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**WORK
OR
WAGES**

by

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WORK OR WAGES

THE CHALLENGE OF UNEMPLOYMENT

By GRACE M. BURNHAM

The Certainty of Unemployment

THE creation of a vast reserve army of the unemployed is fundamental to the capitalist system. In the United States, where this system has attained its most complete development, the government leaves the fate of the jobless worker entirely to the private arrangements of the employing class. When a worker is fired and looks for another job, he must apply at one of the fee-charging employment agencies, most of which are notoriously unscrupulous, often functioning as direct strike-breaking agencies of the employers. Maintenance of the vast army of the unemployed is left to private charity. Thus the employing class is able to evade all responsibility for laying off workers because of technical changes, mergers, speed-up devices and the territorial shifts of industry. Their number has mounted to millions and is constantly on the increase.

With the decline of capitalism, the unemployment situation is bound to become more acute. The stock market crash of October 1929 represented for the worker only the culmination of months of industrial curtailment. Hundreds of thousands had already been laid off or been put on part time with corresponding reductions in wages.

When the crisis was reached, the government anticipated the rising temper of a working class made desperate by the specter of mass unemployment. Conferences were hurriedly called. Such a mobilization of business magnates had never

before been resorted to except in a war emergency. The government was determined to assist the corporations to shift the full burden of the crisis to the workers, but at the same time it wished to create the illusion of continued prosperity to blunt the edge of the fighting spirit of the starving masses. Officials of the American Federation of Labor were called in for this purpose. They responded with a pledge to ask for no wage increases and to prevent strikes.

Wage cuts immediately followed the conferences. Further intensification of labor continued to increase unemployment. The Chrysler Corporation in Detroit closed down and laid off some 10,000 men. Ford laid off 30,000 in his River Rouge plant "in preparation for another new model." Many textile plants had already shut down one week a month during the summer and were later running on a four-day week schedule. The minimum amount of curtailment agreed to by a certain group of Southern cotton mills was 27%. In November the Victor Talking Machine Company laid off 3,000 of its 15,000 workers, 20% of the working force. Similar reports came from hundreds of plants in various industries throughout the country.

Hoover's mobilization of the captains of industry to stimulate production failed miserably. *The Annalist* (November 22, 1929) summed up the situation and showed the futility of such panaceas when it said: "The depression itself is in large part due to what is now proposed as the remedy, namely, expansion in industrial production."

"Unemployment will be the greatest problem before the United States in the next decade," according to experts of the American Economic Association who discussed this subject at their annual convention in Washington, December 30, 1929. "Unemployment, now the nightmare of five out of every ten Europeans, has never been a problem for a sufficiently long period in the United States to influence our political thought, but it is doubtful if that blissful state will continue," said Robert B. Warren. He foresaw a more or less chronic state of industrial unemployment during the next ten year period.

The American working class must face the facts. Unemployment is no passing phase in its life. For increasing millions of the less fortunate, it has become a permanent certainty. For millions more, it constitutes a constantly recurring menace.

The Amount of Unemployment

Figures for unemployment in the United States are at best only guesswork. No national records are kept. Estimates made from time to time are based on the most fragmentary information and vary according to the sympathies of the writer. The only official information at present available is compiled by the United States Department of Labor from reports sent in by 10,000 concerns in 54 manufacturing industries. The government does not gather these figures directly. It takes them from the employers' own computations which are easily manipulated to exaggerate payrolls and minimize the extent of unemployment.

Nor can the census data of 1930 be taken as authoritative. A large proportion of unemployed workers undoubtedly failed to report themselves as unemployed. Furthermore, April, the census month, is a time when employment, due to seasonal activity in farming, building, and other industries, is on the upgrade. Also every effort has been made by politicians and employers to increase employment totals in the month when the census was taken. Many of these concentrated orders during this period in order to give a picture of business recovery. The Mayor of Memphis, Tenn., gave expression to what went on throughout the country when he inaugurated a campaign "to promote all work possible, at least during April." "No unemployment in Memphis when the census is taken," said City Commissioner Jackson. "We won't get another chance at the federal figures for 10 years."

Dr. Hornell Hart, who made one of the few long range studies of the trend of unemployment, concluded that the number of unemployed for the period 1902-1917 was never

less than 1,000,000. The average was more nearly 2,500,000. This was exclusive of agricultural workers.

Taking Dr. Hart's figures of 2,500,000 as the average number of workers unemployed before 1917, we estimate the number out of work in 1927 as no less than 6,000,000. The manufacturing industries squeezed out at least 1,000,000 workers (1917-1927); the farms another 1,000,000; bituminous coal mines, 200,000; the railways 300,000. During the same period, 3,000,000 workers came of industrial age through the natural increase in population. Estimating an absorption of some 2,000,000 workers in new and "flourishing" industries and "service" occupations—a generous estimate—and deducting this number, we arrive at the 6,000,000 minimum figure for unemployment in the winter of 1927-1928.

Further rationalization of industry between 1927 and 1930, followed by the crisis of 1929-1930, leads to a conservative estimate of at least 7,000,000 unemployed at the beginning of 1930. By the end of the year the figure was nearer 9,000,000.

The percentage of workers unemployed varies according to industries, localities, seasons. The general average for the United States is somewhere between 10 and 12% of the industrial population. In 1928, the American Federation of Labor figured that 13% of its members were unemployed. The average for 1929 was 12%, but for the first four months of 1930 it rose to 21%, much higher than during the same months of 1929. A survey of working class families in New York made in 1929 showed 17% without jobs.

In the state of Illinois applicants for each 100 jobs at the free employment exchanges in the years 1920-1927 were as follows:

Year	1920	1921	1922	1923	1924	1925	1926	1927
Applicants for each 100 jobs.....	102	218	134	111	153	147	142	174

By January 1928, at the height of the business depression of that period, the number of applicants for each 100 jobs had risen to 239; in January 1929 it was 182. In January 1930 it was 257.

Fluctuation by trades in Illinois during the month of January 1930 showed the most extreme variations in addition to reflecting the general unemployment crisis. In agriculture there were 262 applicants for every 100 jobs open; in the building industry 601; in clerical occupations 561; in domestic service, hotels, and restaurants 197; metals and machinery 456; miscellaneous trades 330; casual workers 142; common labor 265. Less than 100 positions in the entire state were available in the textile and clothing industries, the printing trades, transportation and public utilities.

