Workers Face Unemployment and Wage Cuts

By JAY LOVESTONE

Little doubt is now expressed by the leading financial agencies as to the fact that the economic conditions have taken a definite turn for the worse. The discussion among the economic experts centers today on the character of the depression and its duration, rather than on a debate as to its existence.

As is to be expected, the workers and poor farmers are the worst sufferers. Wage cuts are increasing and employment is decreasing.

Extensive Economic Slump Admitted

Allowing for seasonal variations, the Federal Reserve Board's index of production in basic industries declined 2 per cent in April. The fall was especially marked in the steel, iron, coal and woolen industries. At the same time factory employment declined 2 per cent. Clear signs of the diminished trade are to be seen in the lowering of the discount rates by the New York and Cleveland Federal Reserve banks from 4½ per cent to 4 per cent.

Babson in his last report admits that "we have some real ground for the pessimism that has been evident the last few weeks. General business, as reflected by the Babson chart, is now running at a level 10 per cent below normal, and present indications are that it will continue so for some time to come in completing the readjustment from the five years of inflation between 1916 and 1921."

Plan Big Wage-Cutting Drive.

Additional light on the attitude of the employing class to the Dawes plan is now being shed in business circles. Thus in its latest review of the state of trade and the commercial epitome, the Commercial and Financial Chronicle frankly says: "It is pointed out that once the Dawes plan is adopted and manufactures in Europe get an impetus from a revival of confidence, Europe will probably invade American markets on a larger and far more formidable scale than for many years past, favored by labor costs much below those prevailing in the United States. If labor does not meet the situation by intelligent acquiescence in reduced wages it will suffer by a lessened demand for its services."

That the capitalists mean business and that their threats to cut wages are not idle is obvious from the prophecy, to be more exact decree, of the latest number of the Magazine of Wall Street. Says this organ of high finance apropos the likelihood of a cut in wages for steel workers:

"That a cut in steel wages, initiated by the independent producers, is to be forthcoming in the not distant future, seems a certainty, in view of existing and prospective conditions in the industry. The practically non-existent margin of profit occasioned by the already considerable reduction in steel operations has operated to force consideration of the advisability of cutting wages upon officials of the various companies. The United States Steel Corporation, as usual, will be the last to take such a step, as it is the first to initiate wage advances.

"This prospective action on the part of the steel industy is more than usually significant in view of the extreme susceptibility of the industry to changing conditions. Its advent, therefore, may be looked upon as a forerunner of similar action by other industries. Unquestionably, some readjustment of existing wage scales must occur before the general industrial situation can again become stabilized."

In some South Carolina cotton mills wages have already been reduced as high as 10 per cent. The carpet workers of Amsterdam, New York, and Boston, Massachusetts, have just had their wages slashed. Among the New England Shoe Workers there have been wage reductions as high as 20 per cent.

Barron pictures the plight of the textile workers as follows: "Idle men and machinery—that is the story today in the textile towns. The social reaction has already made itself distinctly felt. From Rall River, for example, come reports that despite the earnest efforts of numerous welfare and fraternal organizations to alleviate local distress, the mill curtailment there has been so long and drastic that the municipal authorities now feel themselves obliged to make substantial appropriations for municipal improvements with a view to providing more work."

Sharp Drop in Employment.

The decrease in employment is country-wide. According to the Bureau of Labor Statistics' latest study on "Employment in Selected Industries," employment in manufacturing industries in the United States decreased 2.1 per cent in April; pay-roll totals decreased 2.5 per cent and per capita earnings fell 0.4 per cent in April. On the basis of the returns from close to six thousand establishments, there has been a decrease of 5.2 per cent in employment and 2 per cent in pay-roll totals in the last year.

The condition of the steel industry is the most unsatisfactory in the last seventeen months. The unfilled orders for April were smaller than the lowest figures reached at the bottom of the 1921 industrial depression. The copper market is listless. Brass and copper manufacturers are cutting production. Construction activities are slowing down. The curtailing of cotton production is going on apace. A further decline in production is expected by all. Banking of blast furnaces and price declines are now as frequent as in the last great depression.

