmers Union has suggested, by requiring *that the parity payment make up the full difference between whatever else is received and "parity."*

2. *Step Up Payments to the Small Farmers.* One of the most desirable innovations of the 1938 Farm Act is its provision for graduating payments to the small farms. Not only were these farms hit hardest by the depression but they are most in need of soil conservation benefits. Any flat, pro-rata plan of reduction necessarily bears down most inequitably on this group of farmers. Under the present Farm Act, a small farmer, for example, whose payment would otherwise amount to \$17 is actually paid \$23. This progressive move increased compliance and was enthusiastically approved by the farmers. With one and a third million farm families getting a total income of less than \$500 a year including the value of what they grow for their own consumption, and two and a half million getting less than \$750, it is clear that this principle of graduation needs to be further extended and liberalized.

3. *A \$5,000 Maximum.* To prevent the large, corporation farms from getting the lion's share of the benefits, the Farm Act beginning this year calls for a \$10,000 ceiling on soil conservation payments made this year. Since only 1½ per cent of the farms in this country yield an income available for consumption of over \$5,000, it is evident that the Jones Amendment (H.R. 3800) lowering the maximum to \$5,000 sets a more practical and realistic ceiling.

4. *Greater Democracy.* Experience with the new provision of the Farm Act allowing the election of committeemen by the farmers has been encouraging. To insure democratic elections, particularly in the South, provision should be made for *secret balloting.* Moreover, *steps should*

be taken now to make possible the election of farmer representatives on the state committees.

5. *Expand the Federal Surplus Commodities Corporation.* Farmers everywhere have been enthusiastic in their praise for the activities of the Federal Surplus Commodities Corporation. In their national programs the Farm Bureau, Grange, the Farmers Union, and the C.I.O. call for a sharp expansion of this program. Pointing out the need for a "doctrine of abundance" as against "scarcity," Secretary Wallace urged that the Senate Committee on Agriculture take favorable action on such a program. By buying up surplus farm products, the F.S.C.C. has not only saved many farmers from ruinous price collapses but it has also aided undernourished families on relief. This year the F.S.C.C. is operating on only 60 to 65 million dollars. After the *largest production in the history of the nation's agriculture*, we are faced with huge surpluses that cannot possibly be marketed abroad. *A vast increase should be made in the appropriation to the F.S.C.C.* This will aid the farmers, increase employment, benefit the ill-nourished and ill-clothed. Likewise it will make possible larger shipments of farm commodities to the defenders of democracy in China and in Loyalist Spain, either as direct relief aid or in the form of long term government credits.

In addition to the recommended changes in the general farm statute, there are other matters of vital concern to the farmers:

1. *Tenancy.* In its present form, the federal budget recommendations would slash the farm tenancy appropriation to one-half the amount promised by the Bankhead-Jones Act for 1939-40. The budget proposal of \$25,000,000 would cover only 5,000 families, while tenancy is increasing at the rate of 40,000 families a year. *The promised figure of \$50,000,000 must be restored* and emergency provisions should be made to aid the half-million share-croppers and their families who have been dispossessed from the cotton plantations and made destitute.

2. *Rural Electrification.* All farm organizations are on record in favor of extending the R.E.A. The \$100,000,000 additional appropriation made by the Recovery Bill last year should be continued.

3. *Farm Security Administration.* The cut in the deficiency relief bill has already aroused farmers against the threat of a cut in F.S.A. funds. Conservative Congressmen who immediately suggested cutting the relief appropriation by the same percentage as the W.P.A. deficiency measure will do well to remember that F.S.A. and N.Y.A. would be seriously hit by such a move. In the face of a billion dollar drop in farm income, there is no justifiable basis for cutting down on the \$175,000,000 received by the F.S.A. this year; rather it should be increased.

There is urgent need and ample ground for common effort on the part of farm and labor organizations, together with the Administration and Congress, to work out im-

provements in the Administration's Farm Program. The first essential to secure the enactment of these progressive amendments is to bring about greater collaboration and unity of the Grange, Farm Bureau, and Farmers' Union.

Farmers know that the "hands-off" policy advocated by the Republicans and Tory Democrats would mean a free hand for stronger Wall Street control of markets, prices

and credits. To curb the monopolies, they cannot take the fascist road of the Associated Farmers which seeks to destroy organized labor. The farmer-labor agreements of the Farmers' Union and the recent convention stand of the Grange for cooperation of agriculture, labor and business indicates that farmers and workers are moving to unite against their common enemy—Wall Street.

The People's Health

BY PEGGY DUANE

That good health today is a commodity—purchasable by those who have the price and denied to those who have not—is no new fact. That the ill-fed, the ill-housed, and the ill-clothed are also sub-standard in health is no revelation. But the concepts of good health as the *right* of every individual and the *responsibility of government* to guarantee this right are comparatively new ideas in Congress. And it is this which makes both the recent report of the President's Committee on Health and the President's January message on health to Congress so important.

"The health of the people is a public concern; ill health is a major cause of suffering, economic loss and dependency; good health is essential to the security and progress of the nation. . . . A comprehensive health program is required as an essential link in our national defense against individual and social insecurity."

With these words, President Roosevelt has boldly extended the social policies of the New Deal into another sphere of human welfare which heretofore, perhaps more than any other, has been considered either a personal or a charity problem.

That the people's health is inseparably bound up with the economic and social security of the country is confirmed factually in many surveys. These facts further bring to light the inadequacies of existing public services and the urgent need for action. Such data as the following amply illustrate the point:*

1. Acute illness in relief families is 47 per cent higher than in families with a \$3,000 yearly income, and chronic illness rates 87 per cent higher amongst the first;

2. Non-relief families with less than \$1,000 yearly incomes have twice as much illness as those in the income brackets over \$1,000;

3. Infant mortality is 5 times as high in the income groups of \$500 than in that of the \$3,000 groups;

4. Forty million people, one-third of the nation, in the less than \$800 a year income group are "trapped in a vicious circle . . . their poverty frequently cutting them off from

adequate medical care, their ill-health reducing their earning capacity and their standard of living" (Public Affairs Committee);

5. Forty per cent of U.S. counties, with 17,000,000 persons in them, have no registered hospital facilities;

6. In an average day of the year 5,000,000 persons are disabled through sickness or injury;

7. Sickness and accidents in 1937 made the heaviest cut into industrial payrolls;

8. Nearly one in every 10 workers lost eight or more days work last year due to accidents and illness;

9. There are one million industrial accidents and 15,000 deaths yearly from industrial accidents;

10. Costs and losses due to sickness, disability and premature deaths average 10 million dollars yearly;

11. For every death report there are an average of 16 sicknesses disabling each person for one week or more "indicating that health problems can in no sense be evaluated by the sole consideration of the community death rate."

A cursory glance at these facts indicates the integrated relationship between the problem of health and low wages, poor housing, hazardous industrial conditions, unemployment and old age insecurity. It also gives an answer to the kind of health program that is needed to cope with these facts.

The report of the President's Committee on Health gives specific answer to this problem in its statement that the provisions of a national health program should contain:

"assurances that all areas of the country and all members of the population shall have the protection of adequate public health services and an opportunity to avail themselves, in accordance with their medical needs (and not financial—P.D.), of adequate care in sickness."

Senator Wagner is embodying the recommendations of this committee into a health bill to be introduced shortly in Congress. These recommendations include the appropriation of funds, to reach the sum of \$850,000,000 by 1949, for the expansion of preventative public health services, construction of hospital facilities, and provision of medical care for all who need it.

The entire program is to be correlated with the activities now carried on under the Social Security Act. In spite of inadequate proposed appropriations for immediate use and

* Reports of President's Interdepartmental Committee on National Health; 1935-36 national health inventory, U.S. Public Health Service.

the slow spreading out of the total amount over a ten year period, the Wagner health bill should have the support of all progressive and liberal groups when it is introduced into Congress. For, combined with the housing and slum clearance programs, progressive amendments to the Social Security Act, and extension of the minimum wage provisions of the Fair Labor Standards Act, this health program provides a first step towards making good health an inalienable right accessible to all of the people.

The objectives of this health program and the proposed Wagner health bill can be carried out, however, only if it is combined with a progressive policy on taxation. The Health Committee's report recommends financing the health needs of the nation by general taxation. To do this would mean to increase the tax burden of those groups least able to bear it. The Committee further recommends a system of voluntary beneficiary contributions. This would mean eliminating those groups who most need the health services but are least able to pay for them. Both of these measures would defeat the very purpose of the whole program. To guarantee health services to the people "in accordance with medical needs" requires a non-contributory system of health insurance for *all* of the people which would cover disability, maternity, and sick needs.

This can be done adequately only by financing such a health program with a policy of taxation based upon those financially able to pay—upon the high income brackets.

In the past years, various group health plans have been developed. These exist in over 60 cities today and have a combined membership of 1,500,000. These groups are the result of growing demands among the people for some form of social health insurance and medical services made available through low-cost plans. However, these groups are, at their best, but inadequate stop-gaps. Their financial resources are limited, dependent upon individual contributions. This limits the medical services available to members, and, in some cases, curtails the quality of the service. The group medicine plans still do not touch the core of the problem of reaching the millions of people within the lower, or lowest, income groups and extending health services to them commensurate with their needs. This can only be done by a national program, financed and directed by state and federal governmental agencies.

