

Socialist Party States Position on U.S. Policy In Latin America and War

The following is an official manifesto of the Socialist Party of the United States, adopted by the National Executive Committee during the week just past:

The National Executive Committee of the Socialist Party, in common with enlightened men and women of the United States, observed with amazement the perilous march of the American Government toward war in the past few weeks. Within a few short years after the end of a war for the "right of small nations" and for "self-determination," the Washington Administration intervenes in a Latin-American nation, lands armed forces to protect a reactionary claimant to the executive power and sanctions the issuance of a statement against Mexico that is insulting in tone, false in its allegations, and tending to provoke war.

For a generation American arms have sustained dictators in the republic of Nicaragua who have served Americans with investments in that country. Within a year after the withdrawal of American marines an election resulted in the ousting of a reactionary president and the election of a liberal one. A revolt followed, both sides appeal to arms, and the Washington Administration supports Diaz, the accomplice of Chamorro in the reactionary revolt. Explanation after explanation is offered by the Coolidge Administration, each contradicting the other, and culminating in the insulting attack by Secretary of State, Kellogg, on Mexico.

It is no accident that the Kellogg attack appears at a time when the Mexican Government is attempting to recover its rich economic resources by enforcement of its oil and land laws. It is a notorious fact that since the time of the administration of the late President Carranza the American Administration has coerced and threatened Mexico because of these laws. Our Government has apparently acted on the theory that the Mexican people have no right to an investigation of American titles to various properties in Mexico and that Mexico cannot enact fundamental laws without the consent of American investors and the approval of the American Government.

The history of our relations with Mexico and Latin-American nations in general since the seizure of the canal strip in Panama has been one long record of shameless bullying of weaker nations. We have driven governments out of office in Haiti and San Domingo and administered these little nations in the interest of American bankers. We have made Panama a crown colony and maintain a protectorate over Cuba. We have given a free hand to naval officers in ruling the Virgin Islands. We have backed up American financial penetration of Central America with police power. We dictate who shall be president in Nicaragua and attempt to tell Mexico what kind of constitution and laws the Mexican people may have. We submit that the past few weeks show that sinister interests in this country seek the complete domination of Mexico and Latin-America, that they are reckless and unscrupulous, and that peace in the Western Hemisphere is uncertain so long as these interests have any influence in Washington. They know that the unstable social, political and economic conditions in large areas of Latin-America provide an American Balkans for intrigue, power and war. Our mercenary investors seek for any excuse to obtain economic control and political mastery. If war is necessary they will favor war.

We appeal to citizens in general and the organized workers in particular to do their utmost to create a public opinion against American aggressions in Mexico and Latin-America. Some of these nations, Mexico in particular, are undergoing rapid political, social and religious changes that France and the American colonies experienced more than a hundred years ago. They are entitled to our sympathy and encouragement. They are offered obstruction, threats, intervention and possibly war.

We also urge our Socialist friends and sympathizers to redouble their efforts to ward off the fatal adventure of war by every educational means possible, by circulation of the party press, by public meetings, by publicity, by resolutions and dissemination of literature making known the dangers that confront us.

Away with war and threats of war. Let us have peace and fraternity, good-will and co-operation, with all the peoples of the world!

British Capitalism Puts Its O. K. On Italian Fascism

Winston Churchill, Puts Seal of British Government on Mussolini Rule

(From the Chicago Tribune Press Service)

ROME, Jan. 28.—Winston Churchill, chancellor of the British exchequer, today placed the seal of the British government's approval on Fascism. In behalf of Great Britain he thanked Premier Benito Mussolini for his services to the world in combating the "Russian poison." This was the substance of an interview handed to representatives of the Italian and foreign press at the British embassy. Owing to the joint responsibility of the British government for the declaration of any of its ministers in the "Russian poison" was of utmost importance in international relations.

Speaking of the international aspects of Fascism, he said: "Externally your movement has rendered a service to the whole world. The great fear which has beset every democratic or working class leader has been that of being undermined or overbid by some one more extreme than he. It seemed that a continued progression to the left and a sort of inevitable landslide into an abyss was characteristic of all revolutions. Italy has shown that there is a way to fight subversive forces. This is an endorsement not only of the unrepentant enslavement of labor in Italy, but of the overthrow of

democracy and constitutional government by force, assassination and execution of political opponents, burning and destruction of peaceful co-operatives, the brutal crushing of a movement that was democratic in all its aims and processes—the Socialist movement—and the suppression of all freedom of speech and thought. It serves notice on the world that British capitalism, which has always boasted of its democracy and constitutionalism in reply to defend its plundering processes by the same methods, if the latter become necessary.

International Labor Is Against U. S. Imperialism

LONDON.—American intervention in Mexico was unanimously denounced by the representatives of the workers of eleven nations who assembled in Amsterdam last week for the meeting of the International Federation of Trade Unions.

The men gathered in the hall were the authorized spokesmen of 17,000,000 trade unionists. They assured the Mexican people of their sympathy and urged "resistance against foreign aggression and interference."

Leaders of all unions said in substance: "The action of the Washington government is interpreted everywhere by Democrats and laborites as confirmation of Old World suspicions concerning the hypocrisy, greed and imperialistic designs of the United States. Talk of Bolshevism in Mexico is silly. We have all read for a year past the attacks on the Mexican government which have been printed in

U. S. State Department Prevented Oil Agreement

Read very carefully this tremendously significant inside story of developments in the Mexican situation. It entirely confirms what the Appeal pointed out two weeks ago as a probable development.

At that time the Appeal pointed out that after the foreign oil companies in Mexico, including of course the American, had practically all agreed to the New Mexican laws, the leading American oil interests had suddenly and mysteriously swung back to the attitude representing the stubborn and dangerous position of Coolidge and Kellogg.

The Appeal pointed out that this sudden swing was not doubt the result of strong pressure from the administration backed by those Wall Street elements interested more in preserving capitalism and imperialism than they are in the oil interests.

Smash Agreements This position of the American Appeal has been strikingly confirmed by the following article by Dexter Keezer writing for the Scripps-Howard newspaper:

Washington, Jan. 15.—A week before the Mexican oil land laws were to go into effect Jan. 1, all of the important American producing companies in Mexico had agreed to accept them.

The United States state department prevented the agreement. This statement, which shifts American diplomacy in Mexico from oil to an even more elusive base, was made here today by Frank Y. McLaughlin of Mexico City, who has been directing large oil operations in Mexico for six years.

"Shortly before the oil land laws were to go into effect," said McLaughlin, "a director of the Mexican Oil Producers' association, representing all of the big companies doing business in Mexico, told Isaac Marcusson, correspondent for the Saturday Evening Post, in my presence at my home, that the oil operators had agreed to accept the laws."

Surprised by Change "A few days later I was surprised to learn that the operators had changed their minds. The only reason that I could discover was that the United States state department had advised them that they wouldn't agree to back up Americans who accepted the laws in possible future disputes with the Mexican government."

Why did the state department block what McLaughlin says was an assured settlement between the Amer-

ican oil producers and the Mexican government? McLaughlin, at present vice-president of the Compania Mexicana de Petroleo, a French company operating on Mexican government lands, admits he isn't entirely certain.

As an oil operator, interested in getting oil out of the ground, he says he is at an entire loss to explain the state department's interference with what the oil operators considered a satisfactory adjustment.

But as one familiar with American operations in exploiting resources in Mexico for 8 years, two of them spent in directing 42 millions of construction work for American companies in all parts of the country, McLaughlin has an explanation.

The explanation, if true, throws a whole new light on the Mexican situation.

Private Property It's an explanation which runs not in terms of oil, but of property rights.

The Mexican oil land laws, exchanging titles—many of them mighty doubtful ones—for fifty-year leases, were all that practical oil men wanted, he said. But they were not at all satisfactory to state department lawyers.

A lease is limited in time. A property right in "fee simple" is presumably good for all time. A lease, from a lawyer's point of view, is something less than an adequate title.

