

"The idea becomes power when it penetrates the masses."  
—Karl Marx.

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SECOND SECTION  
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## Unemployment and Labor Aristocracy

By JOHN PEPPER.

THE well-paid optimists of the capitalists are trying constantly to make the country believe that we are having a great economic prosperity at the present time. The facts gainsay these official and semi-official fairy tales.

The general economic situation as a whole is continuing to deteriorate. Partial improvements cannot change the situation permanently. In production, pig iron and steel is the only branch of production which increased on a national scale in January and February. The number of employed workers increased in February in New York state and in Illinois. The report of the New York State Department of Labor says:

"Factory employment made a good recovery in February from the dullness of January. The advance amounts to about 1 per cent and brings the level back to that of December. There has been no evidence thus far, however, of a repetition of the upward swing of a year ago." In Illinois the number of employed workers increased 2.2 per cent during February. Nevertheless there were in February 155 registered with the Illinois Free Employment Offices for every 100 jobs reported to the offices. In January the proportion of workers to jobs was 166 to 100, a year ago it was 104 to 100, and during the worst period, during 1920 it was 209 to 100. In Ohio unemployment increased in February. Applicants for work at the thirteen employment bureaus maintained by the state numbered 9,919 for the week ending February 23, and only 2,883 got jobs. In Iowa the Public Welfare Bureau was forced to issue a warning at the beginning of March against the ever-growing unemployment in January and February.

The surprising and sudden increase of pig iron and steel production is most likely only of a short duration. The causes of the increase are probably the concentrated railroad orders, and work for Japanese reconstruction. The New York Times of March 2 reports on March 1 from Pittsburgh concerning the pig iron market that: "There is, however, practically no disposition to buy at this time." And about the steel market: "General buying of finished steel products by jobbers and ordinary manufacturing consumers has been running distinctly lighter in the last fortnight than in January. A fair volume of business is being placed, but the market is distinctly less active. By precedent, if there is any change in the volume of activity at this time of year it should be in the other direction. The steel mills are much less sold up than they usually are when as active as at present."

On the front page and in editorials the capitalist papers continue to spread professional optimism about the economic situation, but in their financial columns they are forced to tell at least a part of the truth. The New York Times of February 25 writes: "Leading mining interests in Illinois and Indiana are preparing to operate more economically and work the most valuable mines, closing the others, thus keeping the supply of coal more adjusted to requirements." Says the report of the New York Times of March 3: "Business conditions thruout the West are spotted. In Minnesota and the Dakotas it is poor because of the small returns to the farmers." Dunn's Review says about the first week of March: "With conservatism still the predominant sentiment, a rapid growth of business is not to be expected." Bradstreet's establishes: "Trade and industry present a spotted appearance, and caution for buying for anything beyond immediate need is still the central feature. . . . Nowhere except possibly in the automobile trade does there appear the great onward sweep visible at this time a year ago." The World of March 9 admits in its Business Outlook the same tendency: "Nevertheless, instead of growing more liberal, buying policies have become more

restricted in many lines. Inflated costs supply one explanation for the restraint, but loss of confidence must take the foremost position, as a reason for the present hesitation which governs all forward operations. This lack of confidence is not only the average business man's feelings in regard to his markets, but it also grows out of his reaction to the present political discussion." The Chicago Tribune of March 12 gives the attitude of business men highly alarmed over the economic situation: "The more pessimistic look for a Summertime slump. . . . Expansions of mills, factories and shops already are being held back. . . . Already there are indications that expansion is being curtailed in some lines."

The situation summed up shows that the increase of pig iron and steel production and the increase of

Wilford Isbell King, "Employment Hours and Earnings in Prosperity and Depression, United States, 1920-22," says: "5,033,000 fewer workers were on the pay rolls in the early part of 1922 than were employed in the third quarter of 1920. However, part of this decline was seasonal. If we compare the third quarters, we discover that there were 4,102,000 fewer people at work in 1921 than in 1920, or about one-seventh of all who had been employed at the earlier date." The maximum decline of employment during the great crisis when 4,100,000 workers were out of jobs was 14 per cent. Today on the present depression we have no figures which we could compare with this general figure. But we have two partial figures: the volume of factory employment and the volume of railroad employment. The March

peak month, August, 1923, was 1,973,505. From then till the end of the year 1923, 179,726 railroad workers were laid off, which means 9.1 per cent. We can judge how heavy an unemployment this 9.1 per cent decline means if we bear in mind that during the greatest crisis of our economic history, the maximum decline of employment of the railroad workers was not more than 22.2 per cent.