Opposition to the health program projected by the New Deal, labor, and liberal forces, as well as opposition to the whole concept of government responsibility for the health of the nation, comes chiefly from two integrated sources: big business in general and the American Medical Association in particular.

Monopoly capital interests are opposed to the President's health program for the same reason they are opposed to every progressive and social feature of the President's New Deal program. They are opposed to the concept of the social role and responsibility of government for the social welfare of the people.

The New York Times editorial of January 24th, com-

menting on the report of the National Health Committee and the President's message accompanying it to Congress, voiced the opinions of Wall Street when it said:

"We must not forget that health is but one aspect of a far-reaching program of social security and that the Federal Government, with its budget badly unbalanced, is already committed to plans which will require the expenditure of funds on a constantly increasing scale. . . . The national health is indeed 'a public concern' as the President says. So, too, is the nation's financial stability."

The fight for the people's health is bound up with the fight against the "budget-balancers" who would curtail or cut out all social human welfare features of the 1940 budget. For answers to the stand-pat arguments that the country can ill-afford such "luxuries" as safeguarding the health and welfare of the people, we can but refer the reader to articles on the 1940 budget and a progressive tax program in the January and February numbers of this magazine.

The opposition of the American Medical Association to the national health program is similar to that of all monopoly groups opposing public control and curbs on their anti-social practices. The aristocracy of the A.M.A. see in the President's program and the Wagner health bill a challenge to their monopolistic position as "keepers of the mystic secrets" of medical science. They see in this program a medium of lowering medical fees in proportion to the extent that these "secrets" and services are made available to all at minimum or no charge. Therefore the A.M.A. officialdom brands public health insurance as "socialistic," as "regimentation" of physicians, and as "inevitably" lowering the quality of medical services.

This medical clique has already applied pressure upon many of its Association members who have cooperated with group medicine plans. Such local doctors, in many cases, have been charged with "unethical medical practices," have had local hospital facilities denied to their patients, and, in some instances, have been expelled from the Association.

However, under the pressure of the growing popular demand for some form of medical care made available to the lower income groups, and the rise of local group health plans in many cities, the A.M.A. has had to formally change its adamant opposition to all social measures towards solving the health program.

It has reluctantly come out, in certain instances, in "favor" such group health activities which are based *solely* upon *voluntary contributions*. However, the A.M.A. officials do support the cash-indemnity medical insurance plan. By this plan, the individual pays a monthly fee of from \$1 to \$3 which entitles him to the payment of doctor bills up to \$150 to \$500 a year. But there are no medical services combined with this. It merely means that the individual doctor charges his private fee against the insurance fund held by the patient. It is the doctor's guarantee that his fee is paid.

Despite the obstructionist activities and maneuvers of

the higher officialdom of the A.M.A., the movement for an adequate system of government health insurance and free medical care continues to grow. The wide support for the recommendations of the public health conference, held in Washington, D.C., last summer, bears witness to this. These recommendations, which have been embodied in the President's health message and will be introduced in Congress by Senator Wagner, are now supported by the main sections of the labor, progressive and social welfare movements.

What is needed now is the widest popularization of the

national health program and the Wagner Bill provisions in every community center, public school and institution, trade union, farm, church and liberal organization. Moreover, it is essential to set in motion a nationwide campaign of public pressure to ensure the immediate introduction of the Wagner health bill, with suitable amendments, into Congress and to guarantee favorable action upon it. The health program is vital to the well-being and security of the people, and therefore to the well-being and security of the nation.

Rescue the Housing Program

BY SIDNEY HILL

Under the Administration of President Roosevelt, low-rent, public housing has made its first real headway. There has been in the past much oratory about poor housing conditions and many fine promises to attack the slums of the nation, but until the New Deal set up its Housing Division of the P.W.A. six years ago, practically nothing had been accomplished.

Following a period of experimentation by the P.W.A. during which low-rent housing was regarded merely as one of the various emergency methods of giving useful work to the unemployed, the progressive forces of the country finally passed the Wagner-Steagall Bill (now the U. S. Housing Act) through Congress. Today the U. S. Housing Authority is a permanent part of the federal government. Its first appropriation in 1937 was \$800,000,000, which was promptly exhausted through "earmarkings" demanded by the 221 local housing authorities which sprang up under the pressure of public enthusiasm for the President's program.

It is true that in view of the great need for new, low-rent housing and for slum clearance the U.S.H.A. program is still far from adequate. On January 1, 1939, Housing Administrator Nathan Straus announced that some 20,000 families have been accommodated to date and that the original appropriation will provide for only 120,000 families in the entire country. Compare this with the report released on January 8, 1939, by the Works Progress Administration that:

"Only 40 per cent of the 8,000,000 homes surveyed in 203 communities through the nation are in good 'condition.' More than 16 per cent of the homes studied are rated 'unfit for use.'" (Urban Housing: a Summary of Real Property Inventories conducted as Works Projects 1934-1936. Published by W.P.A.)

It is obvious that the funds available to the United States Housing Authority must be increased considerably

Estimates made by government agencies like the P.W.A., by the housing committees of the A. F. of L. and the C.I.O., and by various civic and welfare organizations place the amount of money needed for an adequate public program of low-rent housing at from five to ten billion dollars to be expended over a five or ten year period.

Senator Wagner, the father of the U.S.H.A., has introduced a bill in this session of Congress (S. 591) calling for an additional appropriation to the housing fund of another \$800,000,000. But even this relatively small sum is being opposed by real estate and other interests who fear a public program of decent housing at low rents. Indeed, at the present time, there is a grave danger that the reactionary bloc in the house and Senate will be able to defeat the Wagner Bill.

Without funds, the U.S.H.A. cannot undertake additional construction. Certainly the public at large, particularly the one-third of the nation which is ill-housed, is in favor of enlarging the housing program. The millions of unemployed, especially in the building trades, are in need of the work which public housing construction and slum clearance will provide. And yet the chambers of commerce and real estate association groups and their henchmen in Congress are preparing to kill the first really social housing movement ever to take root in our country.

Opponents of a broader public housing program are so successful because on the whole they are much better organized than the great mass of the people who need and want such a program. During the campaign for the Wagner-Steagall Bill two years ago, these interests were able to whittle the housing fund to one-half that originally proposed. Today they are determined to deal a death blow to the United States Housing Authority by cutting off the funds necessary to continue the program.

The fight against low-rent housing is, of course, only one aspect of the opposition to government efforts to relieve

NATIONAL ISSUES

unemployment and poverty through socially-useful undertakings. The same reactionary fight goes on against the relief program, social security and public works in general. It is argued that government activities should be reduced in order to balance the budget and create confidence in business. The fact remains, however, that the confidence of the great mass of the population was greatest and economic conditions better when government activities in relief and public works were at their height. Of course the New Deal could have accomplished much more in this direction. But enough was achieved to demonstrate the need for continuing and expanding such socially useful agencies of the government as the P.W.A., W.P.A. and particularly the United States Housing Authority.

An enlarged public works housing program would go far toward taking up the slack of unemployment. In addition, such a program would result in a long needed improvement in the living conditions of that great section of the population, *almost one-half in fact*, which cannot afford decent housing without governmental assistance. The realization of such a program was actually in sight when the U.S.H.A. was established. It will become a thoroughgoing reality if it is nourished with additional funds and an even broader scope. The friends of low-rent housing, the trade unions, A. F. of L. and C.I.O., the civic and welfare groups and all liberal and progressive organizations should establish unity of action and jointly press Congress for the passage of the Wagner Bill S. 591, calling for new funds for the U.S.H.A.

However, in addition to federal funds, the housing movement should demand state and local funds. The trend in this direction has been illuminated by the passing in New York State last year of a Constitutional Amendment for the creation of a revolving fund of \$200,000,000 for the clearance of slums and the building of low-rent housing. Other states should follow suit.

In the same way, municipalities can establish housing funds. Such local funds, like those provided by states, may be utilized to supplement the federal loans of the U.S.H.A. for a really broad program. The A. F. of L. and the C.I.O., in cooperation with civic and welfare groups and with tenant organizations, should supplement their support for the Wagner Bill with concentration on such local housing activities; they are practical, immediate and the best guarantee that the federal program will be carried past and beyond its opponents.

The movement for decent housing for the American people is slowly gathering headway. But even the most optimistic estimates indicate that a comprehensive solution of this problem will take a period of years. In the meantime millions of families are forced to live in slums and sub-standard housing. There is much to do for this great section of the population right now. Existing laws and regulations for the improvement of slum conditions should be enforced and more liberal laws passed. But even more important, the relatively high rents which are being charged to the lowest income groups must be restricted. Some success in this direction has been achieved and every effort must be made to pass rent restriction laws in cities and states. Tenant organizations, working with the trade unions, can be especially effective in this direction.