The report of the New York State Department of Labor is most discouraging. Says Industrial Commissioner Shientag: "Payrolls in the manufacturing industries of this state were smaller in April than in any month since February 1923, altho April is usually a peak month for many industries. By cutting down both the number of workers and their working time manufacturers have lowered their payrolls 5 per cent as compared either with those of March or those of April a year ago."

The Massachusetts Department of Labor and Industries sums up the situation in the state in this fashion: "A decrease of 4.8 per cent in the number of employes; a decrease of 6.3 in the aggregate payroll; a decrease of 1.6 per cent in the average weekly earnings per person.

The Federal Reserve District of Philadelphia reports a further curtailment in production, less active distribution of goods, and a decline in the number of employes at industrial establishments.

The Monthly Business Conditions Report of the Federal Reserve Bank of Chicago for June, to be issued soon says:

"The returns received by the Illinois State Department of Labor, covering 300,000 industrial workers of the state, showed declines for April, amounting to 1.2 per cent in men and 1.0 per cent in earnings. For Wisconsin, as reported to its Industrial Commission by plants employing 83,000 men, the corresponding losses were 2.7 per cent and 4.3 per cent respectively. In the states of Indiana, Iowa, and Michigan, reports sent directly by this bank indicate a somewhat heavier curtailment, the average loss for approximately 30,000 men amounting to 3.7 per cent. The combined figures for all of these states showed declines of 1.6 per cent in men and 2.3 per cent in the aggregate earnings."

Numerous Farm Bank Failures.

Since the first of the year more than 325 banks have failed in the northwest, despite the establishment of the Agricultural Credits Corporation and the extension of the life of the War Finance Corporation. The falling of prices in the grain regions and the fall of land prices are the principal causes for the bankruptcies.

Mr. H. Parker Willis, editor of the Banking World Section of the Magazine of Wall Street, in discussing this critical situation makes the following pointed remarks indicating the great fears entertained by the financiers that the disease will spread not only to other agricultural sections but also to the industrial centers. Declared Mr. Willis anent this trend:

"The place where danger is now to be most expected appears to be in the small banks of the cities which have become considerably involved in real estate loans based in property at inflated prices, or which have been sustaining industries that have been largely 'overboomed' by buying their paper in large quantities. . . .

"In those parts of the country where the country banks have not suffered very severely thus far, careful watch should be kept because of the danger that in the event of a reduction in the local price of land or of special local products, such as cotton, a situation similar to that of the Northwest (altho probably not so intense) may develop."

AS WE SEE IT

By T. J. O'FLAHERTY

Billy Sunday burst into Chicago after escaping a visit to Jesus thru the ministrations of the surgeons in the Mayo clinic at Rochester who fixed up his damaged kidney. It appears William is in no hurry for that celestial trip even tho he makes much money sending others there. "The world is going to the devil," he ejaculated. Then he became bloodthirsty. Of course, a reporter asked him for his views on the Leopold-Loeb murder. "They ought to be hanged," growled the blood-hungry Christian. Every pulpit pounder in the United States is taking the opportunity of bursting into print with the claim that lack of religion was responsible for the state of mind that led the two wealthy perverts to commit murder. But it is safe to say that for every murder committed by an alleged atheist, one hundred thousand have been committed by devotees of some one of the several Gods in good standing in modern society.

* * *

Only quite recently a man in the southern part of this country murdered several members of his family because he thought he heard a voice from God commanding him to do so. And this is not surprising. It is surprising, however, that readers of the Old Testament manage to remain so comparatively harmless. Aside from the Rabelasian touch, its pages are full of exhortations to murder and versions of sexual relations that leave Boccacio's Decameron without a leg to stand on. Fortunately Christians do not take their God seriously, else the rest of us would have to travel in armored cars and wear coats of mail while at work. It takes a lot of nerve for a man to proclaim himself a Christian nowadays, but it beats the devil to hear a minister throwing up his hands in horror over a breach of the moral code. The recent widely advertised murder was horrible, but it was merely a fine exhibition of tenderness compared to the instructions given by Jehovah to the children of Israel when on a murder campaign who were ordered to kill all the men