In addition to the workers who have no jobs there are always uncounted millions who are working only part of the year with corresponding loss of yearly earnings. The following data compiled from the U. S. Department of Commerce reports show the decrease in the working force in certain industries between the best and worst months of 1925:

Industry	Largest Number Workers	Smallest Number Workers	Decrease in Working Force
Boot and shoe	216,564	191,822	24,742
Bread, etc.	165,547	156,359	9,188
Car and railroad.....	438,308	416,961	21,347
Clay	112,636	86,983	25,653
Men's clothing	180,839	165,319	15,520
Women's clothing	140,694	110,795	29,899
Cotton goods	463,261	426,015	37,246
Electrical machinery	273,418	218,717	54,701
Foundries, etc.	412,947	376,830	36,117
Furniture	194,569	171,011	23,558
Iron and steel	385,354	354,053	31,301
Knit goods	193,748	176,802	16,856
Lumber, etc.	485,915	464,382	21,633
Motor vehicle bodies and parts	256,117	190,552	65,565
Motor vehicles, assembled.....	220,384	167,088	53,296
Paper, etc.	125,830	122,282	3,548
Printing, etc.	136,847	130,398	6,449
Silk manufacturing	138,908	123,582	15,326
Slaughtering, etc.	131,970	113,193	18,777
Tobacco	123,609	112,360	11,249
Worsted goods	107,574	88,284	19,290

The Massachusetts Department of Labor and Industries in a survey of over 1,000,000 representative establishments in January 1928 reported only 87.2% of the normal working force

employed, and of these 22.8% were in plants operating on short time schedules. In other words, less than two-thirds of Massachusetts factory workers had full time jobs.

Peaks and Cycles

Within 14 years, 1914-1928, there were four periods when the number of unemployed ranged between four and six million. Capitalist economists accept these peaks of unemployment as inevitable and coincident with periods of business depression. By saving the wages of millions of workers during these periods while exacting intense speed-up from those still employed, capitalist economy transfers the burden of economic depressions to the working class. (Between September 1929 and January 1930 workers in factories in the United States lost some \$200,000,000 in wages due to unemployment.)

Business depressions in the United States occur more frequently than in any European country. That they have not been more severe is explained by the ability of a country in the heyday of imperialist expansion to recover from crises more quickly than a country where capitalism is already in a period of decline and decay. The general average between periods of business depression in European countries has been 5.4 years while for the United States it has been only 4 years. Moreover, the time between periods of business depression in the United States has been decreasing. Between the years 1888 and 1923 it averaged only 3.2 years.

But the rising power of American capitalism is at an end and with its downward trend business depressions will tend to become more severe, recovery slower, and the periods between the peaks longer, following the history of the downward swing of European capitalism.

Periods of business depression always last longer than periods of business prosperity. Between 1873 and 1882 periods of prosperity lasted only 42 months, while periods of depression lasted 57 months. With the gradual decline of American

capitalism the periods of depression will be considerably lengthened with corresponding misery for the workers.

Speed-Up and Inventions

Not only have waves of unemployment become more frequent, but the number of workers permanently unemployed increases year by year. With each new invention, each introduction of "efficiency" methods, the number of actual jobs available becomes fewer. A permanent and constantly growing army of the unemployed is the outstanding characteristic of unemployment to-day. In the past eight years, over 900,000 workers have been laid off permanently from the manufacturing industries; 800,000 from agriculture; 300,000 from the railroads. Since 1923—the year of maximum number of miners employed—nearly 200,000 men have been thrown out of the bituminous coal mines. This does not mean that the output in these industries has correspondingly declined. On the contrary, increased intensification of labor has increased tremendously the productivity of the workers.

In the manufacturing industries productivity per worker increased 43% from the close of the war to 1927; in agriculture there has been an increase of 27%; on the railroads, 12%; in bituminous coal, 23%. Highly developed mass production industries, such as automobile manufacturing, have increased output per worker 310% above the pre-war level. Two men now do the work formerly required of 128 in the loading of pig-iron; one man replaces 42 in operating open hearth furnaces. On oil burning steamships nine firemen, three each watch, replace the former stoking crew of 120 men. One automobile company produced 1400% more cars in 1927 by employing only 10% more workers. A large copper refining company reduced its skilled and unskilled working force from 578 men to 233 with a 10% increase in output. In a cotton mill in Lexington, N. C., each weaver had his looms increased from 24 to 72, while only 6 of the 19 weavers previously

employed were kept to operate these 72 looms. Cotton weavers are quite commonly expected to double the number of looms they have been in the habit of tending. The same is true in other textile lines as well as in practically every other American industry.

Working Hours

Hours of work have not been reduced to compensate for the terrific pace at which industry is run. Hardly more than 1% of the workers enjoy the much advertised 5-day 40-hour week. Even in the organized trades where there are union agreements the average hours per week are about 45. For the great majority of American workers 50, 60 and even 70 hours a week are the rule. One-third of the workers operating blast furnaces in the steel mills work between 60 and 84 hours a week.

The tendency of capitalist production to-day is to have fewer workers on the payroll; to speed these workers to the very limit of their strength; to fire those unable to keep up the pace; to lay off the entire working force in periods of crisis and "readjustment"; and to rehire at lower average wages if and when the plant reopens.

In this furious production drive, the older worker is the one most apt to lag behind, the first candidate for unemployment, the least likely to be rehired. It has been estimated that there are in the country about 2,000,000 persons—at least one-third of the population 65 years of age and over—unemployed and unprovided for. A few states give a miserable pittance called a pension to a few thousand of these unfortunates. The others drift to the charities and to the poor houses. Here, herded in filthy and overcrowded barracks, fed like animals, robbed of all pretense of self-respect and privacy, these aged poor live out the last chapter of their exploitation.

Into their ranks now come a new supply of cast-offs, workers in the prime of life, forty, fifty, sixty years old. Among them are skilled mechanics whose skill is no longer required by the machine; musicians thrown out of work by the

“talkies” and the radio; craftsmen whose careful efforts are too slow and costly for the super-machine. These men are able and anxious to work but capitalist society has no work for them.

Child Labor

On the other hand, the employers see to it that there is work for millions of children and youths. Children of 14 may go to work in 41 states. Only two states have fixed the working age at 16 or above. In the remaining states the working age is below 14. Georgia allows a 60-hour week for 14-year-old children in textile plants. If orphans or children of widows, they may go to work at 12. Mississippi allows boys of 12 to work in textiles. Child labor is cheap. The weekly earnings of one-fourth of Pennsylvania's child laborers are less than \$7.15 according to a recent report of the Department of Labor and Industry of that state. One-half of the children earned less than \$8.50 a week. This is the reason child labor laws are inadequate, weak and flagrantly violated. While millions of adults are unemployed, the children of the working class are exploited by capitalist industry, killed, maimed or stunted for life.

Starvation Wages

“There is no large class in the United States,” says Julius Klein, Assistant Secretary of Commerce (*New York Times*, December. 15, 1929) “which is without ambition to possess the good things of life or *without purchasing power to command a decent measure of them.*” This is a direct misrepresentation of fact.

In 1927 the yearly income of workers engaged in manufacture averaged only \$1,301.30 while the cost of living of a worker's family in the United States is estimated by the U. S. Bureau of Labor Statistics at about \$2,200 for the bare necessities of life. Section hands on railroads averaged less than \$1000 a year in 1928. In fact, 23% of all railroad workers were in the “under \$1,000” class.

In the early months of 1929, the average daily wage for miners dropped 20% from \$7.03 in 1922 to \$5.50 in 1929. But since the war, work in the mines has been exceedingly irregular, and in 1928 the men were working only two-thirds of possible working time. As a result, in not one mining state in 1928 did the yearly earnings average as much as \$1200. In Virginia they averaged only \$972, in Ohio \$833 and in Kansas \$644. This means only \$19, \$16 and \$12.50 a week to live on.