In conclusion it must be pointed out that while one of the main objectives of public housing construction is to provide jobs, its other major function is to give decent housing to those families who cannot otherwise afford it. Therefore a primary objective of a social housing program must be low rents—rents, that is, which are really within the means of those families for whom the housing is intended. We are fortunate in the present rental policy of the New Deal. But it will take all of the strength of the supporters of the housing movement to continue this policy and to widen the program of the government.

The Byrnes Report and W. P. A.

BY ROGER BACON

In a recent radio debate Ralph E. Flanders, of the National Association of Manufacturers, "agreed" with New Dealer Leon Henderson that the government should give jobs to all able-bodied unemployed. While this statement does not preclude Mr. Flanders' participation in the bitter fight which reaction is waging against this objective, it shows the pressure of an overwhelming and growing public opinion. The illusion that unemployment is a temporary phenomenon has been completely smashed by the 1938 depression. During the past ten years the majority of American workers have been unemployed for greater or shorter

periods. In this situation, the most reactionary politicians, if they wish to obtain any public support, pay lip service to the rights of the unemployed as human beings and first-class American citizens.

The most urgent of these rights is the right to work. The present session of Congress is duty-bound to realize this right by developing a permanent recovery program of public works planned to give self-respecting work and adequate compensation to all unemployed workers. The Special Committee to Investigate Unemployment and Relief (Byrnes Committee) has recognized the need in its recent report to

the Senate. That this is not a partisan issue is clearly indicated by the composition of the Committee. The majority report was signed by Senator Murray, a New Deal Democrat, by Senators Byrnes, Hatch, and Clark, conservative Democrats, and by Senator Frazier, a progressive Republican. A minority Report, which substantially agreed with the majority view, was submitted by the reactionary Republican, Davis of Pennsylvania. Only the Tory Lodge of Massachusetts disagreed in the main particulars, and submitted a minority report consisting of typical die-hard nonsense.

But Mr. Lodge represents powerful interests who, in their campaign to sabotage recovery and defeat the New Deal, aim to destroy all work relief and to starve the unemployed with degrading Hoover relief standards. Their reactionary representatives, using the demagogic cry of "Congressional independence," and using vicious parliamentary tricks, were able to swing the majority of Congress in their direction in the first important test, the deficiency work relief appropriation. We witnessed the paradox—two weeks after the Byrnes Committee submitted its report, most of its members supported measures directly contrary to their own recommendations.

On the most decisive issue the Majority Report states:

"Public work should provide employment and a means of livelihood for unemployed workers at times when and as long as private industry cannot use their service."

The minority statement of Senator Davis is even more explicit:

"... sound recovery principles demand that there be a job for every person qualified to work, for there is enough work for all. The only inquiry that should be made of him in providing a job is on the fact of employment, and on his fitness to do the work at hand. The Means Test, as applied to public works, should be abolished and opportunity for employment should be provided to all unemployed workers."

Brave words! And yet Congress, without opposition from the Senators on the Committee, inserted a provision in the deficiency appropriation making the Means Test on work projects even more stringent.

To make the right of work effective, it is obvious that Congress must appropriate adequate funds. The W.P.A., and all other forms of government emergency work, do not and never have provided jobs for more than one-third of the able-bodied unemployed. Furthermore, wages paid most project workers fall far short of providing a means of livelihood, even by the most conservative standards. But of the seven Committee members, only Senators Murray and Frazier voted for the \$875,000,000 deficiency appropriation recommended by the President, while the other five members supported the \$150,000,000 cut.

The report contains valuable recommendations for coordinating and simplifying the works program apparatus. One proposal is to unify W.P.A., P.W.A., and related agencies in one Department of Public Works. On this basis the government would have an apparatus with which to carry out a planned program of urgently needed projects.

The proposal is similar to one contained in the President's Reorganization Plan, defeated by Congress in 1937. It is hoped that the Senators who signed the report will lead the fight for adoption of this proposal, already included in a bill introduced by Senator Byrnes (S. 1265), regardless of Tory cries of "dictatorship." Also important is the proposal for a single office in each locality to handle all problems of the unemployed workers. Functions of the Social Security Board, the United States Employment Service, and hiring for public work projects would be handled in this office.

"There should be one office where the worker can register in order to qualify for his unemployment compensation and where, at the same time, he can talk with the officials charged with the duty of assisting in securing employment for him.

"It will then be possible to ascertain each day, or certainly each week, the number of unemployed persons in the United States. It will contribute to the objective of having one door through which the unemployed will receive all kinds of assistance and through which they will be assigned to public work."

Anti-democratic forces are today focussing their attacks on political rights of the unemployed, the weakest section of the population, as a prelude toward destroying the democratic rights of all working people. These attacks are "justified" with false charges of New Deal coercion of W.P.A. workers. Actually where project workers have been coerced, it has been by reactionary local machines. Thus during the Tydings-Lewis race in Maryland, the pro-Tydings Washington Post reported the incident of a W.P.A. foreman, also the local machine politician, who openly boasted that he had instructed the project workers under him to vote for the anti-New Dealer, Tydings.

Committee proposals aim to protect W.P.A. workers from such interference, and reaffirm the political rights of the unemployed. There is an additional recommendation prohibiting discrimination on W.P.A. on account of race, religion, political affiliations, or membership in a labor organization. The deficiency appropriation resolution includes the clause affirming the political rights of the unemployed. However, while the Congressional resolution makes it a felony to interfere with the political rights of the unemployed in general, at the same time it also makes the exercise of these rights in particular a felony. While the limitation only concerns one phase of political activity, freedom to solicit campaign funds from fellow project workers, such restrictions easily lead to more far-reaching deprivations, and the wording of the clause permits its application to practically any campaign activity. Thus the Committee proposal, designed "to secure absolute independence of political action for every person receiving benefits under the work-relief program," was used by the reactionary coalition as a smokescreen behind which they tried to destroy the political rights of the unemployed. Not only did the Committee fail to fight against this reversal of its recommendation, but Senator Hatch, a Committee member, actually introduced the restrictive amendment in the Senate.

Reaction has opened its campaign over unemployment policy with the introduction of a resolution by Representative Woodrum, leader of the W.P.A. slash in the House of Representatives. Woodrum's bill (H.J. Res. 151) would cut relief funds in half, and would go a long way towards smashing the whole system of work relief, and substituting the Hoover dole. Progressives should lose no time in organizing a great drive for a permanent program in the interests of recovery, useful jobs and security for all. The majority report of the Byrnes Committee may well serve as a rallying point. To it should be added clearcut demands for appropriations adequate to give jobs to all unemployed workers, and for an increase of wages on government projects, especially in the South, to the point where they will provide at least a minimum livelihood. Support for the progressive features of the Committee report and for these additional demands should be voiced in letters to Congressmen, especially to Chairmen Woodrum and Adams of the House and Senate Subcommittees on Appropriations, and to the five Senators who signed the majority report.

Development of a satisfactory long-range program cannot be separated from the immediate issue, adequate W.P.A. funds for the next three months. The President has requested an emergency appropriation of \$150,000,000 to

restore the Congressional slash in work relief funds and to prevent the firing of up to two million W.P.A. workers. As yet Congress has done nothing about the President's request, and as this is written, no Representative has introduced a resolution embodying the appropriation. Reactionaries are using general expressions of progressive unemployment policy as a screen behind which they attempt to starve and degrade unemployed workers. They must not be permitted to succeed, particularly since production has fallen in the past three months, instead of rising as is usual in the winter season. Wire your Representative urging that he introduce the \$150,000,000 emergency appropriation bill and fight for its adoption. If the people develop a campaign truly expressing public opinion on this issue, especially if the A. F. of L. and C.I.O. act in unison, Congress will overwhelmingly reverse its earlier W.P.A. slash, and set the stage for adoption of a progressive long-range program.

Note: The Byrnes Committee report also includes worth-while recommendations concerning Social Security. These proposals, together with new Social Security developments arising out of current Congressional hearings, will be analyzed in our April issue.

The Life Insurance Monopoly

BY DAVID RAMSEY

When the Monopoly Committee finally turned the spotlight on the giant legal-reserve life insurance companies, it revealed one of the most important areas of Wall Street control which needs exploration and regulation in behalf of the people's interests. The insurance reserves are financial pipelines to industry, agriculture and commerce which are turned on or off by a handful of financiers. Through them Wall Street uses the people's savings to extend and consolidate its own control of the nation's economic mechanism.

In railroads, public utilities, and farming, to cite only three cases, the insurance companies play a leading role through their purchases of securities and mortgages. And with the insurance reserves manipulated by the big banks through direct and indirect controls, the most important channel of new capital is at the mercy of the economic royalists. Since they are continuing their sit-down strike against the New Deal, public regulation of the insurance field is of decisive importance in breaking the economic logjam caused by Wall Street sabotage.

Chairman William O. Douglas of the Securities Exchange Commission, which is conducting the insurance phase of the monopoly investigation, has said that its objective was "to survey the economic power inherent in the

vast investment funds controlled by insurance companies and to study the impact of that power upon our national economy."