The Mexican government was proposing to substitute leases for titles. These leases, McLaughlin contends, were just as good as titles for the oil men, but they represented a restriction of property rights which had been "duly acquired" by the American companies. They represented, in other words, what might be construed as a reduction of private property rights.

The state department, he thinks, was unwilling to countenance any interference with American property rights in Mexico, and became extremely bothersome. It was extremely difficult for the oil operators to refuse to agree to the land laws. The precedent might be followed in other Latin and South American countries where extensive operations are in progress or contemplated, and become extremely bothersome. Is the Mexican government's proposal to change lease for absolute title to the oil lands at the root of Secretary Kellogg's charges that Mexico is bolshevistic?

McLaughlin thinks it may be.

State Mill Saved North Dakota One Million in 1926

Return of Farmers to Political Power Is Making Success of Publicly-Owned Plant

The great flour mill at Grand Forks, North Dakota, owned and operated by the state, directly and indirectly saved the farmers and the consumers a million dollars in 1926, and this big publicly owned industry has been operating on a profit instead of a deficit ever since the farmers came back to political power in the state.

This message was brought to Chicago during the week by E. D. Freeman, former anti-labor League organizer, now engaged in opening up a market large enough to take the big output of this mill.

In 1923 and 1924, said Mr. Freeman, the mill, under a state government controlled by the reactionary anti-farmer and anti-labor elements, reported deficits. This fact was seized upon by the big business elements and heralded as proof that industries cannot be operated by the state and that the North Dakota mill was bound to fail.

The election of Mr. Sorlie as governor by the farmers changed the mill situation. In 1925 under Governor Sorlie the mill reported a profit of \$142,000 over actual operating expenses. The 1926 report has not yet been issued. It will show a profit for the mill.

Blocked in their attempt to kill the mill by political sabotage, the big interests centering in the milling interests in the Twin Cities flooded North Dakota with cut-rate mill products. Although this cut-throat competition put approximately 50 privately owned mills in North Dakota out of business, it has not been able to check the progress of the state owned mill. The Grand Forks mill met the new rates and gave a much better product than the Minneapolis mills. It saved the farmers in spread and in screenings and lowered prices to the people of North Dakota in cheapened flour fully a million dollars in 1926, said Mr. Freeman.

The plant at Grand Forks has three Communist press.

The conference acted after listening to reports from labor leaders who have recently visited Mexico, including Hicks, chairman of the British Trade Union Congress.

From The Pen Of Debs Need of Organization

The subject here discussed is a trite one, but it is nevertheless of perennial interest to the workers.

The substantial progress of the Socialist movement and the successful outcome of the revolution are wholly dependent upon the thorough and efficient organization of the working class. The impending social transformation involving the change from capitalism to Socialism is, therefore in a word, a matter of organization.

But the fact should not be lost sight of that organization itself is subject to continuous change, especially in this evolutionary epoch, and that the forms and methods of a decade ago, or even less, are now outgrown, at least out of date, and that unless organization adapts itself to the changing conditions under which the class struggle is being waged, its efficiency for good will be impaired, and in time it will be discredited and fall into disuse, if it does not become actually reactionary and a hindrance to a help to the workers.

The class struggle is the fact to be kept uppermost in mind when the matter of organization is considered. It is this fact that is the bedrock of militant Socialism. Built upon this rock, industrial and political organization of the workers cannot fail. The storms and tempests may assail it, but it will stand impregnable and defiant against them all. But the very hour it slips from that foundation it is in the shifting and treacherous quicksands and its doom is sealed.

The economic and political organization of the working class upon scientific principles is the most stupendous undertaking in all the annals of the human race. It is nothing less than an impementation of all the progress and culture to all the future in the name of all humankind.

To overthrow the ruling class of the world is as nothing compared to the organization of the working class. It is precisely because the workers are not organized efficiently and are unable therefore to develop and assert their invincible power that they grovel at the feet of their petty masters and cry out impotently against their unhappy fate.

(Continued on page 3)

No Trace of Bolshevism

Until Dec. 31 he was chairman of the Employers' Association of Mexico City, representing 475,000,000 in invested capital and dealing with 300,000 workmen, and on that job he says that he could find no traces of bolshevism.

"Diaz gave Mexico away for foreign exploitation," he said, "and Obregon and Calles have been trying a little bit of it back to support the desperately poor Mexican nationals. That's probably radical from the point of view of people trying to squeeze every possible dime out of the country, but it's hardly bolshevistic. I can see, however, an unscrupulous and highly technical lawyer might see something radical in abolishing formal property rights by substituting leases, and in a moment of excitement call it bolshevism."

War for Dollars

Now that the mask is off, no true American should doubt the real purpose that would be behind a war with Mexico.

It would be for the purpose of establishing as a fixed and eternal principle for all time the right of PRIVATE PROPERTY IN THE SOURCES OF LIFE OF EVERY NATION.

This right is to be paramount to law, paramount to government. It is to be upheld by the guns and bayonets of the imperialist powers. It is to recognize no boundary lines. It purports to trample under foot all democracies and all constitutions. In the face of its superior claims, no people are to be permitted to pass laws declaring the national and mineral deposits of their own countries their own.

Coolidge and Kellogg are willing to push the American people into war, willing to risk the lives of thousands of young men and waste billions of dollars to preserve capitalism by preventing the first extensive organization of natural resources that has been proposed on the Western Hemisphere.

Do the American people agree? Are they ready to shoulder arms and march to the drum beat into Mexico and offer their lives for such a cause?

The issue of arbitration has been raised in Congress and endorsed by Mexico. Give it your utmost support by bombarding your Congressmen and Senators with letters, resolutions, and petitions.

Hindenburg Acts To Save German Army for Junkers

Moves to Block Socialist Effort to Democratize the Reichswehr

BERLIN, Germany.—The acute and vital struggle of the workers of Central Europe to get closer to the control of armies and arms as a defense against black Fascism has taken a turn in Germany, extremely dangerous to the whole working class movement. Hindenburg, president of Germany, whom many republicans voted for although he was a militarist and monarchist, "because he would be too honest to betray the republic," see him at this moment lifting his iron heel to crush all republican attempts to get control of the army.

The army is offered by monarchists and Fascists who are ready at the first signal to crush the republic which employs and supports it. The Socialists started a movement to secure republican control of the army. In Germany where the Socialists compose more than two-thirds of the republican elements, that would mean that the army could not be used to crush the workers in case they were about to take political control of Germany. If Hindenburg's treacherous and traitorous move is successful, there is no assurance that the whole Socialist movement and working class will not be enslaved when the first real crisis arrives, as they were in Italy.

A Chicago Daily News dispatch says: Under cover of desiring a strong workable parliamentary majority President Hindenburg has provoked a first-class social and perhaps constitutional crisis by writing a public letter to ex-Chancellor Wilhelm Marx to form a conservative cabinet with the nationalists, because "a majority of the left is not possible."

The purpose of this appeal is to prevent the threatened democratization of the reichswehr. In Hindenburg's opinion the reichswehr must (Continued on page 3)

Most Oil Interests Signed With Mexico

MEXICO CITY, Jan. 21.—Of 117 oil companies operating in Mexico, all but 22 have accepted the new petroleum law, the department of industry said tonight.

Coolidge Closes Gate to Peace Opened By Mexico

A. F. of L. Head Hits Arbitration Stand of Coolidge

WASHINGTON—William Green, president of the American Federation of Labor in an editorial in the American Federationist, just issued, voices a view that squarely hits the stand of Coolidge and Kellogg against arbitration of Mexican and Nicaraguan difficulties.

"The American Federation of Labor," says Green, "has long advocated the reference of disputes arising between nations, which do not involve honor or sovereignty, to an arbitral tribunal for settlement. This is the only method by which a disinterested decision upon a basis of facts can be secured. Since judges are human the term 'disinterested' must be understood as being relatively applied but the decision is not in its relation to the decision of interested parties."