Appeals to charity are the inevitable result of such degradation of the workers' standard of living. A recent study of 1000 families applying for aid at three Boston social agencies showed the majority of women had been earning only \$10 to \$14 a week while the men averaged between \$20 and \$24 a week.

The incomes of 90% of a group of families studied by the Department of Labor in Racine, Wis., and Springfield, Mass., during the 1920-21 industrial depression dropped from between \$100 and \$175 a month to between \$25 and \$100 a month. This 50% slash in the all too scanty pay envelope included not only what the father could pick up temporarily, but also the wages of the mother and children, savings taken from the bank, food and other necessities purchased on credit, and aid from relatives and relief agencies. Over 80% of the families went into debt. Over half of the families had to turn to charity for relief.

Private charity is the medium through which the employing class in the United States completes the degradation and subservience of the workers. Since there is no maintenance of the unemployed by the government, the institution of private charity is the only choice which stands between the stranded worker and starvation.

Job Hunting

In 1918, when the removal of hundreds of thousands of workers from industry to the battle front caused a marked shortage of labor, the federal government was quick to come

to the aid of the war profiteer. Over a million dollars was appropriated by the President and Congress to build up and coordinate state and city employment offices. In the short period of nine months over 800 free public employment offices were functioning. "The United States Employment Service," says Isador Lubin in a statement to the Senate Committee investigating unemployment in 1928-29, "was organized primarily to help those industries which had been crippled by the loss of man power, rather than to help workers secure jobs." The United States Employment Service was scrapped as soon as workers became plentiful and jobs scarce. In 1919 the federal appropriation for the service had been cut to \$400,000. The present appropriation is only \$200,000 and the free employment offices now number but 170 in 35 states. The inadequacy of these offices is shown by the following table:

DISTRIBUTION OF THE 170 FREE PUBLIC EMPLOYMENT OFFICES AMONG THE 35 STATES AND THE DISTRICT OF COLUMBIA, AND APPROXIMATE NUMBER OF WAGE EARNERS—1928

State	No. Offices	Approx. No. Wage Earners in State	State	No. Offices	Approx. No. Wage Earners in State
Arizona	1	105,000	Missouri	4	1,054,000
Arkansas	4	508,000	Nevada	1	30,000
California	12	1,210,000	New Hampshire ...	2	154,000
Connecticut	7	472,000	New Jersey	6	1,049,000
Delaware	1	74,000	New York	11	3,602,000
Dist. of Columbia..	1	189,000	North Carolina	6	717,000
Georgia	1	903,000	Ohio	11	1,842,000
Illinois	17	2,102,000	Oklahoma	4	545,000
Indiana	5	894,000	Oregon	5	258,000
Iowa	3	687,000	Pennsylvania	14	2,741,000
Kansas	5	499,000	Rhode Island	1	220,000
Kentucky	1	681,000	South Dakota	3	166,000
Louisiana	3	545,000	Tennessee	1	664,000
Maine	1	248,000	Vermont	1	110,000
Maryland	1	482,000	Virginia	5	667,000
Massachusetts	4	1,382,000	West Virginia	1	393,000
Michigan	11	1,179,000	Wisconsin	10	797,000
Minnesota	6	726,000	Wyoming	1	66,000

Thirteen states have not even one public employment office. Most of the existing offices are nothing but corrupt political

sinecures where workers waste their time in useless quests for jobs. Moreover, the complete domination of politics by the corporations makes the sending of scabs to take the place of striking workers a logical function of these agencies.

The state of Wisconsin operates one of the "more efficient" public employment offices. The director of the Employment Service appoints an Advisory Committee with four representatives of the employers, four of the trade unions (A. F. of L.), and one "impartial" person. "Ninety-five per cent of the applicants to the public employment offices," says Prof. John R. Commons, in advocating this arrangement for the rest of the country, "come from the ranks of the unorganized. *The manufacturers' side of the committee is always going to protect unorganized labor. They are not going to let them be discriminated against by the union.*" In this connection it is important to note that among the representatives of the employers on the Milwaukee advisory committee is the secretary of the employment department of the state metal trades association, a rabid anti-union strike-breaking organization.

The obvious persons to administer an employment service in the interests of the workers would be a committee representing those "95% of the workers" who use the employment offices. But representation from councils or committees of the unemployed is relished neither by the open shop employers who want workers at their own price, nor by the A. F. of L. craft unions who fear the revolutionary temper of the unemployed. Commons clearly exposes his attitude toward labor when he says: "The unorganized are not doing any fighting at all. They are not engaged in any political movements to amount to anything. *They are Negroes and other classes of people and are advised—'by the Milwaukee office'—that it is impossible for them ever to select a person that would represent them.*"

In the meantime thousands of fee-charging employment agencies continue to flourish in every state. Their purpose is twofold: first, to make the greatest profit possible from the

plight of the unemployed, and second, to assist the employers by supplying scabs to break strikes. Although a few of these private employment offices maintain a high standard of technical efficiency, the majority are run by persons without special training. All of them charge high fees, which in many instances amount to as much as an entire month's salary. The average fee charged for all jobs by the private employment offices in California in 1928 was \$3.93, and for clerical and commercial jobs the average fee was \$13.71. In computing these averages all jobs were included *even though they lasted only one day.*

Petty graft and exorbitant fees, fee splitting and misrepresentation of conditions of employment, refusal to return fees when jobs were not supplied, catering to commercialized vice by sending girls to places of ill repute—these are some of the facts brought out in official probes of private employment agencies *for the past 75 years.* "Private agencies," states Lubin in the most recent of these investigations conducted by the U. S. Senate in 1928-29, "have been deliberately known to send unfit men to certain jobs in the knowledge that the workers would not be kept on, thus making it possible in a short while to secure a second fee. One Pennsylvania licensed agency was recently reported to have made arrangements with a factory foreman by which the foreman was paid \$5.00 for every man taken on from this agent, and \$2.00 for every man discharged. The men were kept on the job a week, were paid every Friday and the expectation was that they would return to the agent for a new job the following Monday."

Fee-charging private employment agencies are receiving special privileges at the hands of the government at the expense of the millions of workers who are forced to use them every day. In refusing the state of New Jersey the power to limit exorbitant fees, the Supreme Court of the United States ruled that "the employment business does not differ in substantial character from the business of the real estate broker, ship broker, merchandise broker, or ticket broker."

In no statement could the capitalist conception of labor as a commodity to be bought and sold on the market be more clearly defined.

Hiring at the Gate

Employers deliberately advertise for more workers than they actually need. By this means they keep a steady stream of applicants at the gate from among whom they are able to choose the youngest, strongest, and cheapest labor. The employment manager of an electric light and power company stated frankly that he wanted to have just as many men coming to him as possible. "We interview every one that comes," he said, "and if we haven't a job, we encourage him to keep at us until we do have something."