The first two weeks of insurance hearings in February disclosed that the companies have \$27.75 billions in assets, more than 70 per cent of which is controlled by ten giants. This is a sum equivalent to two-thirds of the national debt and over 8 per cent of the total national wealth; it is larger than the combined savings of the commercial and savings banks. This reservoir of capital, when broken down, gives a picture of the vast holdings of the companies, extending into the decisive sectors of our national economy.

The giants of life insurance hold some \$800 millions in farm mortgages; \$6.7 billions in urban property and mortgages; about three billions in public utility securities; over three billions in railway securities. Put in percentages, the 49 biggest companies hold 11 per cent of all government securities; 10 per cent of municipal bonds; 23 per cent of all railway bonds; 22 per cent of public utility securities; 15 per cent of the industrial debt of the country; 15 per cent of urban and 11 per cent of farm mortgages.

And the impact of these enormous holdings increases, since the companies have about \$1.5 billion in surplus for

new investment purposes each year. They purchased 62 per cent of all corporate bonds publicly offered, or of large issue, in 1937 and 55 per cent in 1938. New investment is thus controlled by Wall Street, which diverts funds to those fields where it can best combat the New Deal, as witness the recent concentration of the insurance companies on public utility securities. More than that, the bankers and their stooges in the companies are increasingly turning to private financing where they can evade the regulation of the SEC. From 70 to 94 per cent of private issues were taken up between 1934 and 1937 by the insurance companies. Through such means the savings of the people are used to frustrate the aims of the New Deal and to place obstacles in the way of economic recovery.

The present hearings have only skimmed the surface of the problem. They have not revealed the more serious abuses, nor tackled the fundamental question of adequate public regulation. But enough has been turned up to puncture the ballyhoo of the insurance trust that there is nothing wrong. The facts show that former Supreme Court Justice Louis D. Brandeis' indictment made three decades ago still holds true. He said: "The (insurance) business is carried on for others than the policy holders. . . . The results establish conclusively that, in the conduct of the business, the interests of the insured are ignored."

This truth was graphically illustrated when the SEC proved that insurance executives, by pressure and intimidation, used many agents to forge ballots of policy holders in elections for directors. A number of agents risked their jobs to give this evidence to the monopoly committee. The wide-spread use of forgery was played down by the reactionary press, although Chairman Douglas of the SEC denounced the frauds as "scandalous."

The scandal was made worse by further disclosures that only tiny minorities participate in the elections of director even with the use of forged ballots. In 12 of the largest companies, less than one per cent of eligible policy holders participated in the elections; in the New York Life only one-fifth of one per cent voted for directors. Under such circumstances so-called mutual control is a myth; the companies are run and dominated by small cliques of top officials and insiders. The policy holders merely have the privilege of paying premiums; their interests are ignored by the managements who play Wall Street's game.

It is therefore inevitable that the directors exploit the holdings of the companies, not only in the general sense of consolidating Wall Street control, but also to line their own pocketbooks. The SEC revealed that insurance directors solicited business for their own concerns, especially deposits for banks. The Tory Democrat Al Smith was shown to have gotten the oil business of the New York Life for a company which he heads. All of these practices flow from the interlocking controls exercised by big business over the management of the insurance companies. The House of Morgan, the Rockefeller group, and other big banking interests really control the insurance field. While the degree

of control is hard to establish without further investigation, the very fact Morgan men are insurance directors and that insurance executives were the recipients of Morgan favors shows that the connection would not be hard to establish. (See the findings of the Pujo and Pecora investigations.)

Getting to the bottom of banker control of the life insurance business is the key to a real investigation. There is no telling how far the present one will proceed since so much pressure is being exerted to stymie any important findings which might be the basis of regulatory legislation. If the SEC is to do a good job, it should turn its attention to the following evils which so far only reputable individual students have exposed. (See the studies made by Brandeis, Downey, Epstein, etc.)

1. Seventy-five per cent of all insurance policies are of the so-called industrial type. They average about only \$235 when and if they are paid. Some 85 per cent of industrial policies lapse due to exorbitant rates and receive the lowest protection. Workers and their families waste hundreds of millions on premiums, depriving themselves of the necessities of life, only to find they have no real protection when death deprives them of their wage earner. Industrial insurance as practiced today is not only expensive, but also is a scheme in which "the needs and financial inexperience of the wage-earner are exploited for the benefit of stockholders or officials." (Brandeis)

2. Ordinary life insurance for the middle income group costs too much. The policy holders run risks out of all proportion to what they receive, assuming that their policies do not lapse (about 80 per cent do). It has been shown by actuarial experts that the companies use outmoded life expectancy tables which are out of line with actual mortality statistics. In this way, they only pay out half the amount in premiums that their estimates call for. Consequently they pocket hundreds of millions at the expense of the policy holders, and at the same time prevent needy families from carrying adequate insurance because of high rates.

3. The whole system of high pressure promotion, trick schemes and excessive overhead needs to be brought out into the light of day. Although incomes have been cut by the depression, insurance rates have nevertheless increased. The agents, whom the companies hypocritically blame for their practices, have not benefited, nor have the policy holders. Increased overhead charges are principally due to inflated top salaries which were increased even during depression years, to unnecessary promotion, nepotism, etc. Especially important today is a survey of the anti-labor policies of the companies. They have flouted national and state laws in opposing collective bargaining rights to their employees. On the one hand, they blame the agents for their own greedy and irresponsible behavior; on the other, they are using every method of intimidation to prevent the agents and policy holders from getting together on a common program to protect the former's jobs and the latter's insurance.

4. The companies get the policy holders coming and go-

ing. First, they charge excessive premium rates, and then when the policy holder borrows back some of his own money, he is charged high interest. With over three billions in such policy loans, here is a phase of insurance management which decidedly needs overhauling in the interests of policy holders.

5. The core of a real investigation must center on the relations of the companies with big business. How do the banks control the investment and reserve funds? Through what interlocking controls is Wall Street boss over the people's money? How are the reserves of the companies used by the economic royalists in their campaign of economic sabotage against the New Deal? What part do insurance holdings play in the vital sectors of housing, railroads and public utilities which are the strategic sectors of big capital's sit-down strike against New Deal reform and regulation? And finally, just how safe is life insurance? During the Hoover crisis, the companies were bailed out to some extent by the RFC. But even that did not prevent them from contemplating a moratorium on policy payments and cash surrenders from which they were saved by the grace of the national bank holiday. This raises the question as to whether they could stand the strain of the more devastating crisis which Wall Street is helping precipitate. Connected with this problem is the political activity of the companies, their lobbies, their anti-New Deal attitude, their opposition to social insurance, their tie-up with the Medical Trust, and their role in Wall Street's plan to further its fascist-minded economic and political program.

6. The use of the reserve funds of the companies needs examination. At present, they are an obstacle to national economic recovery because of mismanagement and use as a sabotage instrument. The companies are draining off some \$1.5 billion a year over and above their requirements for premium payments and top-heavy overhead. Proper use of their potential investment possibilities may mean the difference between recovery and stagnation. What connection is there between the strike of big money and this greatest source of capital accumulation? What if these gigantic reserves are unnecessary and simply serve vested interests?

These are among the problems which need clarification and investigation. Their proper answer is vital to the future security of the people, and will play a large part in the outcome of the struggle between fascism and democracy. As constituted today, the insurance companies are a bulwark for economic and political reaction. Concrete measures need to be passed by Congress, if the insurance monopoly is to be regulated and curbed. The following recommendations may provide a platform around which progressives could unite without too much difficulty.

A first essential is that the present investigation should continue until it uncovers the actual operations of the companies. Progressives in Congress should see to it that the insurance trust is not whitewashed, and that the inquiry into its practices is not derailed on the pretext that general mo-

nopoly legislation is immediately needed. Curb the trusts by all means; but let the insurance investigation go on with ample funds to carry out a thorough investigation.

While the investigation proceeds, progressives should begin preparing for the enactment of legislation in this session of Congress based on the findings which are now known. The aim should be to protect the policy holders, the livelihood of the great bulk of the 550,000 employees who are also victimized by the companies, and the general welfare of the people. In line with this objective, the Communists suggest the following points which should be amplified through public hearings and discussion into a progressive legislative program covering public action to regulate the life insurance monopoly:

1. Set up a Federal Insurance Commission with power to regulate the companies. The Commission should be empowered to investigate holdings, practices and books in order to formulate policies on rates, dissolve banker control, end abuses on lapses, and set public standards for industrial insurance beneficial to wage earners. It should establish labor regulations in accordance with the Wagner Act and assure employees a legitimate voice in helping shape policy, as well as supervise the holding of honest elections to the boards of directors, enabling all policy holders to participate.

2. Eliminate excess surpluses and reserves through lower premium rates, and federal taxation of surpluses, excess profits, tax-exempt securities, etc.

3. Set up government insurance banks along the lines of postal savings. Encourage the states with federal aid to follow the example of Massachusetts and New York and establish savings insurance.

4. Establish a uniform federal system of adequate survivors' insurance for widows and orphans as an integral part of the Social Security Act. This would help end abuses in industrial insurance schemes.