"For the reason that the United States is the oldest republic it must assume an obligation to set standards that may serve as guides to nations less experienced in self-government. The very essence of self-government is self-control and a proper regard for the rights of others. Thus quickly do obligations supplement rights."

"American labor hopes our government will not play the part of an imperialist in its relation with Latin-American countries, but will prove itself to be, by practice and precept, an advocate and proponent of the ideals of self-government and democratic freedom."

Senate Votes To Arbitrate

As the Appeal goes to press the Senate has voted the country of a great victory for the forces of peace. The Senate by a vote of 79 to 0 passes the Robinson measure endorsing arbitration of the controversy with Mexico.

This is significantly put to shame the war-making policies of Coolidge and Kellogg. The senate yielded before the great peace propaganda forces of the nation. Among those peace forces were the American Appeal, other Socialist papers and the socialists of the nation. Wall Street has been checked by an aroused and growing public opinion.

This may be the prelude to a real peace victory. The fight will now go to the House. The war-makers are already concentrating their bombardment on the national senate. Representatives with letters, petitions and resolutions demanding arbitration.

Berger Exposes Shameful Policy in Latin America

Tells Congress How the Profit System Makes Imperialism National Necessity

WASHINGTON, D. C.—Secretary Kellogg's false bolshevik war scare and the shameful record of the United States in Nicaragua were exposed by States presented by Representative Victor L. Berger, Socialist, Wisconsin, in a speech before congress.

"Not bolshevism, but American capitalism put the marines in Nicaragua," he declared. "Opponents of the administration's policies in Nicaragua and Mexico," Mr. Berger said in the course of his speech, "have denounced what they claim is American imperialism in Latin-America. But under our present economic system, in which each nation must seek an outlet for the surplus products its producers have created but which they are unable to

President Ready to Risk War in Defense of Capitalist Investments

WASHINGTON.—Possibility of arbitration with Mexico has vanished. President Coolidge, it became known, is convinced Mexico has defied binding treaties with the United States and violated the age old principle that every man's property is safe from confiscation by any government.

Both those principles are beyond arbitration, certainly at this time, President Coolidge is understood to believe. Both are confident once the American people get hold of the fact that the American Government's sole protest is against seizure of property without compensation his course toward Mexico will receive universal commendation.

President Coolidge was informed that the Senate foreign relations committee had decided to report favorable the Robinson resolutions, which declare for the protection of life and property in Mexico and suggesting arbitration if possible.

MEXICO CITY.—The Mexican government accept in principle arbitration of its differences with the United States government, as suggested in the Robinson resolution, the foreign office has announced. If the two governments can agree on details, the Mexican government is willing to submit the controversy to arbitration.

Excelsior publishes an unofficial report to the effect that Mexican delegates to The Hague court have already been appointed for arbitration of the land and oil dispute with the United States.

Fernando Gonzalez Roa, Arturo H. Orci and Gilberto Valenzuela, the last-named being minister in London, have been designated to defend Mexico's viewpoint, the paper says.

It claims to have learned that Mexico will suggest to the Hague court settlement of the controversy if arbitration materializes. The permanent court of international justice cannot be used for the purpose, it adds, because Mexico is not a member of the League of Nations.

purchase, the United States, like all other civilized nations producing a similar surplus, and requiring similar foreign markets, imperialism is inevitable. Those who approve of the present profit system have no reason to complain of its inevitable results, the most important of which are imperialism and wars.

Markets for Surplus "Present imperialist tendencies are determined by the struggle in which the various nations are engaged for the purpose of securing for their surplus products. The United States created a surplus. Last year that surplus as shown by our export figures amounted to about \$5,000,000,000. So do England, France and even Japan produce a surplus. In each of the countries the surplus grows each year, as machinery of production improves, and the efficiency of the workers increases.

Foreign markets must be acquired and concessions obtained also for another reason—American capitalists feel that they can invest their profits to better advantage in the backward countries than they can at home.

Protection For Capital "The rate at which the investment of American capitalists are acquiring concessions abroad—concessions which they need an army and navy to protect—is growing by leaps and bounds. If we include the moneys loaned to governments as well as loans and investments in private enterprises in foreign lands, close to \$25,000,000,000 of American money is now invested outside of the United States.

"Of this amount, about \$10,000,000,000 is invested in private enterprises. Before the World war about \$2,000,000,000 were invested in such undertakings.

"As the surplus to be exported grows, as our investments abroad multiply, so will the appropriations for our military and naval forces increase. Instead of the old adage, 'My country, may it ever be right, but right or wrong, my country, we now have the adage, 'Our capitalists' pecuniary interests, may they ever be right, but right or wrong, our capitalists' pecuniary interests.' That is another way of saying the flag follows the investor and the money lender.

Final Renewal Warning!

A general letter has been sent out this week to all who have not renewed their subscriptions for the American Appeal and to all of those whose subscriptions will expire within the next three weeks.

THIS IS THE LAST NOTICE TO THOSE WHOSE SUBSCRIPTIONS HAVE EXPIRED—UNLESS THEY RENEW AT ONCE THEIR SUBSCRIPTIONS WILL BE CUT OFF.

Don't lose your connections with your paper, with the Movement and with the tremendous developments throughout the world this year.

Renew as soon as you read this: the Appeal and the Movement needs your support and you need the Appeal and the Movement.







# Coolidge Behind Big Business In Mexico, Rich Brokers Admit

The following is from a circular issued to investors last week by J. H. Goddard & Company, Stocks and Bonds, Boston, Mass.:

The outstanding market factor developed this past week has been the stand of President Coolidge on the Mexican-Nicaragua matter. Mr. Coolidge placed himself solidly behind big business. This must be very heartening to concerns like the United Fruit Company, Standard Oil, Pan-American Petroleum, and others having interests in Mexico and Central America.

The United Fruit Company has been spending money in the tropics for more than twenty years and for the last ten years is supposed to have been in the position of holding Central America in the palm of its hand—holding with a light grip it is true, but with a grip that tightens when necessary arises.

It must be reassuring to know that the Army and Navy of the United States are standing ready to protect American interests in Central America. It is a policy of this kind that has made the British Empire a world power and which has given British merchants command of world markets. Whenever a British commercial outfit goes out into the dark places of the world and appropriates a billion dollars' worth of raw materials the British Army and Navy are right there behind them and the bargain is always made to stick.

American pioneers of industry have in times past lacked this support from their government. Mr. Doheny went into Mexico and built a few hundred miles of modern highway for Porfirio Diaz and received in return twenty or thirty million dollars' worth of oil lands. Mr. Doheny undoubtedly feels that his interests are entitled to some protection and the same thing is true of other Americans holding oil and mineral concessions in Mexico.

The refreshing thing about Mr. Coolidge's message to Nicaragua, which is really a message to Mexico, is his naive frankness and the absence of patriotic ballyhoo. Mr. Coolidge merely states that American interests in Central America and Mexico will be protected.

As this is being written the Mexican situation is still up in the air. Almost anything may happen, but all the indications are that we are drifting rapidly towards hostilities with Mexico.

If the United States does get mixed up in war with Mexico there is nothing to worry about so far as the market is concerned. Prices might decline for a few days and the stocks of corporations with Mexican and Central American interests might have violent temporary recessions. On such recessions, stocks like United Fruit, Pan-American Petroleum, International Telephone, United States Smelting and the Standard Oil should be bought.

If President Coolidge means what he says in his message and his official utterances the stocks of big companies having interests in Mexico and Central America are bargains on any setbacks from present prices. United Fruit, by the way, earned nearly \$8 a share in 1926. It is paying \$4 a share and should eventually sell at \$150.

## NEWS AND VIEWS

### Mexico Puts Coolidge And Kellogg on Trial

Mexico's offer to submit her own law to arbitration has put President Coolidge and Secretary of State Kellogg on trial before the world.

They have set themselves squarely against arbitration of the differences between the United States and Mexico over the Mexican land and oil laws.