The following descriptions of conditions throughout the country published by *The Daily Worker* in the winter of 1929-1930 are typical of those in hundreds of cities:

Philadelphia, Pa.: The other day one of the theaters of Philadelphia advertised for a man and the next morning not less than 5000 workers responded to the ad.

Newark, N. J.: Three thousand unemployed stormed the gates of the Ford Motor Company, Kearny, N. J., and the police were called out forcibly to maintain order. The city employment bureau has 700 to 1000 applicants daily.

Chicago, Ill.: Ten thousand workers stormed the Leiter stores at Van Buren and State Streets seeking work during the firm's recent liquidation sale. Police reserves were called in twice against the workers.

But probably the most extreme examples of mile-long lines of men in search of jobs come from the automobile centers of Michigan. Robert Dunn draws many striking pictures of the plight of these workers in his *Labor and Automobiles*:

In February 1928, when unemployment prevailed among General Motors workers in Flint, bus loads of almost penniless workers, bound from Missouri and the South, in answer to advertisements, were brought to the city. The men said they had read advertisements for

help in farm and weekly papers exhorting them to "come to Flint and earn \$10 a day."

On one Monday morning, late in March 1930, some 20,000 unemployed workers waiting in front of the Ford River Rouge plant at Detroit were brutally dispersed by police who hurled tear bombs and swung clubs. The crowd had gathered, some as early as 6 o'clock the previous night, on a rumor that thousands would be hired. In the morning they discovered the rumor was a fake. When some refused to move and pushed over the fence surrounding the plant the mounted police rode them down sending many to the hospital and the police station.

"Smash the unemployed" continued to be the order of the day at Ford's. A month later a worker standing in line with 12,000 others at the same plant was killed by a policeman. Eyewitnesses described the murder to a *Federated Press* reporter:

Armed cops were walking up and down the line. When they couldn't find trouble they tried to start it. They displayed their guns and clubs arrogantly and abused the jobless without provocation. It so happened that this one fellow was slightly out of line, although he had been there since 5 the night before. He was tired, hungry and cold. The cop got nasty with him and tried to pull him out of line. The worker refused to get out of line. He said he'd been there for many nights and he wasn't going to get out just because a cop told him to. The policeman raised his club and brought it down with smashing force behind the man's ear. The man fell like a log. He didn't make a move. The cop looked surprised and called for a wagon. They threw the dead man on and drove off while cops began busting up the line.

Looking for a job in the United States to-day is costly, wasteful, brutal, and, except for the more fortunate few, hopeless. The entire system of inadequate and corrupt public employment offices, fee-charging unregulated private agencies, uncontrolled newspaper advertising and strike-breaking apparatus is designed to assist the employer and to victimize the worker. A nationally operated system of free public em-

ployment offices, under workers' control, offers the only medium for removing such abuses and putting an end to the employment markets used as a whip over the workers at every factory gate.

Public Works

The undertaking of public works in periods of business depression is hailed by apologists for the capitalist system as a cure-all for unemployment. "Stabilizing prosperity," Mr. Hoover called it in his preëlection campaign following the unemployment crisis of 1927-28. And Hoover's mouthpiece, Governor Brewster of Maine, gave this glowing description of the project:

Picture the approach of an economic crisis with unemployment threatening on every hand. The release of three billions in construction contracts would remedy or ameliorate this situation. Follow the flow of these three billions to the contractor, to the laborer, to the material man, to the factory, to the factory employee, to the merchants, to the farmer. It goes like the house that Jack built and unemployment is at an end.

Speaking in support of this measure during the recent Senate investigation, Isador Lubin disclosed a most significant feature of the plan. "During recessions," he said, "when private demand is usually small, the government could make purchases under much more favorable conditions than would otherwise be possible. *At the same time it would be able to secure its required labor at lower wages.*"

On becoming President, however, Mr. Hoover let even this camouflage for "stabilization" drop. The Jones Bill which modestly appropriated \$150,000,000 as a "prosperity reserve" was defeated in January 1929. Senator King, in registering his vote against the measure, put in one sentence the government's attitude toward the workers. "We had better postpone action on this matter for a year, when hard times will come."

Hard times did come, in less than a year. But the President's recommendation for "stabilizing prosperity" by governmental appropriations for construction shrank from three billion to \$175,000,000 *to extend over a period of ten years*. Writing in the December 25 issue of *The Nation* on "Prosperity by Proclamation," Alfred Bernheim says:

I see no justification for any estimate which places the excess 1930 capital expansion budget of government and corporations combined above \$750,000,000 and the wage share of that total will not afford full-time employment for more than between 175,000 and 200,000 men. This is certainly not an inexhaustible reservoir of jobs, and offers little hope that new construction work can take care of any marked increase of unemployment.

Official figures received by S. W. Straus & Co. from 588 cities and towns of the country for building permits issued in December 1929 show a loss of 39% compared with the same month of 1928. For the entire year the same centers revealed a loss of 12% from 1928 and 13% from 1927. "The decline in building," states the *Straus Review*, "it would appear, *must go still further.*" (Italics mine.) Building activity in New York City during December fell more than 50% behind December 1928. Permits in Chicago were more than \$100,000,000 below 1928 and \$150,000,000 behind 1927.

Nor did the usual spring "pick-up" in building activity in 1930 measure up to previous years. A. F. of L. figures show that in April, 40% of the building trades membership was still out of work, an improvement of only 1% over March. This was in marked contrast to previous years. For in 1929 the decrease in unemployment from March to April was 5% and in 1928, after the crisis, it was 6%.

These facts give the lie to the myth of business stability. Plans for increased building activity on which the entire Hoover program for unemployment relief concentrated burst like a bubble.

It is obvious that appropriations for public works will not solve the problem of unemployment. Even if a nationwide

building program of the kind suggested by Hoover in his pre-election campaign were seriously undertaken, it would provide work for hardly more than a few thousand men. But this theory that appropriations for public works will solve the problem of unemployment will continue to be put forward by the capitalist state not only because it spreads the illusion that unemployment can be wiped out but also because of the increased power it gives a capitalist government to use such appropriations—whether voted by city, state, or nation—to depress wages and further exploit the workers.

The Senate "Investigates"

Appointed in May 1928 "to investigate the causes of unemployment and recommend such legislation as seems advisable," the Senate Committee on Education and Labor sidestepped every proposal which could be of any real value to the workers.

The committee took no evidence on the question of speed-up and the countless efficiency methods directly responsible for the increasing accumulation of the unemployed. And it dismissed the fundamental problem of shortening hours in these words: "The printed evidence—submitted to the committee—contains suggestions of the shortened work-day and the reduced working week. . . . However, in the time your committee had for this subject, no opportunity presented itself for the consideration of legislation on the subject and your committee has nothing to suggest at this time." Regarding crises, which throw additional millions of workers on the streets, the committee left to private industry "recognition of its responsibility to stabilize employment within the industry."