These four points could be elaborated after proper discussion into a people's program for public regulation of life insurance. This would help end Wall Street's monopoly over the reserve funds and provide better protection for our population. This would not take a penny from any policy holder; on the contrary, this would guarantee that his money would be really protected, that his policy would not lapse because of high rates or trick clauses. Moreover, this would demonstrate further the actual benefits brought to the people by the New Deal. By cutting across class and sectional lines these reforms could play a big role in rallying the people around the banner of democracy.

Ultimately, of course, when the government takes the necessary step of nationalizing the banking system, it will also have to take over public management of the life insurance companies. Then the government could safeguard the people's money by controlling credit and capital sources, and could thus more easily raise the national income and better the national welfare.

Mr. Dies and Foreign Propaganda

By JOSEPH STAROBIN

The fact that the Dies Committee was continued for only one year represents a certain concession to public opinion. Millions of citizens got wise to Mr. Dies last fall, and their pressure helped to counteract the powerful "patriotic" lobby that forced the resolution through. It was clear within a very short time that the witnesses before the Dies Committee were themselves engaged in subversive, un-American activities. By his demagoguery, and with the assistance of the anti-New Deal press, Mr. Dies succeeded in blinding many people to the actual fascist groups that lurk behind him.

But the Dies Committee did more than shield the real fascist threat to American democracy. By deliberately smearing important elements within the Democratic Party with the brush of "Communism," Mr. Dies directly influenced the November elections. New Deal setbacks in Minnesota, Michigan, and Wisconsin are traceable to no small extent to the carefully planned tomahawk war which the Dies Committee captained just prior to the elections.

Many Democrats in Congress voted for the Dies resolution because they did not wish to appear opposed to an investigation of un-American activities. Others, in the absence of effective Administration leadership against the resolution, were simply scared of Martin Dies. But several conservative Democrats, such as McKeough of Illinois, voted against the Committee out of a real and justifiable alarm. Quite realistically they feel that Martin Dies and his mentors in both Houses of Congress will further divide, disunite, and destroy their Party. And if the Copperhead Democrats joined directly with the Republicans on this issue, it must be remembered that they seek not merely to defeat the New Deal locally. They are really gunning for the Democratic Convention in 1940. They mean to knife the President, and all he stands for, in the back.

Mr. Dies has no intention of correcting his "mistakes." Even though his Committee expires before the summer of 1940, he means to influence the next election, but in a different way than he influenced the last one.

To do this, he has already seized upon an issue which is crucial today and will become even more paramount by 1940. That is the issue of whether or not American foreign policy shall operate to preserve American democracy, secure the hemisphere against fascist aggression, and throw the balance of American prestige and power against the Rome-Tokyo-Berlin alliance (headquarters at Munich).

On the very afternoon that the House Republican-Copperhead coalition jammed through the Dies resolution with only thirteen minutes for opposition debate, Mr. Dies

made a significant announcement. He said that his Committee was going to "look into this very important matter of foreign propaganda as it relates to war, find out its origin, and determine where the money to finance it comes from, and how much is being spent."

On the face of it, such intentions are laudable. The American people are truly concerned with the origins and finances of that foreign propaganda which attempts to hamstring a democratic foreign policy and sabotage American national defense. The American people are truly disturbed with fascist advances in Europe, with fascist penetration into South America, with the revelations of the New York and Panama spy trials. Americans everywhere are reflecting deeply on the significance of Mussolini's far-from-casual statement that his frontier is the Panama Canal.

The previous conduct of the Dies Committee, its pro-fascist orientation and its tacit approval of Nazi propaganda, fit in well with the way things have developed in Congress. From the recent isolationist speech by Rep. E. E. Cox, of Georgia, and similar speeches by the anti-Soviet Senator Reynolds, of North Carolina (both of whom are close associates of Martin Dies), it is clear that the Dies Committee intends to slander and hamper the efforts of the President and his Secretary of State to safeguard our nation and the American hemisphere from attack.

Mr. Dies can no more be relied upon to investigate what forces want to undermine American national security than he was to investigate other un-American activities. Just as Martin Dies himself abetted fascist movements by levelling his "investigation" against progressive and democratic forces last summer and fall, so he will endeavor to help the pro-Hitler isolationists by yelling that President Roosevelt, and of course his advisers, are trying to get us into a foreign war. The truth is that there is an intimate relation between foreign propaganda and the isolationist assault upon a progressive foreign policy.

The so-called isolationists, with whom Dies is organically related, and behind whom stand the most reactionary sections of Wall Street, want to immobilize the United States. They minimize the fascist threat. They prefer Guam undefended. They are ready to yield the Philippines to Japan. They profess to see no fascist menace to South America. They want to keep the embargo on Spain but are ready to disrupt peaceful economic relations between the United States and China. They raise a deliberate hue-and-cry over the entirely normal, cash-and-carry trade between this country and France. At every opportunity, they shout about

the menace of "Moscow propaganda"; malign and slander the peace policies of the Soviet Union, the staunchest champion of world peace and democracy. To befuddle and misguide the popular anti-fascist instinct, they shout that Roosevelt is leading us to war, when the truth is that only a firm, cooperative policy on the part of the Roosevelt government with the democracies of the world against fascism can defend American national interests and restore peaceful relations among nations.

It was Earl Browder who told the Town Meeting of the Air (January 23) how to combat foreign propaganda in this country. His advice will also serve to show America how to keep out of war.

"I think," Mr. Browder declared, "that the thing the United States has to do to render ineffective this propaganda that threatens our democratic institutions is to adopt a correct peace policy, and stop helping the source of this propaganda by its embargo on the Spanish Republic. The first thing it ought to do is lift the embargo. The second thing America ought to do . . . is stop helping Japan conquer China. . . . We ought to put an embargo against all . . . materials without which Japan can't make war, bring Japan to her senses by establishing an economic blockade against Japan. The third thing America ought to do is to declare itself ready to cooperate with all the governments and peoples of the world that are ready to act together to restrain any government which sends its armed forces across its own borders. . . . When that is done, you don't have to worry about the menace of any foreign propaganda."

Notes on Government Spending

AN OPEN LETTER TO SENATOR BYRD

HON. HARRY F. BYRD.

DEAR MR. SENATOR:

In a series of letters and radio broadcasts, you have recently denounced Governor Eccles of the Federal Reserve Board for his advocacy of Government spending. You have claimed that Government spending interferes with democratic processes, that it is waste and extravagance and that the W.F.A. has been used to destroy self-help and reliance and to obtain the votes of those on relief. You have accused the Federal Government of paving the way for inflation, of deterring private investment, and of thus retarding recovery.

Of course, we all know how you have done your best to maintain what, in your Boston attack on the W.P.A. on December 10, 1938, you called "the sacred privilege of suffrage in a free country." You have built up a corrupt political machine in Virginia whose continuation is based on the exclusion of the majority of Virginia citizens from the ballot by a vicious anti-democratic poll tax. Your state played an unforgettable part in the overthrow of the British monarchy. Now it is ruled by the Glass-Byrd oligarchy.

More than a quarter of the population of your state consists of Negro citizens, the large majority of whom are not allowed to vote. A majority of the white citizens of your state are deprived of the right to vote because they are too poor to pay your miserable poll tax. The great state of Virginia has almost exactly the same population as Iowa; yet, in the Presidential election of 1936, it cast less than a third of the votes cast by Iowa. It is high time that you did something to make "the sacred privilege of suffrage in a free country" a reality in your own state instead of canting hypocrisy about the W.P.A.

All of the Southern states have for decades been held in a state of poverty through an unjust system of Southern wage differentials, by means of which absentee owners continuously drain wealth from your section. For the first time since Reconstruction, the New Deal Administration is considering the needs of the suffering Southern population. None of the proposed measures of relief for the "Nation's No. One Economic Problem" can be carried out without Federal spending, as advocated in the

Report of the President's Committees on Education, Farm Tenancy, Health, Housing, etc.

Surely, no one but a traitor to the South could oppose such a policy of Federal spending so necessary to raise the economic level of the South to a status equal to that of the rest of the country. By your opposition to this program, Senator Byrd, you are, in spite of your Virginia ancestry, showing yourself to be the reverse of a true Southerner. You are aligning yourself with those Wall Street forces who for generations have drained wealth from the Southern states. You are working with those "Southern" supporters of Wall Street who, in the debates on the Wages and Hours Bill, defended in Congress the "wage-differential," one of the most grievous forms of exploitation from which the whole South suffers. Your program is essentially that of a Wall Street Republican.

You, a self-styled Democrat, line up with the blackest forces of reaction, with the Wall Street enemies of the Virginian people, whom you are supposed to represent in the Senate, to oppose the liberal middle-of-the-way program and progressive policies of President Roosevelt.

You claim that a national debt of \$40,000,000,000 is an inevitable prelude to inflation and the destruction of public confidence. You conveniently forget that the national credit, thanks to no efforts of yours and of the likes of you, stands higher than it has ever done, and that the U. S. Government today can borrow at lower rates than it or any other government has ever been able to do. You do not try to refute Governor Eccles' statement that an interest burden of barely over 1 per cent of the national income in no wise constitutes a strain on the national income or the national finances.