The American president's stand is in striking contrast with that of President Calles of Mexico. The Mexican government has taken the very unusual attitude that it is willing to have the validity of its own laws enquired by an international tribunal.

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The fundamental error in the attached clipping from the "American Appeal" is, that no tax returns were filed in 1924 by married men whose incomes were less than \$2500 per year.

There were reported 2,413,881 incomes from \$1000 to \$2000, and 2,112,993 of from \$2000 to \$3000. The former figure includes no married men, and the latter only a small minority.

"Instead of saying that at least fifteen million American families had to exist on less than \$1000 a year, the author should have said that at least fifteen million had to live on \$2500 a year or less."

"The author," says—and I think he is aptly named—rightly—that the income of all the people in the United States is around Sixty Billion Dollars a year.

"The total income reported on tax returns, as per his list, is about Twenty Six Billion. The difference is Thirty Four Billion, which of course must be those who did not make tax returns. There are fifteen million such families, he says—and I agree with him. Thirty-four billion divided between fifteen million families, is nearly \$2300 apiece, not less than \$1000 apiece."

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### ED INCOMES, OR ALMOST AS MUCH AS THE SEVEN MILLION TAXED OWNERS REPORT.

Well, we know it isn't there. Where then is it?

It ought to be plain to any one that our ruthless plutocracy will not report all of its wealth to excite the envy and hostility of the people, and will not and does not have to pay all the taxes it owes to a government that it owns body and soul.

Government reports are valuable because even they admit enough to thoroughly damn the system.

**Will We Pay the Price?**

The American people who will pay the price in money and blood if war with Mexico comes, have a right to demand that the government avoid such a war if it can be avoided with honor.

They have a right to demand that reason be substituted for the present show of armed force.

American business men, who are already paying the price in dollars and cents for the hatred aroused in Central America and South America, have a right to demand that the cause of this hatred be abated.

They have the right to demand that mediators take the place of marines in Nicaragua.

The way is wide open for reason to step in. Senator Borah, chairman of the senate foreign relations committee, has suggested that the oil land issue in Mexico—the secret of the whole dangerous situation—be submitted to arbitration. Mexico has agreed to this, even the her government can properly claim that it is purely a domestic question. The American government has ignored the subject, preferring to make its fight for certain American oil concerns in its own way—threats and slanders.

In Nicaragua the liberal government's foreign minister, William Phillips Simms that President Sacasa is ready to resign if Kellogg's president Diaz, will do the same and to have a new election supervised by the United States, Argentine, Brazil and Chile.

This would end the difficulty in Nicaragua. It would remove the "necessity" for marines.

Still another opportunity has been offered. Costa Rica is ready to mediate. Sacasa says he will accept mediation. Diaz refuses.

Kellogg could change Diaz' mind in ten minutes by withdrawing, or announcing his intention to withdraw the marines. Diaz would then agree to any kind of mediation.

The state department, has knowledge of all these proposals. It knows of still other methods whereby reason could be substituted for the present blind-bullying and blustering. But it ignores them all.

It seems utterly determined to go thru with its program, no matter how many dollars it may cost, or how many lives.

Only an aroused public can bring the state department back to its senses.

—Scripps-Howard editorial.

### State Mill Saves Million in 1926

(Continued from page 1)

units capable of turning out 4,000 barrels of flour a day. During the active flour buying season they sold flour at a profit of only one unit because the market is so tight that it is not possible to take a full capacity output. But the market is expanding rapidly. The products are used extensively all over North Dakota. A growing market is developing in the lower states. The flour mill men went before the Chicago Federation of Labor and as a result that body through the Farmer-Labor Exchange of Chicago, a farmer-labor owned cooperative, will back the expansion of the Chicago market for flour.

Many labor leaders and farmers see in this arrangement between a state-owned industry, a great body of organized workers and farmers and a cooperative a connection that is going to be of the highest educational value and economic benefit in the future.

The publicly owned mill was established by the Farmer Nonpartisan League state government. It is one of the big factors in North Dakota now that keeps the farmers anchored to progressive ideas and intent on complete disintegration of the farmers' political movement. In the campaign in 1926 the L. V. A. old party reactionary combine pledged itself to put the state mill out of existence. This caused the greatest indignation of farmers and laborers to save their public property since the peak of Nonpartisan League power. It re-elected Sorlie and a farmer-labor House and sent Nye to the U. S. senate. The state mill is growing in popularity and its products are used by all farmers and laborers.

The flour is called Dakota Maid. The sacks are stamped with the picture of an Indian maiden and the seal of the state of North Dakota. The flour is made from 100 per cent hard spring wheat, the best wheat for flour in the United States. It sells for the same price as grades on the market that are considerably inferior.

### Hindenburg Acts to Save Junkers Army

(Continued from page 1)

be left in its present condition as a state within a state, comparatively free from parliamentary control and recruited almost exclusively from persons unfriendly to the present democratic republic. For this purpose it is necessary that Gen. Otto Gessler, reichswehr minister, shall remain Hindenburg's ally even to discuss the reichswehr with the democratic parliamentary leaders and shows himself first and foremost as a general.

Hindenburg's appeal to Marx is in the nature of an order to ignore parliamentary arithmetic to protect the reichswehr and its minister, Gen. Gessler.

The Manchester (England) Guardian correspondent, who telegraphed a few days ago a description of President Hindenburg's influence in the present crisis, which he defined as "swinging on the unconstitutional," was publicly warned in a semi-official communication in the Deutsche Allgemeine Zeitung, which largely belongs to the German foreign office. The issue therefore is whether the reichswehr under Hindenburg's influence is to be preserved in its present undemocratic form and a way is to be kept open to the future modifications of the constitution in a conservative sense, or whether the reichswehr will be reformed and its independence activities be curbed in accordance with the spirit of an ultra-democratic republic. The immediate reply of the Catholic center party, which once again has the responsibility of molding the country's political development.

### Need of Organization

(Continued from page 1)

The ruling masters of capitalism of themselves are not strong but pitifully weak and contemptibly vulnerable. The despotic power they have and exercise, as such power is always exercised, is not inherent in themselves or in their class at all, but is to be found in the ignorance, weakness and impotency of their unorganized and helpless workers who are dependent upon them for employment.

The task before us, therefore, is the economic and political organization, with all the education, enlightenment, discipline, and self-restraint this implies, of the working class.

The recruiting, organizing and coordinating of the workers in their own Industrial Grand Army, where they stand elbow to elbow in class consciousness, feeling themselves

### Lost: Twenty-Two Billion Dollars

Charles M. Ripley of the General Electric Company, Schenectady, N.Y., sends in corrections on American Appeal figures in an article in the Appeal, No. 20, headed, "Government Figures Explode Prosperity Myth."

The Appeal article was handed to a man in Schenectady who is described as "a wizard at figures." His comment on the Appeal article is as follows:

### Radio Gag Foreshadowed By Coolidge Statement

Danger that a general radio gag on all opponents of the administration which happens to be in power may result from President Coolidge's statement calling for public and press support of his foreign policy was expressed January 17 in a letter to the President by the American Civil Liberties Union.

The letter was addressed to Dr. F. Ward, chairman, called the President's message the "first step toward an official throttling of public opinion" and a "censorship by duress."

"Broadcasting stations operating under government license must apply, under pending legislation, for renewals of their licenses," states the letter.

A request from the chief executive to persons holding licenses issued by the Federal Radio Commission, by a member of his Cabinet, would almost inevitably be translated into an order to allow on the air no comment which failed to support the then existing administration. This would result in persons holding broadcasting licenses would result in closing the air forever to any opponents of the incumbent administration. The President is urged to revoke his request and "revert to the good old conservative American principles of freedom of speech."

# APPEAL'S FEATURE DEPARTMENT

Harry W. Laidler, Editor

## Twenty Years of American "Diplomacy" With Nicaragua

### A Tale Kellogg Has Never Told

Has the United States respected the sovereignty of Nicaragua during the last decade or two? Has it supported only the governments desired by the Nicaraguan people, or has it tried to use this small Central American government as a pawn for the profit of American bankers? In view of its own conduct is it consistent for the United States to protest against the supposed action of Mexico in supplying arms to Dr. Sacasa?