The committee hesitated to go farther than to recommend the reorganization of the United States Employment Service "as completely detached from the operation of exchanges throughout the states as it is possible to be." With no proposals for federal appropriations, trained staff or workers'

control, this continues to leave the worker at the mercy of the corporation employment departments and the unscrupulous private employment sharks.

"The government should adopt legislation without delay," is the sole constructive proposal of the committee, "which would provide a system of planning public works, so that they would form a reserve against unemployment in times of depression." We have already seen the real purpose of this proposal, its utter inadequacy, and the government's failure to take even this feeble step for the relief of the unemployed.

Unemployment insurance, the most essential and immediate measure for the assistance of the unemployed, is dismissed as inadvisable and called "government interference." Private employers should be permitted and encouraged to adopt the system of unemployment insurance best suited to the particular industry, is the committee's proposal.

These conclusions on unemployment insurance which virtually amount to instructions to employers' lobbies and politicians to oppose all measures for state or federal legislation were no accident, nor were they wholly the result of the deliberations of the Senate Committee. They were definite orders from President Hoover, who is always on the alert to protect the interests and promote the profits of private business. Speaking before a meeting of managers of the Metropolitan Life Insurance Company while he was still Secretary of Commerce, Mr. Hoover characterized unemployment insurance in the hands of the government as "the encroachment of bureaucracy into the daily life of our people," while recommending private insurance contributed to by the employer as providing "*one of the greatest safeguards to our social stability.*" (Italics mine.)

It is not in the increased profits to the life insurance companies, that we are here so much concerned, although that is of great importance as these companies are powerful opponents of social insurance. (The legal reserve life insurance companies of the United States commanded in 1929 assets of

seventeen billion dollars for investment purposes.) It is in the suggestion that unemployment insurance in private hands can "provide one of the greatest safeguards to our social stability"—*i.e.*, to capitalist exploitation of the working class.

The Metropolitan Life Insurance Company was not slow to grasp these implications in the Hoover address. "Might it not be one solution of the problem," declares their memorandum submitted to the Senate committee, "to have life insurance companies undertake for employers the trusteeship of industrial depression reserves, or unemployment premiums, and agree to pay *certain amounts to certain employers* under prescribed conditions? . . . Such contract might well provide that no employee should be covered until at least six months' employment had been rendered; that for the purpose of the contract unemployment would be defined as time lost through the inability of the employer to provide work, and *that voluntary resignations or dismissals on account of inefficiency were risks not insured against*. Under such a contract the real purpose of unemployment insurance might be accomplished, *while drones, wanderers, those who have a lack of moral fiber, inadequate mental or physical equipment, lack of judgment, adverse fortunes, etc., would be left to their own resources.*" (Italics mine.)

Any militant worker who strikes, any unfortunate worker who cannot keep up the pace, any "agitator" who is fired for "lack of judgment," could be victimized under such a private insurance agreement by being left to starve, or to put it more subtly, "left to his own resources." And any employer who makes agreements with the left wing unions would find himself operating outside of the "prescribed conditions." Already the United States Department of Labor has given sharp evidence of its intentions to interfere along similar lines by warning Brooklyn employers against agreements with the Independent Shoe Workers' Union, a left wing organization.

The "Dismissal" Wage

As has been already pointed out, the policy of the employing class is to cut down to the lowest limit the number of its workers, making use of every method of speed-up to maintain and increase production with this reduced working force. Unemployment insurance is an obligation which the corporations have no intention of assuming even though the benefits paid are negligible.

Less than 12,000 workers in the United States were covered by private insurance schemes in 1928. These schemes are nothing but "welfare bait" by means of which workers are kept unorganized, speeded up, and used as shock troops in production drives.

The Crocker McElwain Paper Co. used unemployment insurance to reward strike-breakers and weaken the union. In 1920 when the skilled workers took the jobs of the unskilled who were on strike, the company introduced unemployment insurance as a reward. Workers must be with the company five years before receiving an employment guarantee of 52 weeks a year. In 1927 the company had about 600 workers, less than half of whom were covered by employment guarantees. Wages for these "guaranteed" workers have been steadily reduced in comparison with the "non-privileged" employees.

Workers of the United Diamond Works, the only non-union cutting factory in the diamond industry, must be with the company six months to become eligible to unemployment benefits. Factory employees receive 25% of their average earnings, while men in supervisory positions get 50, 75, and in some cases, 100% of their wages. Women office workers receive 50%, but factory hands get only 20%. Less than 100 workers are covered.

Forty-eight weeks' employment with full pay is assured workers who have been six months or more with the Procter and Gamble Co., soap manufacturers. "The company reserves the right to discharge any employee at any time for any

cause and to transfer any employee to work other than that at which he is regularly employed." This includes the arbitrary imposition of wage cuts and overtime. Thus the working force can be constantly manipulated to let out employees eligible for pensions.

With business instability increasing in the face of a deepening world economic crisis, an even less burdensome device is being adopted by the "welfare" group of open shop corporations. This is the "dismissal wage." By means of it, large numbers of workers are arbitrarily dismissed by the payment of one, two or three weeks' salary, according to length of service, good behavior and similar qualifications stipulated entirely by the corporations.

The Dennison Mfg. Co., substituting the "dismissal wage" for its former unemployment insurance scheme, provides "that in case of *long continued depressions*," discharged workers, other than those "who have been employed on a *purely temporary basis*, shall be given two weeks' notice *or* shall be paid for the same period." (*Monthly Labor Review*, April 1930.) The Columbia Conserve Co., which works its office force with no extra pay from 70 to 80 hours a week in the busy season, has also substituted the "dismissal wage" idea—two weeks' salary "to help tide them over *until they can get another job*." (Italics mine.)

From one week's pay for services of from 6 to 9 months to one month's salary to employees with over 5 years' service, is the contribution of the Consolidated Gas, Electric Light & Power Co. of New York, *except* for workers paid on an hourly basis. Workers in the Firestone Tire & Rubber Co. must show *five years' service* to be entitled to the one month's salary "dismissal wage."

A. F. of L. Betrayals

The fact that the majority of workers in the United States are unorganized makes it possible for the employing class to

pit one worker against another in the scramble for jobs, to replace the worker who falls behind in the production drive with a younger and more willing pace-setter. More than this, the American Federation of Labor is organized to ensure the best paying jobs and steadiest employment for a labor aristocracy which represents primarily the skilled craftsmen and the least exploited of the American workers. The result is a wage division of workers by categories starting with the labor of children and youth which is the lowest paid. The fact that Negroes are paid less than white workers for the same job, are worked longer hours and are forced into the lowest paid and most menial tasks, exposes them to special discrimination. The American Federation of Labor has played directly into the hands of the white master class in its use of race prejudice to divide the workers. Negroes are excluded from the majority of A. F. of L. unions. Where they have forced their way into the unions in spite of barriers, they are discriminated against in the choice of jobs or are segregated into Jim Crow organizations. Jobs where Negro labor predominates are practically unorganized—for example, in steel, tobacco, transport, lumber, mining, and farming.

