

# The Effects of Rationalization in the U. S. A.

By JOSEPH ZACK

FOR the workers in capitalist countries this word "rationalization" has a terrible meaning. It means the most ruthless and scientific policy of exploitation. In plain English one may call it speed-up and efficiency. It means the replacement of the skilled by machinery, by semi-skilled and unskilled. It means women and child labor. It summarizes the labor policy of the ruling class in the modern imperialist stage of capitalism.

The July, 1927, issue of "Labor Review," published by the U. S. Department of Labor, which surely cannot be accused of pro-proletarian sympathies, in the compilation of its figures shows some of the effects of post-war rationalization upon the working class. The figures show that out of 100 workers employed in 1923 only 89 were employed in 1927. And this applies to the basic industries, to those industries upon which the economy of this country depends, and which indicate whether we have "prosperity," or whether we are headed for depression. Employment in the basic industries has decreased 11 per cent in a period of 4 years, between 1923 and 1927.

Now let us view the present prosperity from the basis of wages. There has been a decrease of 4.58 per cent in wages paid to skilled labor alone. Mind you, there has been a general decrease in employment of 11 per cent. Of those 11 per cent skilled labor alone received in 1927, 4.58 per cent less than it did in 1923. Little is said in this issue as to the percentage of wage decrease suffered by the unskilled, which has been much greater.

While under post-war rationalization the number of unemployed inevitably increases and wages decrease, retail prices of food have a tendency to go up and increased 56 per cent, 6 per cent between 1913 and 1927!

But what is most characteristic, those actually on the job employed, produced much more than ever before in American history.

Between 1919 and 1927 the output per worker per average has increased 34 per cent. That means that 66 workers in 1927 produced as much as 100 workers did in 1919. In the language of the "Labor Review," "expansion of output per person has been particularly large during recent years, amounting to 10 per cent in the two years from 1923 to 1925." (June issue, 1927.)

One example is characteristic of the general national situation now prevailing: The Bethlehem Steel Co. employed in 1923, 62,250 men. In 1925 it employed 2,152 less than in 1923. These 60,098 men produced 10 per cent more in 1925 than the 62,250 did in 1923. (See editorial N. Y. Evening Post, July 6, 1927.)

The "Labor Review" (June, 1927) states that the causes for this increased output by less workers can be ascribed to "increasing utilization of machinery and power; introduction of various sorts of labor saving devices and methods; elimination of waste," etc.

Anyone visiting Pittsburgh, Gary or Detroit knows very well that "elimination of waste" and "labor saving devices and methods" mean. He knows that in terms of human endurance they mean the shortening of the labor life of the worker and his ejection for the human scrap heap at a comparatively early age.

That the workers have been objecting to this intensification of exploitation is evident from the number of strikes disturbing the peace of this great land, in spite of the anti-strike policy (class collaboration) of the trade union bureaucracy. In 1926 alone there were 1035 cases of strike disputes throughout the country. New York heads the list with 216; Pennsylvania had 162; Massachusetts 113; New Jersey 87; Illinois 72 and Ohio 68. The rest are scattered among the other states. 372 strikes centered about wages; 106 strikes about recognition of the union; 106 strikes about general unsatisfactory conditions; 166 strikes had their origin in the closed and open shop question and 63 strikes were the result of unsatisfactory hours.

It is evident that capitalism has entered upon the phase of ever greater exploitation of the native labor element. The effect is a steady decrease in employment, a steady decrease in the total wages paid for a steady increase in personal output per worker. The sum total of the present situation is that fewer workers produce more and more and get less and less, while the streets are tramped by more and more of the American unemployed army.

Consumption of manufactured goods is about equal to what it was in 1923. This together with exports which now substantially exceed the total exports of Great Britain, war savings and artificial buying by the extensive instalment buying schemes is keeping domestic consumption of manufactured goods at the 1923 level and helps to smooth over the devastating effects rationalization would otherwise have upon an unorganized proletariat. The entire fabric of American capitalism however, becomes more and more dependent on exports of goods and capital, which accounts for the imperialist aggressiveness of the U. S. government at the present time.