We are no whit less concerned with the national credit than you are. But we don't believe that the Government should pay interest to those who, in their attempts to block recovery, accumulate a huge volume of idle money-capital. We don't believe the Federal Government should be milked by the banks, the insurance companies, and the large corporations and the monopoly capitalists in general who have more money than they know what to do with already. The Federal Government should tax them.

It should finance its increased expenditures not by increasing

the national debt, not by increasing its interest payments to the rich, but by increasing its taxes on the wealthy and corporate surpluses over \$25,000.

You, who are worried about the size of the national debt and who are so much infatuated with the financial practices of the hated Chamberlain Government, conveniently forget to point out that England, with less than a third of our population and much less than a third of our wealth, has a national debt as great as and an interest burden much greater than ours. Yet you seem to think the national credit of England is safer than ours and the danger of inflation much less imminent or non-existent there. But even the capitalists of England don't agree with you. They have shown their "confidence" in the Chamberlain regime and all its works, and their "lack of confidence" in the Roosevelt regime and its works by sending over a billion dollars worth of funds to the United States for safe keeping in the last four years. They know better than to be deterred by your demagogic howling of inflation and "loss of public confidence."

You have the effrontery to quote the immortal names of Jefferson and Jackson on the dangers of the national debt. You prefer not to mention that the moneyed aristocracy then as now was trying to use its financial stranglehold to overthrow a democratic government. Jefferson and Jackson were concerned lest the financial oligarchs, whose 20th century spokesmen you and the Garner-Glass Democrats are, abuse the national debt to consolidate their hold over the nation's economic life. But now, when the national debt is increasing, largely because of expanding social expenditures, as well as because of the absence of a correct tax program designed to make the big monopolists stand the burdens of the economic crisis which they are primarily responsible for, you seek shelter in the names of the greatest of Democrats who would be the very first to disown you.

You forget that one of the essential principles of Thomas Jefferson was that there can be no true democracy without economic security; that the New Deal Farm Tenancy program is the present-day expression of the Jeffersonian-Jacksonian program for obtaining cheap land for the poor farmers, now landless. And such measures inevitably require Federal spending, such as Jefferson did not hesitate to put into practice in his magnificent Louisiana Purchase. You forget that Jefferson recognized that changing times require new policies for realizing similar objectives. "No nation can make a perpetual law or even a perpetual constitution," he wrote: "The earth belongs to the living generation."

You claim that "confidence" is hit by Government spending, and that for every dollar spent by the Government, private enterprise is deterred from spending too. If what you say is true, it would be final proof—if more proof were needed—that recovery is now being and has been deliberately sabotaged by the carefully planned sit-down strike of big capital.

The confidence trick is too old to fool the American people. It was worked for all it was worth by Hoover in 1929-32, and the American people have not forgotten the results. We know, if Governor Eccles doesn't, that the monopoly capitalists are doing their damnest to sabotage recovery.

We know that Government spending has been a major factor in preventing unemployment from being even greater than it is. There would be even vaster amounts of money-capital idle if the Government had not increased its expenditures. Private capital is not deterred one whit by Government spending. On the contrary, the support given to the maintenance of consumer purchasing power by Government expenditures has been a major factor in making the economic machine function. The only trouble is that the support has been too meagre, that Government expenditures have not been sufficient. If W.P.A. activities had been greater, if the Government took over the railroads and banks, if the Government actively promoted the badly needed housing

program, there would even be a greater revival of private investment, and most certainly, a real revival of economic recovery.

For there is one thing your friends, the monopoly capitalists, cannot resist—profits. Let them weep and wail and gnash their teeth. When Government activities give them an opportunity to make profits, as they certainly do, they grab them. They are the last to refuse Government subsidies. And even if they don't like Government activities which increase the welfare of the majority of the American people (precisely because they do increase the welfare of the majority of the American people), they won't let the profit opportunities created by such activity go by without taking more than their share.

There is one question we Communists would like to ask you, Senator. What is the limit to the price you expect the American people to pay in order to restore "business confidence"? Have the people to undergo mass starvation, to surrender our democratic form of government, to accept fascism, to join the Berlin-Rome-Tokyo war triangle, before you and your friends are finally appeased and "confident"?

Don't misunderstand us, Senator. We think Governor Eccles is a conservative. We don't regard him as an enemy of the capitalist system, as you do. We realize his antipathies to labor, his inability, only natural in a banker, to understand the fact that capitalism is undergoing a deep and incurable crisis. We also know that only through a fundamental social change, only through the eventual socialist reorganization of society, when socialism will be established, as in the Soviet Union, will there be no crisis, no unemployment, no poverty—but jobs and security for all, with democracy, progress and peace triumphant.

But today the immediate issue is democracy or fascism. And we Communists, who have no interests other than those of the American people, want to keep to a minimum the sufferings which your dying system involves. As long as that system exists, and as long as it commands the support of the majority of the American people, we want it to function in the interests of the majority of the American people as well as the objective conditions permit. We are not interested in sabotaging it, as you and your friends are. We are interested, however, in curbing the powers of monopoly capital in the economy and political life of our country; and above all, we are interested in helping to save our people and country from the horrors of fascism and war. Because of this, we agree wholeheartedly with Governor Eccles in his defense of the Government social security, relief and work spending program, but we don't think he or it goes far enough.

But, Senator, we do agree with you and disagree with Governor Eccles on the possibility of balancing the budget even in a depression. You are right, Senator. The budget should be balanced. Not your way, not the way of the Garner Democrats and the Hoover Republicans, not by cutting essential expenditures, nor by reducing taxation nor by introducing what you call "reasonable" taxation—that is, reasonable to the monopoly capitalists and unreasonable to the American people.

But the budget should be balanced by *increasing* taxation of the incomes of individuals in the high income brackets and of the large corporations. The federal revenue could easily be increased by another three or four billion dollars by adequate taxation of the rich. This would be an immediate contribution to economic recovery because it would transfer purchasing power from those least willing to those most willing to spend it.

The maintenance and increase of Federal expenditures and the balancing of the budget by increased taxation of the rich are measures which would hasten the recovery which you so piously pray for in words and retard in deeds. We realize that you and your friends don't want recovery in 1939 and 1940 because that would render even more remote the possibility of your defeating the New Deal in the elections of 1940.

You want to promote and intensify monopoly sabotage of recovery in order to be able to blame the New Deal for your dirty work and to make America safe for reaction. The welfare of the American people is the last thing you are concerned about. But the American people won't let you succeed. They know that the program of labor and the New Deal is the only thing that stands between them and a repetition of 1932.

Government expenditures are not what you so contemptuously call "waste" and "extravagance." The Government program is only a beginning. If recovery is to be ensured, that program must not only be maintained, it must be extended. We need *more* and not less expenditures on the W.P.A. We need *more* and not less appropriations for public works. We need *more* and not less encouragement of housing construction. We need *more* and not less Government aid to agriculture. We need *more* and not less old-age pension and social insurance. We especially need a consistent peace policy to resist fascist aggression and to protect our national security and social welfare.

Unless the Administration and Congress, backed up by a united labor and progressive movement, confront you with this kind of program, you may succeed in sabotaging recovery. Unless the Administration obstinately refuses to be deterred from its pro-

gram by your alliance with the Republicans, you may succeed in plunging the American people into a cataclysmic crisis.

But, Mr. Senator, you won't succeed because the majority of the American people are rallying round the social objectives and program of the New Deal and are making it harder for you to cut essential appropriations.

The response of the American people to your slashing of the W.P.A. appropriation should be a warning to you that you are not going to get away with it. Recovery is in the hands of the people. If the working people maintain and increase the pressure they were beginning to exercise when you cut W.P.A. funds by \$150,000,000, you and your Tory allies in the Democratic and Republican Parties will be defeated. If labor unites its ranks, organizes and joins with the New Deal Democrats, the liberal Republicans, with the farmers, the small businessmen and Negro people, and builds a powerful democratic front against the pro-fascist monopolies and for national and social security—then you and the rest of the reactionaries will inevitably fail; democracy and peace will triumph.

Sincerely,

NATIONAL ISSUES

February 20, 1939.

A Study of Unemployment in the U. S. A.

BY W. D. C.

The Census of Unemployment, 1937,* is the first adequate detailed analysis of unemployment in the United States. In spite of certain shortcomings, *this census can be made into a weapon in the struggle for adequate work relief and social insurance.* The most important part of the Census, Volume IV, "The Enumerative Check Census," costs only 45 cents. For statistics concerning unemployment in specific states, cities, and counties, it is necessary to refer to the first three volumes.

THE NUMBER OF UNEMPLOYED WORKERS

The census estimates that 10,983,000 workers were unemployed during the week of November 14-20, 1937. Of these 8,928,000 were classified as "totally unemployed." The remaining 2,055,000 workers, or less than one out of five, had some sort of emergency work whether W.P.A., or in C.C.C. camps, or on National Youth Administration projects. Another 5,550,000 were partly unemployed. Of these about 35% had less than 17 hours work during the week, 36% had between 17 and 24 hours of work and only 29% had over 24 hours of work during the week. In summary, about 16½ million workers were either completely or partly unemployed, of which about 11 million were completely unemployed, and 5½ million partly unemployed.