The American Federation of Labor has repeatedly opposed a national system of unemployment insurance. With 7,000,000 workers unemployed it continues to preach the maintenance of present wages as a cure for unemployment. The theory that high wages mean spending power and spending power in the hands of the 34,000,000 workers of the country will keep the wheels of industry going and prevent unemployment is even theoretically incorrect under capitalism. The employing class will continue to withdraw as profits all the traffic will bear, and allocate as wages the minimum that the workers will stand. The millions of unemployed have nothing to spend. Only unemployment insurance taken from the profits of the employers will give the unemployed an equivalent to wages.

The representatives of the A. F. of L. and the Railway Brotherhoods who participated in the White House conference

following the Wall Street crash of November 1929 made the statement that "while the present disturbed condition existed they would not advocate demands for higher wages. *In taking this position they stated that they effectively prevented any employer from attempting to reduce wages.*" (Italics mine.)

Actually wage cuts were being made at the very time the A. F. of L. officials were bragging that "for an employer to attempt a reduction in wages now would mean the opposition of the President of the United States and all other Federal authority." For the weapon of the strike, for the active organization of the unorganized, for a nationwide demand for work or its equivalent in wages, the A. F. of L. substituted peaceful persuasion and cowardly retreat. Says John P. Frey, writing in the *Bulletin* of the Metal Trades Dept. of the A. F. of L.: "It is the responsibility of the American trade unionists to cooperate in every way possible with broad-minded far-seeing employers, and to use the organizations they have built up to prevent a continuance of the economic sin of insufficient wages." It is worth noting that "the organization the employers have built up" in Frey's own industry—the metal trades—is one of the most violent anti-union organizations in the country.

"In cooperating in every way possible with the employers," the A. F. of L. is helping these employers to introduce the very production drives and efficiency schemes that make for unemployment and the accumulation of the unemployed. Here is one example of this policy. In 1927, about 75,000 workers employed in the railway shops of the Baltimore and Ohio Railroad, were brought under a scheme known as "union management cooperation." In 1923, there were employed in the B. & O. repair shops a working force ranging from some 22,000 men in January to about 29,000 in June and July, the peak production period of the year. *For ten months in the year the working force was well over 25,000 men.* After A. F. of L. "stabilization" had gone into effect, the working force fell to 21,000 in January and 18,000 in December. *For*

nine months in the year about 20,000 men were employed. Thus 5,000 workers had been permanently laid off as a result of the union management coöperation plan. These are the figures of the A. F. of L. (*Monthly Survey of Business*, November 1929.)

The organized worker already feels sharply the certainty of unemployment. The very fact that capitalist rationalization has no need for skill or craftsmanship among the mass of workers makes the A. F. of L. membership increasingly liable to be laid off, for the largest proportion of union members are the older skilled craftsmen.

Recent figures support this contention. In January 1930, 19% of union members were out of work as compared with 18% at the highest point in the winter of 1928; in March the figure was 21%. In Chicago the number of union building trades workers unemployed in January 1930, was 45%; in St. Louis, 42%; in New York City, 40%, while 80% was the figure given out by a building trades official in Minneapolis. "In metal trades," states the *American Federationist* (February 1930), "75% more are out of work this year than last, and there have been large increases in 8 cities since December."

Union Out-of-Work Benefits

As a method of holding their membership, certain unions have instituted unemployment benefits or have secured agreements with the employers guaranteeing work or unemployment insurance for a specified maximum number of weeks a year. Altogether we may say that possibly 50,000 of the 3,600,000 organized workers in the United States are receiving some form of unemployment benefit, either through union assessments entirely, or through a joint fund to which both workers and employers have contributed.

Attempts to solve the unemployment problem, union by union, deceive the membership. The source of unemploy-

ment lies, not in a particular industry, but in the capitalist system as a whole. Moreover, the forces of the trade unions at the present stage of their development in the United States are far too scattered, weak and corruptly led, to gain insurance features which will even approximate wages for the full period of unemployment. The taxing of the membership either in whole or in part for unemployment benefits places a burden on the workers which should be borne entirely by the employing class. In addition, by substituting a voluntary fragmentary system of unemployment insurance for a national government system, the unorganized millions are left wholly unprovided for.

An analysis of the union out-of-work benefits and joint unemployment insurance agreements in operation in the various unions proves only too clearly the truth of these statements. Less than 1000 workers are covered by trade union out-of-work benefits, and payments are negligible. The Diamond Workers' Union of New York pays \$12 a week for a maximum of 13 weeks; the International Siderographers pay \$5 a week for 26 weeks; New York Typographical No. 6 pays \$14 a week.

Joint agreements guaranteeing a specified number of weeks' employment with the alternative of a limited amount of unemployment insurance have been adopted by a mere handful of unions: the United Wall Paper Crafts, the Cloth Cap and Millinery Workers, the Amalgamated Lace Operatives, the Amalgamated Clothing Workers, and the International Ladies Garment Workers. Except in the Cleveland market the schemes undertaken by the International Ladies Garment Workers' Union have been suspended.

The agreement with the employers in the wall paper industry covers 582 members and guarantees 50 weeks' employment, 45 weeks at full pay and the remaining 5 weeks at half pay. The agreement of the Cloth Cap and Millinery Workers covers 3900 workers and guarantees 48 weeks' work a year or unemployment benefit. It is confined to cap makers.

For New York City the benefit amounts to a maximum of \$10 a week for men and \$7 for women, not to exceed seven weeks a year in an industry where wages average \$40 a week for men and \$28 for women. The employers are the sole contributors to the fund, paying 3% of the payroll, while administration is left entirely to the union.

The agreement of the Amalgamated Lace Operatives covers about 300 workers, the employers contributing 50 cents a week for each worker and employees an equal amount.

Members of the International Ladies Garment Workers of Cleveland were forced by union officials to accept a 15% wage cut when their unemployment insurance scheme was initiated. The scheme was started in May 1921 and guaranteed 40 weeks' employment or two-thirds of the minimum wage earned for the number of weeks in which employment fell short of 40 weeks. The guarantee was extended to 41 weeks in 1922, but in 1924 the benefit was cut to one-half the minimum wage. The fund was made up entirely of contributions from the employers, *but these funds were actually taken from the workers in the form of wage cuts*. By 1924 workers had been forced to take wage cuts of 25% in order to get back a possible 50% of their wages for a limited number of weeks of unemployment. Moreover "standards of production" were agreed to which resulted in a marked reduction in the number of workers employed in the Cleveland market. Those who were forced to leave the industry were in no way compensated.

Both of the schemes started by the I.L.G.W.U. in the New York market have been abandoned. The agreement in the dress industry was entered into in February 1925 and discontinued in April 1926. Workers contributed 1% of their earnings and the employers 2% of the payroll. By April 1926 union members had paid \$130,000 into the fund. The employers' contributions should have been double this amount, \$260,000, for their union payroll and \$104,000 for their non-

union payroll, making a total of \$364,000. Actually they paid in only \$50,000.

No unemployment benefits were ever paid from the fund. The plan was abandoned in April 1926, the workers' contribution being returned to the union, and that of the employers to their organization.