Rationalization of the modern kind is a by-product of imperialism. It is only possible with highly developed industrial methods and machinery, trusts,



finance capitalism, imperialism. The few figures here indicate some of the effects upon the working class. A really thoro study is necessary to develop policy. It is essential that such a study take into consideration the effects of the present period of American capitalism upon agriculture, petty-bourgeoisie, middle class, etc. This is particularly important in the U. S. A., for the development of the united front policy.

Rationalization is of course not confined to the U. S. A. It is a world-wide phenomenon and represents the efforts of the bourgeoisie to unload the war costs upon the proletariat and exploited classes and to stabilize capitalism at the expense, particularly of the proletariat. The exploitation of the European proletariat is therefore so much more terrific particularly amongst the vanquished. We can therefore safely make the following general conclusion: The present imperialist era represents an enormous intensification of exploitation of the proletariat, peasantry and lower classes. Taken as a whole it drives the standard of living below the pre-war level in all countries. The bourgeoisie of the Central Powers in addition to its own national war costs is forced to submit to exploitation of the allied bourgeois powers and in attempting to unload its enormous cost upon the workers it is forced to establish the sharpest class rule. The allied bourgeoisie, Great Britain and Italy not being able to collect sufficient from the vanquished Central Powers and being confronted with the necessity of maintaining its imperialist position unloads upon the proletariat, peasantry and colonial peoples, forcing the standard of living of the population of the victorious powers was below pre-war, thus creating the strong tendency to the left. The American bourgeoisie, also unable to collect in total and wanting to unload its own war costs upon the proletariat and farming classes, as well as creating a power sufficient to take advantage of the weakened position,

of the other imperialist powers and desirous of establishing financially and otherwise its hegemony over the world intensifies its exploitation of the proletariat. It would appear unreal to some, but the fact is that the real wages of the American workers are now lower than 30 years ago and for millions of workers they are considerably below pre-war. The splendor of modern industry created succeeds to camouflage this fact to a considerable extent.

Considering the world proletariat as a whole the American workers hold a more privileged position than before the war, because his standard of living dropped much less than that of his European brother. But considering his pre-war standard (not to speak of the war period which was much higher) he is worse off. In the main, however, the American bourgeoisie succeeds to unload upon the workers by intensification of exploitation not by reduction of the standard of living.

There is a small section of the upper strata of the skilled that even improved its standards of living, the same can be said of the organized building trade workers. In strategic industries like steel there has been an attempt to bribe the worker by concessions. To generally speak of bribery of large sections of the upper stratum, however, cannot be borne out by facts. Therefore much larger sections of even the organized proletariat whose standards of living in the form of real income in comparison to pre-war has decreased than the ones increased and we are headed for much more in that direction.

On the whole we must say that the American worker reacted also towards the left, to added pressure against his standard of living, the big steel, coal and railroad strike movements, the amalgamation movement, the La Follette movement, which registered the discontent politically of the lower classes in general, the big left wing sentiment in the coal and garment industries, the 1035 strike disputes in 1926 in face of all the discouragement of the official trade union leadership, Passaic and the response it got, and the left wing influence in general, which altogether out of proportion to our organized strength, shows that there has been a deep-seated tendency towards the left, particularly since the war, and not to the right. Even historically speaking the whole A. F. of L. has been reared on the basis of continually intensified exploitation and the displacement and decline of the standard of living of even the skilled workers, who resisted partly successfully, thru the kind of organization the A. F. of L. in the main still is today.

Rationalization has saturated the world market with its increased output. It has filled up the gaps the world war created in the world markets, but it has also enormously weakened the buying power of the population in the great capitalist countries, particularly in Europe. The stabilization thus created is coming to a close. Capitalist world economy is confronting a crisis of great magnitude in which the revolutionary proletariat backed up by Soviet Russia is liable to become the decisive factor. Capitalism has a double front, a scramble for foreign markets and Soviet Russia. An armed struggle amongst the capitalist powers with Soviet Russia flanked by the revolutionary proletariat will weaken the system sufficiently to crash it. Hence the orientation more and more towards war with the Soviets as the spear head of the revolutionary proletariat. Capitalism cannot be stabilized without defeating the Soviets and let there be no illusion that when war comes the U. S. A. will play the first fiddle in it. The next world war will much more likely be a class war than anything else.



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