The following brief summary of our relations with Nicaragua during the last twenty years tells the tale in a tale of which many Americans will feel nothing but shame: a tale which explains the growing suspicion in which the United States is being held in Central and South America.

**1907**

Under the guidance of the United States, delegates from the five Central American states met and drew up a series of conventions designed to promote unity in Central America.

The most important of these agreements was the one providing for a central American Court of Justice, composed of five members, one from each state, to which all disputes would be referred until further notice.

The United States, not a signatory to these conventions, began to take a hand in settling disputes.

In Nicaragua President Jose Santos Zelaya opposed the attempt of the United States to extend its control over Nicaragua by obtaining Fonseca Bay and a canal route, as well as attempts of American business men to establish themselves in a republic.

**1909**

A revolution against Zelaya broke out, financed by Adolfo Diaz, a local official of Bluefields at La Luz y Los Angeles Mining Company, an American corporation. The same Diaz had run the United States, but had been replaced as President. Diaz was receiving a salary of \$1000 a year. Though he was not known to have other resources, he was in a position to advance \$600,000 in behalf of the revolution and eventually he repaid himself.

The revolution broke out October 5. On October 7, the American consul, seeming to know of the revolution in advance, wired Washington that it would break out the next day and that the new government would appear in Washington immediately.

The revolution broke out October 5. On October 7, the American consul, seeming to know of the revolution in advance, wired Washington that it would break out the next day and that the new government would appear in Washington immediately.

### October 24—Dawson advised the State Department that "a popular election is at present impracticable and dangerous to peace."

November 27—The Conservative Assembly elected Estrada and Diaz.

### 1911

Jan. 1—President Taft formally recognized the Estrada government.

The Dawson pact was for a while kept secret. When published by the liberal forces, it aroused great opposition.

February, 1911—The American minister cabled Secretary Knox that the "natural sentiment of an overwhelming majority of Nicaraguans is antagonistic to the United States."

March, 1911—The American minister wired that President Estrada was "being sustained solely by the moral effect of our support and the belief that we would unquestionably have that support in case of majorities."

April, 1911—The National Assembly decided to adopt a constitution guaranteeing the independence of the republic and directed against foreign control through loans. This was opposed by American representatives.

When carried against his opposition, Estrada dissolved the assembly and called for new elections. This action led to protests and to the resignation of Estrada in favor of Diaz. Adolfo Diaz thus became president.

May 11, 1911—The American minister recognized the growing unpopularity of Diaz, wired the State Department that "a war vessel is necessary for its moral effect."

May 25, 1911—Wire from American minister of rumors of uprisings to defeat the loan. The Liberals, he added, were in such a position to repeat the suggestion "as to the advisability of stationing permanently at least until the loan has been put through, a war vessel to Corinto."

Secretary Knox wired that Diaz had been persuaded to resign and that a war vessel had been ordered to Nicaragua.

June 8, 1911—The United States entered into the Knox-Castro agreement with the American controlled government providing for a reform loan of \$1,000,000 to be repaid by American bankers and control of Nicaraguan customs houses by the United States. Nicaragua pledged itself not to alter customs duties without Washington's consent and to submit financial reports to the State Department.

The State Department at the same time negotiated with Brown Brothers and J. and W. Seligman of New York, bankers, for floating the loan. The loan was for the purpose of liquidating claims against Nicaragua, establishing a bank to be administered by American bankers and control of national railway, which they planned to control; and building a new railway upon their own terms.

The United States refused three separate times to ratify the Knox-Castro convention, despite the approval of the loan agreement. The loan agreement therefore did not go through.

September 1, 1911—American bankers submitted another agreement to the Diaz government, which the government signed. Under this agreement the loan bank was to be controlled by Brown Brothers and Seligman on a temporary loan of \$1,500,000 to reorganize the National Bank, taking over 51 percent of the stock. \$1,400,000 of the money was to be used to reform the currency. The loan was to be secured by a lien on the customs; to be collected by an American nominated by the bankers. It gave to the bankers the right to "solicit from the United States of America protection against violation of the present contract and aid in enforcing its execution." The bankers and Nicaragua were to submit disputes to arbitration by the Secretary of State of the United States. Secretary Knox had the American charge d'affaires keep the Nicaraguan legislature in session until the approval of the loan agreement. Pressure from the United States was continually brought to bear on the Nicaraguan legislature.

October 9, 1911—The Nicaraguan Assembly approved the loan contracts. A United States customs inspector recommended by the bankers was appointed.

The American government urged that the proposed new constitution be not adopted until after the arrival of the United States minister, as it did not approve of the clause by which customs authorities must be Nicaraguans.

### 1912

January 12, 1912—The assembly ordered the promulgation of the constitution and declared that the interference of the American Charge d'Affaires was an insult to the national autonomy and honor of the assembly.

March 28, 1912—American bankers entered into another agreement for a supplementary loan on terms inconsistent with the sovereignty of Nicaragua.

July 29, 1912—Incensed at the unpopularity of the loan agreement, President Diaz, the liberals proclaimed a revolution.

August 15, 1912—Major Butler of the United States landed with 412 marines, in response to the demand of the banking interests for protection. Later 8 American battleships were sent to Nicaragua and 2,600 men, who proceeded to crush the revolution.

December 2, 1912—An election was held in which American marines guarded the polls. Diaz was declared elected for a term of four years.

Another loan was requested to pay for the expenses incurred during the revolution.

November 4, 1912—The new loan agreement was signed under which the bankers loaned Nicaragua \$500,000 to be secured by tobacco and liquor taxes, to be collected by the American-controlled bank of Nicaragua. The bankers were also given an option for the purchase of 49 percent of the railroad stock of Nicaragua for \$1,000,000. The Nicaraguan congress refused to approve this agreement.

### 1913

October 8, 1913—Bankers entered into further agreement to lend Nicaragua \$1,000,000, taking control of the railway and national bank.

### 1916

February 14, 1916—The Bryan-Chamorro Treaty was signed under which the United States paid Nicaragua \$3,000,000 in return for the right to construct a canal and a 99 year lease of the naval base in the Gulf of Fonseca, with the option of renewal. Each loan was afterwards repaid with exceptionally high profit to American financiers.

### 1918

1918—A High Commission of Nicaragua consisting of one Nicaraguan and two Americans—the latter chosen by the U. S. Secretary of State—was appointed to supervise the expenditures of the Republic.

### 1920

1920—Brown Brothers and J. and W. Seligman floated a \$9,000,000 loan to refund Nicaragua's external debt to permit the government to buy the railroad, and to build a railway to the Atlantic coast.

### 1921

1921—Summer. An uprising took place against the government because of dissatisfaction with the government's American policy and the government declared martial law. Washington shipped 10,000 rifles, a number of machine guns and several million rounds of ammunition. These enabled the conservative Chamorro government to retain control. In February, 1921, marines wrecked the office of the Tribune, alleged to have criticized American troops and numerous fights took place.

### 1924

1924—Senor Carlos Solozano and Dr. Juan B. Sacasa, president and vice-president respectively by a vote of 48,000 to 26,000.

July, 1924—Nicaragua finished paying off its debt to Brown Brothers and J. and W. Seligman. Joseph K. Choate and Jeremiah W. Jenks were appointed to the High Commission and another commission was appointed to revise Nicaragua's banking and financial laws.

### 1925

January 1, 1925—Solozano and Sacasa took office.

August, 1925—The marines were entirely withdrawn. They were, however, replaced by a native constabulary, trained and officered by Americans.

At about this time the permanent funds of the National Bank of Nicaragua, that had been under the control of New York financial houses, were turned over to the control of the Royal Bank of Canada. In the same year directors of the Nicaraguan railroad decided to cut drift from the American company that had been operating the line for them on a commission basis. Both moves brought charges from American financial spokesmen that the Nicaraguans were not managing their affairs to advantage.