The agreement in the cloak and suit branch of the New York union was even more disastrous. The union had originally asked that the scheme be financed entirely by the employers. However, in the strike which took place in 1924, the commission appointed by the Governor ruled otherwise, and union officials accepted a plan of 1% of wages to be paid by the workers, with 2% of payroll to be paid by the employers. A joint board administered the fund.

Payments began August 4, 1924, and benefits were to start June 1, 1925, the intermediate period being allowed for the fund to accumulate. The fund was suspended January 11, 1927. In the meantime the entire Joint Board—the Left Wing—had been expelled from the union, the membership intimidated and the union disrupted.

At the time of the suspension of the fund, the Industrial Council—the administrative body in control of unemployment insurance—had in its treasury \$400,000. The understanding was that payments were to be resumed in July 1928. To date, May 1930, no payments whatever have been made and the \$400,000 remains unaccounted for. The Left Wing, later organized into the Needle Trades Workers Industrial Union, charged the I.L.G.W.U. with misuse of these funds for reorganizing the Right Wing union. No denial of the charges has ever been made.

The Amalgamated Scheme

The much advertised scheme of the Amalgamated Clothing Workers Union is nothing more than a union-management form of speed-up.

The agreement originally covered 30,000 workers in the Chicago market and was later extended to Rochester and New York. As originally planned the employers and the union each contributed $1\frac{1}{2}\%$ of the total payroll. In 1923 the union asked for a reduction in hours of work from 44 to 40 a week. The employers refused to reduce the working hours. Instead they offered to increase their payments to the insurance fund from $1\frac{1}{2}\%$ to 3% . Although the average weekly wage in the Chicago market is \$40, payments total no more than \$60 or \$70 a year per worker. This sum is supposed to compensate union clothing workers for an average amount of unemployment of 12 weeks a year. And the union member himself has contributed one-third of this amount.

In addition, the union officials have forced upon the membership an efficiency "production standards" scheme by which the number of workers regularly employed in Chicago has already been reduced 25% in five years, while output per man hour has increased, in one instance, to as much as 40% in three years. In another instance the installation of cutting machines reduced the working force from 600 to 250, with an increased output of 50%. Some 200 cutters voluntarily quit, receiving no unemployment insurance, while 150 were each paid \$500, one-half this sum being contributed by the remaining employees *who forfeited their unemployment insurance for that purpose.*

"This unemployment insurance," Prof. Commons, who was the first chairman of the insurance fund, frankly states, "is directed toward bringing about on the part of the wage earners a favorable attitude toward increasing efficiency. . . . The union has lost its ginger, its pep, and is turning to try to help the manufacturers make profits . . . and the interesting thing about it is that the union points to the financial statements of the company as a justification for their participation in these various increases in efficiency."

Legislative Defeats

Fifteen bills dealing with unemployment insurance to be administered by the various states have been introduced in six legislative bodies since 1915. None of these measures passed. All were grossly inadequate. The Huber Bill, drafted by Prof. Commons and the model for most of the other bills, was admittedly a halfway measure, "the benefits so small, a dollar a day, they barely pay the rent." The New York bill, introduced in 1921, placed one-third of the financial burden of the insurance on the workers. All other proposed measures provide that the funds be paid entirely by the employers. The general features of these bills are:

A maximum weekly payment of \$9.00—\$1.50 a day—limited to 13 weeks.

A waiting period of from 3 to 6 days before payments begin.

Certain exempted persons and occupations, for instance, farm laborers, casual workers and domestics.

Certain exempted employers, those, for example, employing less than three workers.

No payment of benefits during strikes and lockouts.

Administration by departments of labor or industrial commissions.

There has been little agitation for national legislation on unemployment. A bill introduced by Victor Berger following the unemployment crisis of 1927-28 was the usual social-reformist gesture. While admitting that American workers are unable "to save enough from their earnings during periods of employment to tide them and their dependents over periods of unemployment and economic depression," Berger recommended that these meager earnings be further reduced by assessing the workers for one-third of the cost of the insurance. The bill provided a salary of \$10,000 a year for a proposed Director, but unemployed workers were to receive no payments during the first two weeks of unemployment and only one-half of their average weekly wages for a maximum of six months' unemployment. The administration of the act

was left to the politically corrupt and antiquated United States Employment Service. No provision was made for workers' control.

Such are the schemes for unemployment insurance legislation proposed by liberals and Socialists. According to Prof. Commons these bills are "as dead as anything could be." Dead or alive, they were never meant to give real help to the unemployed. They would have penalized workers on strike and assisted employers during lockouts. They debar millions of farm laborers, domestic and casual workers from receiving benefits. They accept child labor, in fact, they stipulate a specially low rate of payment—50 cents a day—to be given workers 17 years old or younger. The maximum benefits proposed—\$9.00 a week—are nothing more than "starvation wages."

The Rôle of the Police

Unemployment completes the stranglehold of the capitalist state on the working class. It brings out in sharp relief the rôle of the A. F. of L. and the Socialists as supporters of the corporations. The capitalist class has itself flung the challenge to the unemployed. By refusing every avenue of relief, by defeating every measure for unemployment insurance, by flaunting wage cuts and additional lay-offs in the very face of Hoover's "prosperity" conference, the corporations have pressed the attack, until to the desperate workers there remains but one alternative: FIGHT OR STARVE.

The working class is ripe for action and eager for militant leadership. The workers see about them riotous luxury and the tremendous profits piled up by the employing class. They see shops bursting with food, with clothing and with the countless luxuries of the rich. And as they walk the streets in a vain search for work, their families starving and sick, they read of huge dividends and of income tax refunds to corporations and individuals amounting to hundreds of millions of dollars.

The working class must be left under no illusion that unemployment can be wiped out under a capitalist state, nor that the employing class, short of a revolution, will concede demands which will be at all adequate. On the contrary, the government and the corporations will resist every effort of the workers to gain any comprehensive relief measures. As soon as a powerful mass movement of the unemployed gains momentum, the police are brought into action. Intimidation, mass arrests, violence, are among the methods used to break up demonstrations. Antiquated statutes and vagrancy laws furnish an excuse for picking up the leaders of the fight on every sort of trumped-up charge, holding them on exorbitant bail, or throwing them into jail.

Nearly 1000 workers were arrested during the two months of February and March 1930 for participating in unemployment demonstrations. And 900 additional workers were rounded up by city authorities in California on charges of vagrancy and ordered to leave town.

The March 6 international demonstration of the unemployed was marked in the United States by wholesale terror by the police and vicious sentences by the capitalist courts. Undaunted by clubbing and tear gas bombs, exorbitant fines and jailings that had been carried on for a month preceding March 6, more than 1,000,000 American workers demonstrated at the call of the Communist Party on that day, demanding work or wages. The provocation of the armed police in New York City, who charged into the thousands of workers, riding their horses over men, women, and children, the refusal of Police Commissioner Whalen to permit the workers to march to City Hall and present their grievances, the arrest and jailing of the delegation of five chosen by the Union Square meeting, their sentence up to 3 years on a misdemeanor charge after a farcical trial, are typical of the government's treatment of the demands of the unemployed throughout the country.