But the decrease of the number of employed railroad workers does not give the complete picture of the catastrophic economic situation of the railroad workers. An ever growing number of railway workers are employed only part time. In August the number of full time employed railroad workers was 1,713,000. In December only 1,524,000. That means that the number of full time jobs declined by 11 per cent and the number of those working part time increased no less than 189,000.

We have still a third figure which is not as fully significant as the others because it is not a national figure; but it illustrates the mass character of present unemployment. In Massachusetts, according to the January report of the State Department of Labor, the reductions of employment between October and January show that almost one-tenth of the workers in the State of Massachusetts were laid off during that period.

### Unemployment and Labor Aristocracy.

The facts analyzed above show clearly that the working class of the United States is facing a heavy unemployment. Almost one million fewer factory workers are employed today than in the middle of 1923. And in addition to that about 180,000 less railroad workers are employed today than half a year ago. And again, in addition to that, we must add the increasing number of unemployed coal miners. But all these figures, as I showed in my previous article, still do not give the complete number of unemployed worker. They give only the figures showing by how much the number of employed workers decreased. But these workers whom the capitalists drive out of the factories, railroads and mines are only a part of the growing industrial reserve army which is being constantly increased thru hundreds of thousands of dispossessed farmers, and new immigrants.

The unemployment is very heavy and has a mass character; but it is not as heavy as during the great economic crisis of 1921-22. The greatest difference between the two periods is the condition of the metal industry. In the previous period the metal industry was most heavily affected. Today the metal industry does not yet show the full effects of depression.

The present unemployment has a mass character, and the working class suffers greatly from it. Part-time work and wage cuts are a general phenomenon today. It is in sharp contradiction to these facts that the official labor movement and the press of the American Federation of Labor simply take no cognizance of this unemployment. How is that possible, and what is the solution of this contradiction?

We can give a clear answer to this question if we study carefully the "Industrial Employment Information Bulletin" of January, 1924, of the United States Department of Labor.

The facts show that unemployment does not affect equally all strata of the laboring masses. The masses of unemployed consist of unskilled workers. And at the same time the labor aristocracy is fully employed, and in many cases there is even a scarcity of skilled labor.

We could cite scores of examples proving that fundamental fact, but we will present here only a few citations from the above-mentioned Bulletin:

"New York. There is a surplus of labor in many sections, principally in the larger cities, consisting of (Continued on Page 8).

## The Unequal Struggle



employment in the state of New York and Illinois during February does not mean at all that the economic depression which began in the middle of 1923 is passing over. On the contrary the general outlook is of aggravation.

### The Volume of Unemployment.

It is an unquestionable fact that there exists a heavy unemployment today. If no other proof existed the "Industrial Information Employment Bulletin" of January, 1924, of the United States Department of Labor is an absolute and complete proof. This Bulletin gives a description of the employment situation not only for every state of the country, but for the most important industrial centers within the states. This very important report is so detailed that we cannot repeat it here. But it gives the best basis for judging the situation to everyone who takes the trouble to study the report carefully. With very few exceptions the picture presented by this report of the whole country is of an increasing and spreading unemployment.

But if we wanted to size up the true volume of the present unemployment we would have to compare it with the unemployment of other periods. If we should want to form judgment as to whether the present unemployment is of a mass character or not, we could do so by comparing it with the last great mass unemployment in the last great economic crisis of 1922-23. Never in its history did the United States experience a greater and deeper unemployment than in the crisis of 1921-22. The best study, the work of

report of the Federal Reserve Board gives the following new index numbers for factory employment:

Year	Factory Employment
1919	100
1920	104
1922	90
1923 (June)	103
1924 (January)	98

The year 1920 has the index number of factory employment, 104. The year 1922 shows 90. That means a decline of 14 per cent. The figures of King's book show that the maximum number of factory workers in 1920 was 11,370,000 and in 1922, 8,621,000. That's a decline of 2,749,000. That shows that a decline of 14 per cent was a decline of 2,749,000 employed workers.