October 25, 1925—Hardly had these views been voiced in Washington than a revolution under General Chamorro and Adolfo Diaz started. Through a coup d'etat Chamorro took possession of the Managua fortress. Solozano was forced to resign and Sacasa, who, according to the Nicaraguan constitution, succeeded to the presidency, was forced to leave the country. Chamorro had himself elected by a discredited congress. The United States government took possession of the power to Sebastian Uriza, who in turn resigned the same to Senor Adolfo Diaz.

### 1926

Later Sacasa returned and claimed that his government was the constitutional government, which opinion was held by Mexico. The United States, on the other hand, recognized the Diaz government, on the ground that Sacasa had left the country—though his leaving had been forced.

### 1927

The United States further sent marines to take control of the territory in which Sacasa had his headquarters and declared it a neutral territory; sent further marines to Managua, the capital of Nicaragua, raised the embargo on arms to Nicaragua, sent warships to the waters around Nicaragua and reproved Mexico for permitting Sacasa to receive arms and for recognizing the Sacasa government.

Sacasa maintained that he obtained his ammunition at first from the United States and not from Mexico; that no property or lives of American citizens were endangered; and that his government would respect treaty agreements with the United States.

(Continued on page 4)



# How The American Nation Is Being Militarized

## Editor's Note

Norman Thomas has been one of the outstanding leaders in the fight against militarism in the United States during the last dozen years. When the war broke out he was an influential minister in an immigrant section of New York. During the campaign of Morris Hillquit for mayor he came out in a great Madison Square meeting flat footed for peace and for socialism. He resigned his pulpit. He became editor of the **WORLD TOMORROW** and, through his writings and his rare eloquence, worked day and night for the termination of the war and for a decent treatment for the conscientious objector. Later he became associate editor of the **NATION** and Executive Director of the League for Industrial Democracy. In 1924 he ran as a candidate for Governor on the Socialist ticket and, in 1925, for Mayor. On the occasion of the death of Eugene V. Debs, he was called upon to preside at the Debs Memorial Services in Terre Haute and in New York.

Read this article. Show it to your fellow workers. And pledge yourself to renewed efforts against militarism and the system for profits of which militarism is but one of the hideous fruits. ("The Challenge of War" by Norman Thomas can be purchased from the League for Industrial Democracy, 70 Fifth Avenue, New York City at 10 cents a copy, 12 copies for \$1.00).

—Harry W. Laidler

## By Norman Thomas (Executive Director, League for Industrial Democracy)

Everybody knows that we are a peaceful people. That is, everybody except what are left of the Indian tribes, the Mexicans, the Nicaraguans, and Latin Americans generally, the Chinese and most of the other nations

in Europe, Asia and Africa which, by their recent writings, show that they do not understand that we are reluctantly arming in our own defense. To put the matter in less satiric form, no nation in the world today, outside of ourselves, believes us to be an essentially peaceful nation arming against possible attacks. Our neighbors may do us an injustice, yet it is to be feared that their conception of us is nearer right than the innocent assurance of a lot of plain American citizens that we are not and cannot be militarized.

## What is Militarism?

Militarism depends upon other things than the number of men under arms. Switzerland, for instance, may have an elaborate system of enrolling all her young men for training. The system may be wise or foolish. It is not dangerously militaristic because everybody knows that Switzerland cannot attack her more powerful neighbors and can only use her army for defense. The case is utterly different with us. We are the greatest power in the world. No other nation dreams of attacking us. Meanwhile we are pushing our empire relentlessly through the world. We are making the Caribbean an American lake. We are a continual menace to the Mexican government. Our gunboats are far up Chinese rivers. Force or threat of force is behind the American investments which increase at about the rate of a billion a year throughout the world. Is it any wonder then that the nations refuse to see us as still inclined to see ourselves as an amiable Uncle Sam with the most benevolent intentions toward all mankind?

## Our Increasing Army

The plain fact is that there has been a steady growth in our military and naval forces ever since "the war to end war" and that that growth has been the inevitable accompaniment of our economic imperialism. I believe in disarmament. But it is un-

less or worse than useless to think that you can permit imperialism to grow and still disarm. The surprising thing is that our growth in military force has not been greater and that the demands of our big army and navy men have not borne more fruit.

Nevertheless our armed forces on land, to say nothing of our navy, are by no means inconsiderable. Outside of our regular army the National Guard and Reserves enroll 408,119 men according to the latest figures. Of these men 207,825 attended some summer training camps in 1926. These summer camps which are very important in our present military program have grown by leaps and bounds. In 1921 there were 12 Citizens' Military Training Camps. In 1926 there were 49 with a total attendance of 34,191. This is exclusive of National Guard camps and camps for the Reserve Officers Training Corps.

Baffled in their attempt to get universal military training in service after "the war to end war," the army officers turned to a very effective use of schools and colleges and summer camps to recruit the reserves. I have given some figures of the summer camps. Let us turn now to the Reserve Officers Training Corps in our Schools and colleges.

## Militarizing the Schools

There were in December 1926 119,114 students enrolled in 323 units. Of these 98 were junior units; that is, units in high schools and other secondary schools below college grades. Almost 40,000 school boys are getting training, not only when even the Kaiser let the German schoolboys alone.

More than half of these college and schoolboys—at least 60,000 of them—have no choice in the matter. They are required to take military drill or leave the school or college in which they are enrolled. This requirement is not the matter of a national law, but even the so-called Land Grant

colleges are required by law to make military training compulsory. The compulsory feature is due to the Department pressure upon the schools and colleges. It is entirely opposed to the American tradition.

## "Baits and Bribes"

But compulsion is not the chief reliance of our militarists. They use, rather successfully, all sorts of baits and bribes in the shape of pay for college students who go on with military work and free vacations at attractive camps for young farmers, workers and professional men. In many of our colleges social prestige and even a certain sort of sex appeal are used. Thus, the prettiest girl in some of our institutions is made an honorary Captain or Colonel and passes out the awards to the crack company at Commencement time with an appropriate tribute to the brave defenders of womanhood. And no one dares shout "Applause!" Meanwhile, parents, friends, and labor leaders are told that of course the purpose of all this military training is just to make good, healthy citizens. And they fall for it. Thus, we have President Green and other labor leaders on record as enthusiastic endorsers of Plattburg Camp.

## The Military Ideal

What was it that President Green endorsed? A healthy vacation for young men with some military training for strictly defensive purposes? He may have thought so, but that is never the idea of the War Department. It is quite true that neither the training in the colleges nor the summer camps makes accomplished soldiers. It does something which from a military view is more important. It teaches the young men to accept the military ideal. They may not like it even in its sugar coated form. But a man who has worn the uniform, enjoyed the privileges of a summer vacation without pay in a very extraordinary fellow if when the summons comes for war he does not fall in line. He does not need to

like the war system. He merely needs to accept it. To this end the teaching of the Military Manuals is directed. Here, for instance, are quotations taken from the Manual in the University of Nebraska:

"In this world of ours force is the ultimate power." (Vol. IV, Page 207.)

"The mainsprings of human action are self-preservation and self-interest, in a word, selfishness—the touch of nature which makes the whole world kin." (Page 208.)

"We may well ponder whether, if selfishness, ambition, competition and strife were to be removed from the world, we should not fall into a most intolerable state of stagnation." (Page 365.)

"During the course of a great war every government, whatever its previous form, should become a despotism." (Page 284.)

"An armistice should never be granted at the instance of a defeated foe." (Page 255.)

## "To Keep Labor in Order"

Labor, to its credit, stands against the compulsory teaching of this doctrine. Why, in the name of all that is reasonable, should labor leaders recommend it when it is not compulsory? The spirit of labor and the spirit of militarism have nothing in common. When the A. F. of L. hobnobs with the army it is the army that wins! One of our belligerent Rear Admirals (retired), in a debate with me at Yale University calmly and frankly admitted that one purpose of our military training was to keep labor in order. And it is this program which President Green has endorsed in one of its most significant items.