However, about 2 million unemployed workers are not included in the total of 11 million. These 2 million consist of 672,000 workers who were sick or voluntarily idle, and 1,333,000 workers who were classified as able to work and wanting work, but not actively seeking employment. The first group consists mainly of sick workers, but also includes strikers and workers on vacation, although there were probably very few in the last category during November. Since, according to the census estimate, probably only

about 1/6th of this group were being paid during their absence from work, they were just as much in need of relief—or more so in the case of sick workers and strikers—as other unemployed workers, and should, therefore, be included in the unemployment total. As for the second group of workers omitted, the instructions to Census Enumerators define "actively seeking work" as meaning that "the person attempted to secure employment by contacting employment offices or prospective employers through personal visit, telephoning, or writing. Active registration in an employment office, whether visited during this week or not, should be considered as evidence of seeking work."

It must be remembered that November was the climax of the industrial collapse in 1937, with over a million workers losing their jobs in that month alone. Probably the great bulk of the 1,333,000 workers "not actively seeking employment" had just recently been laid off, still hoped for rapid reemployment from their previous employer, and therefore had not yet registered in employment offices, or started pounding the pavements in search of work. In addition, there are many workers who have been unemployed for years, have exhausted all possibilities for getting jobs, and know no additional means for "actively seeking work." Altogether, inclusion of this question in the enumerative check, and the elimination of workers classified as not actively seeking work, were an unfortunate remnant of the old reactionary methods of counting unemployment.

When these two groups of workers are counted in, it appears that there were actually about 13 million workers unemployed in November, 1937. The Department of Labor estimates of non-agricultural employment indicate that about 1.5 million fewer workers were employed in November, 1938, than in November, 1937. The Census of Unemployment indicated an increase of 1 million per year in the labor supply between 1930 and 1937. If this rate of increase continued there were 15.5 million unemployed workers in November, 1938. On the basis of the Census figure of 11 million unemployed, and the customary estimate of one-half million per year growth in the labor supply, about 13

* Census of Unemployment, 1937, John D. Biggers, Administrator—Final report in 4 vols. U. S. Government Printing Office, 1938.
Volume I, United States Summary, Geographic Divisions, Report by states, Alabama to Indiana, 687 pp. Price \$1.75 (paper).
Volume II, Reports by States, Iowa to New York, 721 pp. Price \$1.75 (paper).
Volume III, Reports by States, North Carolina to Wyoming, Alaska and Hawaii, 758 pp. Price \$1.75 (paper).
Volume IV, The Enumerative Check Census, by Calvert L. Dedrick and Morris H. Hansen, 187 pp. Price 45c (paper).

million workers are now unemployed, or an increase of 2 million.

In any case, the increase in the number of emergency workers during the year, about 1.7 million, was less than the increase in unemployment. With about 3.7 million workers now on some form of federal emergency work (excluding student aid), *only from 25% to 30% of all unemployed workers are being given jobs by the government. These figures should convince anybody who believes that Americans have the right to work, that the present reduction in W.P.A. rolls is uncalled for, and that a vast expansion, not only in W.P.A. but in low-cost housing and other constructive job-creating federal projects, are needed in order to make the right to work a reality.*

UNEMPLOYMENT AMONG WOMEN WORKERS AND YOUNG WORKERS

Unemployment is a special problem for women workers, and for young workers of both sexes. The percentage of unemployment was and is much greater among women than among men. Only three out of every five working women were fully employed at regular jobs in November, 1937. While 22% of the unemployed male workers had some form of emergency work, only 11% of the unemployed female workers were on work relief.

One-third of all unemployed workers were under 25 years of age. Partial unemployment was also heavier among young workers, and smaller percentages of the unemployed youth had emergency work.

The most striking aspect of unemployment among women and the youth is revealed in the chapter on "Changes in Employment Availability." While 24.4% of all adult women were workers for pay or profit in 1930, 31.5% were workers in 1937. This increase was not limited to young workers, but pertained to a great extent to all age groups up to 54 years of age, and to a lesser extent to women from 55 to 64 years old. The census statisticians estimate that a total of 3,233,000 women were forced onto the labor market between 1930 and 1937 in addition to the women workers who would normally have started to work during that period. Instead of the tales told by capitalist apologists of women leaving the labor market and returning to their homes in slack times, we find the cold figures showing the proletarianization of millions of families, the breakup of families under the impact of the crisis, the picture of women leaving their children to work at starvation wages in place of their unemployed husbands.

Similarly for the youth. While 37.2% of all males from 15 to 19 years old were workers in 1930, by 1937 this percentage had increased to 45.1%. There was a similar increase for males from 20 to 24 years old. Instead of the tales of the youth staying in school because of unemployment, we find that hundreds of thousands of youth were unable to finish their schooling because of unemployment, instead had to search for jobs, at whatever pay, to save the family from starvation.

If this was the situation in November, 1937, it is obvious with the increasing unemployment since, that the situation of the women and young workers is rapidly becoming intolerable. *Besides the vast extension of work relief and social security in all its forms necessary today, the programs of the N.Y.A. and C.C.C. for the youth must be expanded many times. Special measures must be found to secure the integrity of the worker's family, to guarantee the workers' wives the right to decent care for their children, and to ensure a more adequate share of relief and social security for women workers.*

UNEMPLOYMENT OF NEGRO WORKERS

"First to be laid off, last to be hired," is the popular phrase expressing this phase of discrimination against the Negro people. *The census shows that in November, 1937, while 19.1% of all*

white workers were unemployed, 28.2% of the Negro workers were unemployed. While 67.8% of the white workers were fully employed, 53.3% or barely half of the Negro workers were fully employed. Light is cast on the grievous position of the Negro woman, "the slave of a slave." While 30.1% of all white women were on the labor market, 49.7% of the Negro women were employed or available for employment. Moreover, the heaviest concentration of white working women is in the age group 20 to 24, while more than 50% of Negro women in all age groups from 20 to 44 years are on the labor market.

Plainly, not only must all discriminations against Negro workers on relief and work relief be eliminated, but *special assistance must be given the Negro people because of their greater distress.*

RURAL UNEMPLOYMENT

Particularly significant, in view of the argument that workers can always "go back to the farm," when they lose their jobs, is the fact brought out in this census that *unemployment among the farm population is nearly as severe as among the non-farm population. However, unemployment among the rural non-farm population is heavier than urban unemployment.*

Certainly this shows the unfairness of the present rural relief setup, where farmers cannot get W.P.A. jobs except in a few places and by signing away their existence as commercial farmers. Discrimination against rural areas in work relief was undoubtedly a major cause of the big reactionary gains in the rural vote in the 1938 elections. *A real program for rural jobs and recovery, based on such constructive projects as rural electrification, soil conservation, farm-to-market roads, etc., should be provided by Congress.*

SOCIAL SECURITY IMPLICATIONS

The census contains a wealth of material invaluable for people interested in developing a more adequate social security program. For example, *31.2% of all workers unemployed in November, 1937, had been out of work for an entire year or longer, in spite of the fact that the preceding twelve months witnessed the highest volume of employment in many years. 81.8% of the unemployed workers had been out of work for at least 27 of the previous 52 weeks. (Vol. 1, Table 27, page 113.) Compared with these long periods of unemployment, the 15 week period of Unemployment Compensation payments under the present law appears to be startlingly inadequate.*

Alongside of the great increase in the proportions of young people and women on the labor market, *the Census reveals a decline in the proportions of male workers on the labor market for all age groups over 40 years of age. In the case of workers over 65 years of age, where the decline is especially marked, this represents partly the worthwhile results achieved by the Old Age Assistance payments of the Social Security Board, permitting some old people to retire, albeit on a miserly pittance. But, above all, these figures show the basis for the Townsend and other similar movements, and that genuine old-age and retirement insurance is needed today by those people who have already been forced out of the labor market, often prematurely, by employers in search of low-wage workers, or workers able to keep up with the killing speed of the conveyor belt. It is, perhaps, a bit ironic to ask old people to wait until 1942.*

The Census of Unemployment constitutes a powerful argument for a vastly expanded Federal work-relief and recovery program, for a greatly improved social security program. It should be studied and used, especially the well-written summary Volume IV, by the American people and their public representatives.

NATIONAL ISSUES

CONGRESSIONAL CALENDAR AND DIGEST

March, 1939

RELIEF

The subcommittee of the House Committee on Appropriations has not yet acted on the President's request for an additional \$150,000,000 W.P.A. deficiency appropriation. Every day's delay in appropriating this sum spells hunger and misery for 4,000,000 Americans. Write Representatives Sabbath and Cannon, who led the fight for the full appropriation, and your own Congressman, urging immediate action.

Long-range proposals for revision of the W.P.A. are discussed elsewhere in this issue. All progressive and labor groups can give qualified support to the Byrnes Bill (S. 1265), with strengthening amendments. This bill has been referred to the Committee on Relief and Unemployment of which Senator Byrnes is Chairman. Write Senator Byrnes urging that his Committee hold open hearings on the bill and report it out as soon as possible.

