maintaining the *status quo* of capitalism, and therefore the *status quo* of capitalist violence beside which the abbreviated violence of a workers' revolution is as nothing. Second, the refusal of social idealists to align themselves with the advancing proletariat that would gladly accept a bloodless though necessarily coercive revolution only necessitates the greater measure of violence on the part of the proletariat. Whereas the committee assumed that positions No. 5 and 6 were the "violent" propositions in the questionnaire, some of them may live to see that those who subscribed to positions No. 1 and 2 were, after all, the supporters of the greater violence.

Position No. 4 contains a salve for the moral conscience of many pacifists which will unfortunately amuse many revolutionaries. In this position it is assumed that workers are engaged in violent warfare with the legal, or once legal, owners of the essential industries, but that in spite of this deplorable behavior on the part of workers the pacifist will continue his complete identification with them, only refusing himself to be morally besmirched by violent acts.

In proposition No. 3 the pacifist promises to dissociate himself "from any group that uses armed violence to gain its ends." Surely there can be no doubt that the owning class uses armed violence every day of the year to gain its ends, and the chances are a thousand to one that workers will, as a class, do likewise when the revolutionary moment arrives. This type of pacifist is, therefore, under compulsion to dissociate himself from both the owning class *and* the proletariat.

Modern Italy and Germany amply illustrate the consequences of pacifism for the working class. The Socialists parties of both countries were innoculated with the virus of pacifism, not when crushing the Sparticist revolt, but when dealing with the ruling class, with the result that the bloody terror of Fascism now grips both lands. While workers, if they are wise, will maintain eternal vigilance against *agents provocateur* who would lure them into the snares of provocative violence and will build the largest possible mass support for the exigencies of the final conflict, they will not, when the revolutionary day dawns, be found splitting hairs with counter-revolutionary pacifists in a brave effort to preserve their consciences pure and undefiled.

# The Big Hold-up

REPEAL, Roosevelt's pet stimulus for business, has been thoroughly and, it seems, systematically bungled. With the alcoholic millenium less than four weeks old, the bungling is costing more than $500,000 a day in taxes which someone forgot to levy and millions more in sucker prices for "legal liquor," half of it rotgut. Already Federal indictments and Congressional investigations are talked of—the usual belated locking of the barn. James Doran, who behaved like a weathervane in a hurricane as head of the Federal Alcohol Control Administration, has been eased out of the government to land in a snug job as head of the National Distillers Institute. Joseph Choate, the new head of the Federal Alcohol Control Administration, is trying to clean up the mess left by Doran.

But meanwhile, certain big distributors have got in on the ground floor. As the result of meaningless regulations about labels, a mysterious juggling of import quotas, permits, customs visas and waiving of rules, all of it yet to be satisfactorily explained, these companies possessed of clairvoyant insight into the government's mind have already collected huge profits in the first hysterical days of liquor-buying. We set down a few significant facts:

Last fall Doran issued a ruling that any importer bringing in liquor under a medicinal permit had to guarantee that the liquor would actually be sold for medicinal purposes. Honest and unimaginative firms, unable to make such a guarantee, did not apply for large medicinal permits. Some four months ago Doran is said to have handed down a ruling that no liquor brought into this country under a medicinal permit prior to Repeal could be sold for other purposes after Repeal. Medicinal permits, when issued, were for one percent of the quota asked.

On Nov. 25, importers were asked to fill out applications for import permits. They were asked to state how much liquor they would need to fill orders for sixty days. They were warned that an over-estimate would prejudice later applications. On Dec. 5 import permits were issued. Quotas were set at from one-tenth to one-third of the amounts asked on imports from all countries except Italy, and Germany. On imports from these two Fascist countries the quotas were granted for the amounts of wines and liquors the importers had requested. Finally, the quotas were to run for 120 days, twice the time stated in the questionnaire.

The effect of the quotas has been to skyrocket prices. Profits for the importers alone are from 60 percent for some wines and whiskies up to 80 percent for champagnes and liqueurs. Dollar Port was sold at from $2.00 to $2.50 at wholesale. (Jobbers and retailers get very much more, with the result that a case of champagne bought for $10 in Cherbourg or Bordeaux costs the American consumer $72 or more.)

After the most extensive cutting and blending of the available liquor stocks in the United States, it was estimated that the supply would not begin to meet the demand. It was then that the import quotas became important and American distillers, blenders and distributors began to stir about in Washington to get action. As far as outsiders knew, the first definite action came on Dec. 5, when import permits were issued, accompanying regulations stating among other things, that the cases of imported liquors must bear upon arrival the importer's name and permit number. Here is where the mystery comes in. Although the permits were not issued until Dec 5, and although liquor consigned to the United States could not be cleared from a foreign port without the visa of the U. S. Consul, ship loads of liquor were waiting off the American coast. This liquor, much of it consigned to Schenley and National Distillers, came in immediately after Repeal.

In this connection, it is interesting to note that R. H. Macy and Co., brought in, immediately upon repeal 3,500 cases of champagne. If this was cleared from France under medicinal permits, then the Macy applications must have aggregated 350,000 cases, with an F.O.B. value of about $4,000,000. (The average annual American importation of French champagnes from 1910-14 was less than $5,000,000.) If this champagne was not shipped under medicinal permits, then how was it cleared from the French port, and how was it put through the New York piers and warehouses? Jesse Isidor Straus, head of R. H. Macy & Co., is American Ambassador to France.