The volume of factory employment declined from June, 1923, to January, 1924, from 103 to 98, a decline of 5 per cent. As the number of employed factory workers in the middle of 1923 was almost the same as in 1920, therefore, a decline of 5 per cent means a decline of about 975,000 workers.

The heaviest unemployment ever experienced in the economic history of the United States showed during the crisis of 1921-22 the maximum decline of 2,749,000 factory workers. The present depression shows a decline of almost one million factory workers. This figure alone justifies the assertion that unemployment is a mass phenomenon today.

The other figures that we can compare are the figures on the railroad employment situation. The number of employed railroad workers in the

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common and semi-skilled workmen.

"Syracuse. A shortage of tool-makers, machinists and other skilled trades in these lines, while a surplus of laborers, casual workers and unskilled machine hands exists.

"Albany. The large influx of transient labor has created a surplus, chiefly unskilled workmen.

"Yonkers. Labor, both skilled and semi-skilled is fully employed while a slight surplus of common labor is indicated.

"Elmira. A surplus of unskilled labor continues to exist. Altho skilled trades are steadily employed.

"Binghamton. A small amount of idleness, chiefly unskilled labor is apparent. Highly skilled mechanics are fully employed.

"New Jersey. Release of large numbers of semi-skilled and unskilled labor. Building mechanics are very well employed.

"Newark Industrial District. Skilled mechanics are well employed, but there is an increased surplus of ordinary labor and a noticeable amount of unemployment exists.

"Patterson. A shortage of skilled

mechanics is becoming apparent. The supply of general labor is plentiful.

"Pennsylvania, Johnstown. A labor surplus exists, principally of unskilled workers.

"Harrisburg Industrial District. With the exception of unskilled workmen labor is fully employed.

"Bethlehem. Skilled trades are fully employed.

"York. Skilled labor generally is well employed altho there is still a small amount of unemployment existing, principally unskilled workers.

"Illinois, Decatur. Surplus of unskilled labor is noted in the building trades.

"Danville. There is a large surplus of common labor evident in this city.

"Indiana. While the employment situation in this state is not bad, the calls for labor (except skilled) are light.

"Indianapolis. Surplus of common labor.

"Fort Wayne. Surplus of workers exists, particularly common labor.

"Michigan, Grand Rapids. Surplus of common laborers.

"Flint. The local workers in this

city are all employed, but there is a large number of transients looking for employment. Shortage of skilled automobile mechanics reported.

"Battle Creek. Surplus of unskilled labor and shortage of skilled machinists reported.

"Wisconsin, Milwaukee Industrial District. A slight shortage of machine molders for malleable foundries, pattern makers and skilled machinists is reported. There is a surplus of applicant in other industries and especially of common laborers.

"Superior. A large surplus exists in unskilled labor with a smaller surplus in skilled evident.

"Ohio, Canton Industrial District. Skilled workers are all employed. Workers out of employment are of the unskilled class.

"Lima. Light shortage of skilled labor in this city with a surplus of unskilled labor reported.

"Kansas, Leavenworth. Surplus of common labor. Skilled labor is fairly well employed.

"Nebraska, North Platte. Many idle agricultural workers here. Mechanics are fairly well employed.

"Kentucky. Shortage of skilled

mechanics and a surplus of unskilled workers is reported.

"Mississippi, Meridian. Skilled labor fully employed with a slight surplus of common labor existing.

"Louisiana. Skilled labor is well employed, but there is some excess of common labor.

"California, Los Angeles. Common labor is particularly affected in the existing large surplus of labor."

These facts show that unemployment is a mass phenomenon; but today it is still a "privilege" of the unskilled workers, and the labor aristocracy is still unaffected by the economic depression. The skilled workers are fully employed everywhere and we could not cite from the Bulletin more than two or three places where a surplus of skilled labor exists. In spite of all new leveling tendencies in the American working class there still exists a deep abyss between the privileged labor aristocracy and the real proletarian workers. The American Federation of Labor is under the leadership and in the hands of the labor aristocracy, and it, therefore, neglects the organizing of unskilled workers and does not care about unemployment of "common" labor.