Equally typical of the alliance of the liberals, Socialists and Right Wing unions was the statement of Socialist Mayor

Hoan of Milwaukee following the demonstration of 25,000 workers in that city, which ended with 58 arrests, the beating into insensibility of hundreds of men, women and children, and the raiding and complete demolition of the Communist Party headquarters. Stating that he was glad the demonstration was successfully broken up Mayor Hoan added, "this will be the end of Communist demonstrations in Milwaukee."

The Left Wing Organizes

Organization is the only effective method of resisting attack and gaining some measure of relief from the present intolerable situation. Under the leadership of the Trade Union Unity League, the Left Wing trade union organization, councils of the unemployed are rapidly developing locally and fused for common action on a national scale. As against the reformist bills for unemployment insurance which arbitrarily cut a worker's income to a maximum of \$1.50 a day and stop payments after 13 weeks' unemployment, the Unemployed Councils demand work or full wages for the entire period of unemployment. They demand that all funds for unemployment insurance come entirely from the employing class in the form of taxes on income, inheritance and profits. They insist that these funds be administered by committees of workers and not by the corporation-controlled capitalist government.

The Left Wing program sharply opposes the A. F. of L. pledge to the government of no strikes and no demands for wage increases. It contends that just because of growing mass unemployment the corporations will make every effort to lower wages. It points out that for this very reason the situation calls for an intensification of the campaign for the organization of all employed workers, with strikes against low wages and wage cuts. The T.U.U.L. is undertaking the organization of the unemployed side by side with the employed workers in all industries so that the employing class cannot make use of

these starving millions to break strikes and smash living standards.

The Left Wing demands the complete and immediate abolition of all fee-charging private employment agencies and the establishment of a national system of free public employment exchanges under workers' control.

The Left Wing will not tolerate the continued exploitation of children and young workers. It demands the immediate prohibition of the labor of all workers under 16 and state maintenance for these children. To counter the fierce intensification of labor through which the corporations contemplate increasing production with reduced working forces it demands drastic reductions in the hours of work through the legal establishment of the 7-hour day and 5-day week and the placing of machine speed regulation under workers' control. In the mines and other extra-hazardous occupations and for young workers between the ages of 16 and 18 a maximum working schedule of six hours a day is called for.

International Struggle

In this growing mobilization of the workers for struggle, the United States does not stand alone. The crisis of capitalism is a world crisis. The certainty of unemployment faces increasing millions of workers in every capitalist country.

About 2,000,000 persons were without work in Germany in the fall of 1929, an increase of 900,000 over the beginning of that year. In the winter of 1930 the total number of unemployed was reported to exceed 3,500,000. Everywhere in Germany the unemployed are forming organizations of protest and staging demonstrations. Police frequently shoot into these crowds of marching workers and many have already been killed and wounded.

In Spain, food riots are reported, with groups of unemployed workers breaking into grocery stores and smashing shop windows to get food. Madrid newspapers estimate 25,000 unem-

ployed in the building trades in that city alone, due to the fact that construction is almost at a standstill. With 2,000,000 unemployed in England, the export trade in that country still remains in the trough of the deepest depression recorded in its history. In fact 20,000,000 unemployed is a conservative world estimate.

In striking contrast to the desperation of the unemployed and the economic crisis in capitalist countries is the astounding progress manifest in the Soviet Union. As against wage cuts, and lay-offs, labor in this workers' republic gets a constantly increasing share of national production. A week of continuous production with one day off in five is already in operation in glass, brick, paper, match, textile and agricultural machinery factories, metal plants, electric power stations and many other industrial enterprises. In the five-year period during which Russia's new industrial plan will be worked out, upwards of a million new workers will be employed. The results of the introduction of the seven-hour day, already a fact for over 43% of Russian industrial and transport workers, are an increase of 20% in the number of workers employed in these industries. As against less than 10% of the wage and salaried workers of the United States organized into trade unions, there are in the USSR 11,000,000 organized workers, over 94% of the total number employed, and these workers participate directly in the building of Socialism.

Furthermore, it should be especially noted that in the Soviet Union unemployment relief is provided for the unemployed workers under the elaborate system of social insurance, the costs of the system being borne by the industries. The extensive form of unemployment insurance provides protection to those workers who have not yet gained employment in the steadily absorbing operations of the Five-Year Plan.

The unemployment relief rate is based upon the wage category of the worker and his family status or number of dependents. The rates paid are constantly rising as the country increases its production under the Socialist economy.

A system of employment exchanges covers the entire Soviet territory, and all workers registered at these exchanges are entitled to relief. Other measures, in addition to this form of relief, are the *artels* or coöperative labor societies, formed for the unemployed; the establishment of extensive public works; the trade union benefits paid from the special union unemployment funds; and the training schools which turn some of the unemployed who are unskilled into skilled workers, of whom there is always a shortage, due to ever-expanding industry.

The unemployed are also given great reductions in rent; in the cities this amounts practically to free housing. Because the workers are the rulers in the Soviet Union, they care for their own, thus creating security and eliminating the fear of losing the job that exists in the minds of the workers in every capitalist country. The nightmare of unemployment is thus being gradually wiped out in the land of the workers' Soviets.

While in all capitalist countries mechanization and the drive for increased production has been achieved at the expense of labor, has thrown 20 millions of workers, particularly the older ones, on the street, has continued the exploitation of the children and the youth, has actually increased hours and overtime in the face of nerve-racking speed-up, in the Soviet Union real wages are steadily increasing, unemployment is being reduced, and social insurance and other benefits are offering relief against sickness, old age, accidents and similar misfortunes.

Faced with the saturation of the home markets the capitalist rulers are bending every effort to increase their foreign trade. Foreign trade depends on foreign markets, already divided up among the various imperialist countries. Hence a struggle for increased trade leads inevitably to a struggle for markets, to attempts at a new redivision of the world, and to war. Instead of recognizing the Soviet Union and opening up the vast market of the workers' republic for the mutual benefit of the workers of both countries, every effort is being made, through

propaganda and provocation, to turn this coming war into a war against the Soviet Union. The employing class realizes that the driving force of progress in this free workers' republic is a challenge to the wage slaves of capitalism to take over power and unite in a world-wide system of workers' soviets.

The workers are meeting the international crisis of capitalism with a new spirit of protest and with organized struggle. March 6, 1930, showed the growing international militancy of the working class and of the unemployed. May 1, 1930, swelling the ranks of the demonstrators, gave fresh inspiration to the struggles of the class-conscious workers. The unorganized are organizing; the unskilled are feeling their power; Negroes and whites, women and youth, employed and unemployed, are determined to fight and are daring to challenge the right of the employing class to starve, maim and kill.

The growing millions of the unemployed, learning through bitter experience what capitalism has to offer them, constitute a potent force for the liberation of the working class from the chains of the capitalist system. The organization of the unemployed and an aggressive campaign for their demands impose on the vanguard of the working class immediate and vigorous obligations.

THE END

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