Express to your own Congressman and Senator your opposition to the Woodrum bill (H. J. Res. 151) and to the Vandenberg bill (not yet printed), which would still further pare down W.P.A. and return relief to the states.

Relief and work relief are not only the problem of labor and the unemployed but also community problems. Enlist your whole community in this campaign. Mobilize the A. F. of L. unions, as well as the C.I.O.

REFUGEES

Senator Wagner has introduced S. J. Res. 64, providing for the admission into the United States, in excess of present quotas, of 20,000 refugee children during the next two years.

This bill, wholly in the tradition of American humanitarianism, will have the unqualified support of the broadest section of our people.

However, in expressing your approval of this measure to Senator Wagner and your own Representatives, it is necessary to point out at the same time that it is in itself a tragic commentary on fascist barbarism. The basic question of the right of people of every race and creed to remain united with their own families in the land of their birth or adoption is not met by granting asylum to 20,000 helpless victims of Nazi persecution. Couple your support of S. J. Res. 64 with the demand for a positive peace policy and an embargo against all fascist powers.

LAFOLLETTE COMMITTEE

The recently published reports of the LaFollette Civil Liberties Committee emphasize the need for continuing the Committee's work. See that these reports receive wide circulation and publicity in your own community.

Consult the February Calendar. Build the campaign for continuing the work of the Committee, asking for a Senate appropriation adequate to keep it going for at least another six months.

ANTI-LYNCHING

See our February issue. Support the Wagner-Van Nuys Anti-lynching bill (S. 845) with appropriate amendments. Attention all progressives, especially Southerners! Act now. Write your Congressman.

ANTI-ALIEN BILLS

Led by Senator Reynolds and Representative Starnes a drive has been begun to close the doors of this country to refugees, limit or altogether prohibit immigration, and harass and persecute aliens now lawfully within our borders. Typical of these is H.R. 3032, introduced by Representative Starnes (a member of the Dies Committee). Under the pretended declaration of purpose "to protect American labor and stimulate the employment of American citizens on American jobs" this reactionary bill would suspend all immigration for a period of ten years.

Other anti-alien bills provide for the deportation of aliens on relief (H.R. 3030), for deportation of aliens "whose presence in the United States is inimical to the public interest" (H.R. 3031), to reduce present quotas by 10 per cent (H.R. 3033) and so on.

All progressives will unqualifiedly oppose these measures as basically un-American and anti-democratic.

FARM BILLS

See article "Congress and the Farmers" in this issue; also the Congressional Calendar and Digest for February.

The so-called Agricultural Equality Bill (S. 570) has absolutely no farm support. No farmer or Congressman can afford to be flimflammed by Father Coughlin's maneuvers on behalf of this Bill, allegedly a "cost of production bill."

The Jones Bill on benefit payments was reported out by the House Agriculture Committee. This would remove any maximum for benefits going to landlords from tenant or cropper farms, including chain-farms, while lowering the maximum on owner-operated farms to \$5,000, and providing a scaling down of payments by 25 per cent of all above \$1,000. If passed, it would strike at corporation farming interests, particularly in fruits and vegetables, large-scale ranching, and sugar-cane, many of whom have received payments ranging up to \$100,000 this past year. It would leave more funds available for payments to family-sized farms, and it would halt the tendency of present large payments to make attractive the introduction of machinery in the cotton belt, thus displacing many croppers and tenants. This bill should be supported.

"Cotton Ed" Smith's amendment to the A.A.A. would open the Federal Treasury for the plantation owners. Provisions of the bill (S. 1303) are for mandatory parity payments not to exceed 5¢ per pound to bring the price up to 75 per cent of parity (or about 12¢ per pound), and payments above 75 per cent of parity to make the total price as near parity as other basic commodities receive. There are no provisions other than those already in the A.A.A. to protect tenants and croppers against eviction or to insure that they would get their share of these greatly increased subsidies. This bill must be defeated.

S. 1098, introduced for the Farmers Union by Rep. Jones and by Sen. Wheeler, would amend the A.A.A. so that farmers unable to meet the first premium on wheat insurance would be extended credit against their 1939 or 1940 benefit payments. This should be supported with appropriate amendments.

(Continued on next page)

CONGRESSIONAL CALENDAR AND DIGEST

March, 1939

(Continued from page 23)

WAGNER LABOR RELATIONS ACT

See our February issue for an analysis of the Walsh amendments (S. 1000) and acquaint all progressives in your community, particularly A. F. of L. locals, with the true significance of this union-busting measure. Continue pressure on Senator Walsh to withdraw his bill and on your Senator to oppose it.

Senator Burke, arch enemy of the Labor Board and of the trade unions, has introduced his own amendments (S. 1264). These are even more drastic and vicious than the Walsh amendments and even have been rejected by the A. F. of L. Executive Council. Whereas the Walsh Bill, introduced on behalf of the A. F. of L., purports to be aimed at the alleged bias of the N.L.R.B. towards the C.I.O., the Burke Bill is frankly based on the theory that strikes as such are against public policy.

Both measures, however, would destroy the Wagner Act as now written and wipe out all the benefits it has conferred on labor, A. F. of L. as well as C.I.O. The Walsh Bill would tie the N.L.R.B. up in the courts with every move it made, would make effective administration of the Act impossible by requiring the Board to adhere to rigid and meaningless time schedules at every stage of a case, would re-introduce coercion by employers under the guise of protecting free speech, and, perhaps worst of all, would permit an employer to choose freely among competing unions and then to make a closed shop agreement with the union it has favored.

The Burke Bill would introduce unfair labor practices by unions or workers into the Wagner Act (i.e., the closed shop, check off system, "unauthorized" strikes, etc.) and then permit an employer to go scot free of all charges, if he could show that the union or any of its members had "interfered with" the right of any employee to self-organization, or if he could show the union had called a strike "except in pursuance of an affirmative vote of a majority of the employees in the appropriate unit."

The unfair labor practices of labor are in fact so broadly stated in the Burke Bill, especially in connection with strikes, that it is hard to imagine any case in which an employer would be unable to show that the union had committed unfair labor practices. To guard against any strict interpretation of these provisions by a board which may be sympathetic to labor, the bill gives the employer the option of having the case heard by a Federal District Court instead of the Board.

President Green supports the Walsh Bill but denounces the Burke Bill, but to any rational-minded person there is no choice. Green too is engaged in demagoguery. Pressure will compel him to retreat; already Senator Walsh has crawled by saying he does not yet know whether he will vote for his own bill. The pressure should continue until the high moguls of the A. F. of L. also see the light. The membership of the A. F. of L. should speak out jointly with the C.I.O. Church and civic groups should be reached and mobilized to defend the Wagner Act from all amendments, for the Act not only guarantees basic union and civil rights to labor, but likewise it promotes industrial peace and community welfare.

NEUTRALITY

The issue of neutrality versus national security is discussed in this issue (see Planes and Plain Talk, by John Page).

Write Senator Key Pittman, chairman of the Foreign Relations Committee, urging that he hold hearings on amendments to the existing law. Express a qualified support for the Thomas Bill (S.J. Res. 67), which provides that the President may, with the approval of Congress, exempt the victim of aggression from the provisions of the Neutrality Act, while continuing the embargo against the aggressor nation. Request that the Committee amend and strengthen it before reporting it out.

Express your opposition to the following isolationist or pro-fascist measures: S. 203 and S. J. Res. 19, introduced by Senator King; H. J. Res. 3 and H. J. Res. 89, introduced by Rep. Ludlow; S. J. Res. 71 and S. J. Res. 23, introduced by Senator Nye.

Wire Senators Norris and Borah, as well as your own Senators, asking them to declare their support of the President and their belief in his legal right to lift the Spanish embargo.

Ask your own Senator and Congressman to speak up for a strong anti-fascist peace policy in accord with the President's message to Congress.

SOCIAL SECURITY

The House Ways and Means Committee continues hearings on social security measures, including the proposals of the Advisory Council, the General Welfare Federation, and the Townsend groups. Write Chairman Doughton, urging that the Committee report favorably on a bill embodying the best features of the first two. Watch the next issue for a full analysis of the General Welfare Act.

HOUSING

Continue support of the Wagner Bill S. 591 which amends the Housing Act of 1937; provides continuance of slum clearance and low-rent housing; proposes to increase repayable loan funds by \$800,000,000; proposes U. S. Housing Authority contributions of \$45,000,000 annually. Write to Senator Thomas and to your Congressman and ask for prompt action by the Senate Committee on Education and Labor.

EDUCATION

S. 1305, introduced by Senator Thomas of Utah, is an improved version of the old Harrison-Black-Fletcher bill. It provides for federal grants-in-aid to the states for the purpose of equalizing educational opportunities, and makes its funds available for *public education only*. The bill was drafted with the aid of the President's special advisory committee on education and is a progressive measure.

Write Senator Thomas, author of the bill and Chairman of the Committee on Education and Labor to which it has been referred, declaring your support and asking for prompt hearings to entertain perfecting amendments.

NATIONAL ISSUES