## Why Oppose Military Training?

I have not space to give all the arguments against military training. Its alleged advantages in health and discipline can be far better imparted in colleges and in camps under methods which leave out the mental and physical goose-step inevitably connected with military drill. We can give our boys a healthy and valuable vacation without teaching them that unquestioning obedience in that form of wholesale murder which we call war is the supreme duty of the citizen.

Along with the military training goes the steady propaganda of an unreflective nationalism and a rampant militarism. Lovers of peace are attacked by so-called patriotic societies, with what appears to be the connivance of the War Department, as if they were enemies of mankind. An editorial, apparently inspired by the War Department, in eulogy of summer camps, appeared in more than one hundred clippings which I have seen. It attests that "the nation still is filled with citizens to fight manhood and, perhaps better still, with manhood that is willing to fight." Is it any wonder that other nations suspect our love of peace and that our program of military training has been made a precedent for somewhat similar programs in Mexico, and Japan? Is this the way to security or peace?

The appearance of military training in our colleges is not merely evil in itself. It contains a direct threat to academic liberty. Again it is lack of space which keeps me from reciting instances after instance where directly or indirectly the military department of a university or college has usurped the natural functions of the faculty, censored discussion, and otherwise sought to subvert institutions which ought to be the free republics of eager seekers after truth to the atrocity of an ill-informed militarism.

## The Situation Today

Let us rapidly review the situation in America today. Economic imperialism is rampant. At any moment some untoward event in Mexico may set in train events that lead to war. The espionage laws are on the statute books ready for use in time of national emergency. The hypocritical guise of urging that wealth be not allowed to escape before Congress which seeks to "control" wealth, but absolutely "controls" all workers in the event of war. Meanwhile pending the arrival of the great emergency our country is not to be allowed to escape the next war a bill is now pending before Congress which seeks to "control" wealth, but absolutely "controls" all workers in the event of war. Meanwhile pending the arrival of the great emergency our country is not to be allowed to escape the next war a bill is now pending before Congress which seeks to "control" wealth, but absolutely "controls" all workers in the event of war.

Such is militarism in its American form. Who will fight it? How long will the farmers and workers be fooled into acquiescence or partial approval? Today American militarism menaces the poor folk of Nicaragua and Mexico. Tomorrow it will menace our own sons and brothers. Military training, as a labor leader approvingly told me, may teach the boys "to walk straight," but at the last the spirit of militarism and imperialism, twin demons now abroad in our land, can only teach our obedient boys to walk straight along the road that leads to a literal hell.

# Farmer Presents Plan for Inauguration of Socialism

## By James H. Job (Reelville, Indiana)

The Appeal has received a very interesting and stimulating reply from H. Job of Reelville, Ind., in reply to the Appeal's treatment of a recent article of Comrade Job's on the farmer problem. The Appeal gladly reproduces his somewhat lengthy article in part.

In the first part of it Comrade Job very vigorously and justly pans the Appeal editor in reply to a paning he received from the Appeal.

What Comrade Job says convinces us that he is a dirt farmer and has made a considerable study of Socialism.

"Public ownership of public utilities, and in fact all natural resources is the first step in the direction of a Socialist regime," he correctly states. "These things must be controlled so we can have political and industrial democracy."

"But so far as I know," says Mr. Job, "no man has ever told us by what method we are to enter into the ramifications in the work of adjusting wages of employes and prices of the finished products so as to get them on a parity with the other. In other words, we must know how, or by what mode of action to keep all who are willing and able to work, busy, and at the same time cause the products of labor to flow automatically from one labor group to another on equitable terms. This is our problem, and the people must know how to understand it, if we are to enlist them with us at the polls."

In reply to this latter point, the Appeal editor would like to remind Comrade Job that one of the basic principles of Socialism is that the labor cost of commodities, plus social and industrial upkeep shall constitute the price of commodities. Marx and the classical Socialist writers pointed this basic principle out long ago and showed convincingly how products would flow between labor groups on equitable terms. As to the exact details, it is the exact details of distribution that have been sufficiently convincing to win the majority in some countries, the largest party in others and the second largest party in many.

Mr. Job next states that the Appeal failed to present a definite program by which agriculture can be lifted out of blind competition in production and in the world markets through democratic organization.

We believe John M. Work's article indicated at least an important part of such a program—viz; by the establishing of publicly owned storage and finishing facilities for the farmers such as warehouses, elevators, etc., supplemented, of course, by railroads owned by the people and a banking and credit system owned by the people and operating for the people at cost. Automobiles too, as used for the reason why such facilities as industrial democracy could not so store and control the flow of farm products that farmers would realize a price based upon the cost of production in comparison with all other branches of labor.

Mr. Work also mentioned the cooperative organization of the farmers. I believe that the universal co-

operative organization of farmers and all other producers will exist under Socialism. It will guarantee each class of producers equitable power and compensation. With public ownership and cooperation extended throughout the world, the farmer must and then will disappear. Democratic organization and its proper control of supply as related to demand will control and regulate production and surpluses and PERMIT THE REALIZATION OF THE COST OF PRODUCTION.

Mr. Job states that the failure of the Socialists of Italy "was due to the lack of plain, practical method of starting and keeping in motion the wheels of industry and an executive head to make their theory a reality."

The Socialists of Italy never held as much as a third of the seats in parliament at any time—153 seats was their maximum. They never had a chance to apply their theories, but they were gaining ground so rapidly that Mussolini organized Fascism having that chance. They were crushed not because they were failures but because they were succeeding so rapidly that the reactionaries threw law and democracy overboard and grabbed their guns to keep them from succeeding completely.

Mr. Job denies that he is opposed to public ownership of the railroads, the banks or the trusts. Well, his first article sounded as though he jumped on John M. Work for advocating these things. We are mighty glad Mr. Job is with us on these important questions.

Comrade Job says that for 30 years he has been instrumental in announcing a great many Socialist speakers in his country, and has on several occasions paid the entire expenses of these meetings. He has asked many of these speakers to discuss Socialism from the farmer's standpoint, in other words, I want you to tell the people how it would be with us farmers under a Socialist regime. To my disappointment they failed to do so, and it is for this reason that farmers have been slow to vote the Socialist ticket.

Upon this point we thoroughly agree with Comrade Job. We believe

he has pointed out a real weakness in Socialist propaganda. The message has not been carried to the farmer in an understandable way in his own language. A beginning is being made now in Great Britain, Australia and a few other countries. It is up to Socialists in this country to fall in line, and we hope the Socialist farmers will continue to sting us until we do.

Comrade Job criticizes Representative Victor L. Berger for voting against the Haugen bill and presents the following plan for the consideration of Socialists:

"Please allow me, briefly to present what I have to offer as a program or method by which to inaugurate or effect a socialist regime. It is as follows: I would create a great national sales corporation which would automatically and instantaneously brace all the basic commodities, such as coal, iron and steel products, cotton, wheat, potatoes and corn, and such other labor products as necessity might require. THAT MIGHT BE OFFERED FOR SALE. And sell them at the lowest and call for them at a fixed minimum price BASED ON COST OF PRODUCTION.

"I would place all classes of laborers on a common level by adopting the hour as the measuring unit in determining the exchange value of all commodities and wages of employes of NATURAL RESOURCES in every line of work. Wages and commodity prices would be determined by a board of arbitration, the personnel of which would be the chosen representatives of all the labor groups interested or represented in the corporation or pool.

"As a means by which to AUTOMATICALLY adjust production to consumption, I would lay the burden of carrying over any surplus which might appear on the shoulders of the group that produced it. Such a plan would serve to stimulate production to the required limit, and at the same time AUTOMATICALLY adjust production to consumption. Now then, I invite criticism and further discussion of this great question. We must face the undeniable fact that this is an AGE OF INDUSTRIAL ADJUSTMENT, ORGANIZATION AND PRICE-FIXING. Mr. Editor, please tell us how you would do it."

# The Blood Lust

## By Henry Flury

(Appeal readers will recall that Dr. Flury is the teacher Gen. Fries tried to gag.)

A report by the Associated Press of November 23 gives an account of the manner in which His Royal Highness, the King of England, "hunted" for "sport." The report tells about the 20,000 acre preserve of Lord Iveagh's where the king has "hunted" for thirty years. It states: "The estate abounds in woodcock, partridge and pheasant and the shoots are conducted in a most scientific manner.

Every covert and every butt is connected up by a system of telephones to aid the bird seekers. When game is flushed and missed by one gun it is possible immediately to telephone a nearby shooter to be on his guard. Automobiles too, as used to convey the guns from drive to drive for the different beats, and at noon motor cars haul hot luncheons to that part of the wood where the sportsmen are assembled."

In the October number of the Forum Magazine in the biography of the former German Kaiser Wilhelm Hohenzollern on page 693 the writer

describes the "hunts" of that monster who fled his country in time of direst need. I quote: "happier than at Court was the Emperor at the chase. Eulenburg, so frequently present, says that 'the hunts were horrible. This massacre of unfortunate creatures, utterly unable to escape from their fate, is no kindly recreation. Strangely enough, no one at Court seems to realize that it adds nothing to the glory of a sovereign to cause these hapless wild creatures to be driven into a great enclosure in the center of which the noble sportsmen are posted, pouring out their shots on the panting, desperate brutes as they hurl themselves ever and again against the farthest hedge; and this never stops until all are dead or dragging, mortally wounded, on the ground and at the end of the day are put out of their misery."

As numbers were the sole aim and the game was driven up to the mouth of the gun the Emperor, on three December days with Prince Donnerswacker, could proclaim his one-thousand-six-hundred-and-seventy fifth head, and in his forty-third year cause to be inscribed in golden letters on a block of granite: "Here His Majesty William II brought down



# America's Money Kings Own Sixty-Five Billions

This map depicts the results of a current report by Congress on the stupendous bank resources of the United States.

The banks of the United States own the almost unbelievable total of \$65,567,000,000—nearly 45 billion dollars!

It is ten times as much real money as exists in the United States—in other words, every actual dollar in the United States is doing 10 shifts a day drawing interest for the bankers.

Before this colossal power, nothing can stand, if the present system endures long. As a cumulative force by virtue of the interest-drawing power it will soon overwhelm and

His fifty-thousandth animal, a white cock-pheasant," already been President on several occasions in the past, and we have helped to put him there, and each time he has had the job he has promptly fallen out of it. But he is our man.

Of Mexico's right to recognize Saca's the World remarks:

"Mexico held no right to act in the absence of Saca's when Saca was absent at a bayonet's point; and when Saca returned (and war broke out again) Mexico continued to accord recognition to the Saca Government. That is at least as good an interpretation of the law as our own interpretation, and in some ways better—Saca being the popular choice of the people of Nicaragua in a free election.

"Mexico had every right under international law to recognize the Saca Government. Mexico, having recognized the Saca Government, had every right under international law to sell munitions to the Saca Government if Mexico so chose. We accuse Mexico only of furtive gun running to Nicaragua, a boat-load here, a boat-load there, naval reserve officers commanding the ship 'in at least one instance.' But Mexico, having recognized the Saca Government, was quite as much entitled under international law not to impose an arms embargo which hurt Saca as we are now not to impose an arms embargo which hurts Diaz. Granted that at least equally reasonable premise which Mexico has adopted, it is Diaz who is the outlaw and the rule of gun-runner in a revolutionary Government which disturbs the peace. We are indeed provincial if we do not recognize that the Latin American press had raised that point against us."

## 20 Years Diplomacy With Nicaraguans

(Continued from page 3)

Regarding the recognition of the Diaz government by the United States, the N. Y. World declares:

"The real explanation, which introduces factors more substantial than questions of constitutionality, is that Diaz is our man, has always been our man, and is officially relied upon by us to remain our man. Diaz is protector of American trade interests and the go-getter for the bankers. He is the upholder of the financial plan which Mr. Coolidge admitted was settled upon Nicaragua without benefit of treaty but which is now paying dividends outside of Nicaragua. To be sure, Diaz has

# Huge Dividends Mark New Power of Finance

The rapid advance of bankers' prosperity and bankers' dividends is one of the most significant and sinister developments of our time. It marks the swing of power and profit-taking over to a very small class which can dominate the world and strangle nations merely by monopolizing the circulation medium and inflating and deflating it to suit their plundering purposes. The horror of this development is the development of this epoch, marking a far greater centralization of economic power and a greater power to extort and rob than is possible to merely industrial owners.

The dizzy power of American high finance in the financial capital of America—New York City—is brought out strikingly in the following facts compiled by Leland Olds:

Thirty-five New York City banks and trust companies, which dominate the credit institutions of America, raked off dividends to the tune of \$76,415,000, or 10.6 per cent on their combined total capitalization, according to the Wall Street Journal.

More than half of this dividend rakeoff went to the owners of 6 giants—the National City bank, First National Bank, Chase National, National Bank of Commerce, Bankers Trust and the Central Union Trust Co. If we include Equitable Trust and Guaranty Trust we have 8 financial institutions disbursing \$100,000,000 cash or about 80 percent of all the dividends paid by the 35 banks and trust companies included in the tabulation. These 8 are the backbone of the Morgan-Kuhn-Loeb-Rockefeller money power which dominates the country.

The National City and First National banks lead with \$10,000,000 in cash dividends apiece. The National City represents the Rockefeller Standard Oil interests. The First National is J. P. Morgan. The First National dividends are 100 percent of the par value of the stock.

The Morgan banks are making what has boosted the market value of their securities to many times the sums originally invested. The stock of Morgan's First National bank with a par value of \$10,000,000 now has a market value of \$285,000,000 or 28½ times the original investment. Each \$1000 put into this bank as capital is now worth \$28,500 and is paying \$1000 a year in cash dividends.

National City stock with a par value of \$50,000,000 has a market value of \$1,000,000,000 or 20 times the original investment. National City stock with a par value of \$10,000,000 has a market value of \$170,000,000. Bankers Trust with a par value of \$20,000,000 has a market value of \$124,000,000, while Central Union Trust with a \$12,500,000 par has a market value of \$117,500,000 or nearly 10 times the original investment.

These institutions control the country's credit. Credit is essential to modern economic life. Consequently the bankers' power to levy tribute is only limited by their interest in not killing the goose that lays the golden eggs.

## How Exploitation and Centralization Increase

Striking proof of the soundness of basic Socialist contentions regarding the trend of industry has been furnished by the United States government in a partial survey of industrial plants covering the years 1924 and 1925.

Every two years the United States Bureau of Census makes such a survey. Its investigations so far are striking proofs that (1) industry is concentrating into fewer and bigger plants. (2) The increased application of improved machinery connected with this concentration is displacing labor—making the unemployment problem more acute. (3) Regardless of what wages the worker is getting, THE CAPITALIST IS GETTING AN EVER LARGER AND LARGER SHARE OF THE PRODUCT.

Gilbert E. Hyatt in Labor, Washington, D. C., says:

In the two years between 1923 and 1925 the number of establishments decreased from 28,513, to 26,878. The number of wage earners decreased from 1,722,398 to 1,680,971. The total of wages paid decreased from \$2,298,287,004 to \$2,293,897,389. It will be noted that the decrease in wages was something less than \$5,000,000. That is not a very high percentage, but it is significant that there was a decrease instead of an increase.

Gulf Between Wages and Profits

When we come to the "value added by manufacture," we find that the total for 1923 was \$5,437,764,860 and for 1925, \$5,817,955,065.

Or an increase of \$380,000,000

Putting it another way, we are entirely accurate in saying that during the two years the compensation received by the workers decreased wage,