

20 YEARS OF THE CIO — II

The Myth and the Truth about "New Deal"

By Art Preis

Hoover's administration was washed away in the November 1932 elections by a flood of popular hatred that was to submerge the Republican Party in Washington for the next 20 years. It was said of his defeat that "even Mickey Mouse could have beaten the 'Great Engineer.'" Franklin D. Roosevelt, Hoover's Democratic successor, did not win because of personal popularity or program. He was not even well known to the national public.

His Program: Save Capitalism

His first major official act after he took office on March 4, 1933, was to save the big banks and big depositors at the expense of the small banks and small depositors. His bank moratorium on withdrawal of deposits and other emergency bank measures consolidated the big banks while thousands of the small ones never opened again or paid back only a fraction of deposits.

the United States and his cabinet. As for unemployment relief, he explained that "primary responsibility for relief rests with localities, now, as ever..." that is, with bankrupt local communities. He wound up with the oft-quoted declaration: "I pledge you, I pledge myself, to a new deal for the American people." After Roosevelt's death in 1945, his Secretary of Labor Frances Perkins, in her naively revealing The Roosevelt I Knew, spilled the beans about the "New Deal." She wrote that when Roosevelt took office in March 1933, "the New Deal was not a plan with form or content. It was a happy phrase he had coined during the campaign, and its value was psychological. It made people feel better..." This cheap "happy phrase" concealed the real purpose of the medicine in Roosevelt's prescription. He was intent on saving American capitalism and he was ready to use all means to that end.

set about superseding it." Raymond Moley, one of Roosevelt's closest associates of the early "New Deal," wrote in his book, After Seven Years: "It cannot be emphasized too strongly that the policies which vanquished the bank crisis were thoroughly conservative policies..." If ever there was a moment when things hung in the balance, it was on March 5, 1933 — when unorthodoxy would have drained the last remaining strength of the capitalistic system. Capitalism was saved in eight days... The man who promised to drive the "money changers from the Temple," actually gave them a new lease on life.

slightest concession to the workmen was given grudgingly out of fear of the masses and to prevent their moving left. He voiced this in his 1932 acceptance speech, saying that "a resentment against the failure of Republican leadership... the failure of Republican leaders to solve our troubles may degenerate into unreasoning radicalism... To meet by reaction that danger of radicalism is to invite disaster."

Ferdinand Lundberg, in America's 60 Families, a classic study of the big capitalists who run this country, concluded that "the 'New Deal' is not revolutionary nor radical in any sense; on the contrary, it is conservative. Its mild, tentative reformist coloration is but a necessary concession in the face of widespread unrest."

Let us examine his aid to the unemployed. Speaking of the average of more than 12 million unemployed during the Roosevelt first term, his relief administrator and intimate colleague Harry Hopkins boasts in his book, Spending to Save, that "in the last three and a half years we have spent almost six billion dollars in helping these families maintain themselves." The average annual expenditure for the unemployed ran about \$1 1/2 billion, while the total cost of government ran a little more than \$7 billion. When it came to war, however, Roosevelt was to spend \$79 billion in 1943, \$95 billion in 1944 and more than \$100 billion in 1945.



ROOSEVELT

employed to the tender mercies of local relief agencies without funds.

Roosevelt's works program never provided jobs for more than 25% of the jobless. His first such program, the Civil Works Administration started in November, 1933, lasted only three months. It paid \$15 a week, with minimum wages of 40 cents in the south, 45 cents in the mid-west and 60 cents an hour in the northeast. The Federal Emergency Relief Administration program, which got under way in the summer of 1934, began to fold up in the spring of 1935. It employed an average of less than 2,000,000 workers, for \$12 a week.

were counted. In 1936, for instance, mass WPA layoffs were discontinued in the fall before Roosevelt's second-term election. Immediately afterwards, 400,000 WPA workers were fired en masse, most of them still displaying their Roosevelt campaign buttons.

Why He Agreed to Section 7 (a)

To be sure, labor already had that right — whenever it exercised it and fought to maintain it. If there were no such right, how could the AFL have existed at all? In fact, 14 years earlier the AFL had organized more than 4 million workers. Had the workers not been ready and eager for organization, Section 7(a), affirming their right to organize and bargain collectively and to pick their own union representatives free from employer interference, would have had no effect in any sense.

Throughout the entire first two terms of the Roosevelt administration, there were continuous unemployed demonstrations, relief works strikes and riots. The highest relief, the most relief jobs and the biggest wages were in direct proportion to the amount of unemployed struggles.

Roosevelt took office and Section 7(a) was a reluctant response to labor pressure. The same upsurge of protest against conditions that had swept Roosevelt into office was also expressed at the start of 1933 in the biggest strike wave since the early twenties. These strikes were especially significant because many occurred in unorganized, company-dominated basic industries, particularly auto. Between January 1, 1933, and the signing of the NRA in mid-June, there had been strikes at four Briggs plants, Motor Products, Hayes Body, Murray Body, Hudson Body and Hudson Production,

Willys Overland, Chevrolet (Oakland, Cal.) and White Motor. A. J. Muste, in his 1935 pamphlet, "The Automobile Industry and Organized Labor," published by the Fellowship of Reconciliation, reported: "As one observer expressed it, 'Early in 1933 hell began to pop. Strike followed strike with bewildering rapidity. The long exploited too patient auto slaves were getting tired of the game.'" The original draft of NRA said nothing about collective bargaining rights. Long afterwards, in her book, Miss Perkins admitted that Section 7(a) was written into the bill only after protests by William Green. She comments: "Written in general terms, 7(a) was a problem in semantics. It was a set of words to suit labor leaders, William Green in particular."

Other labor leaders also are credited with responsibility for 7(a), namely, the late Sidney Hillman, president of the Amalgamated Clothing Workers, and John L. Lewis, United Mine Workers president. Pre-1940 accounts, including Edward Levinson's Labor on the March, agree on Lewis as the actual author. Saul Alinsky, author of a soberly-written and fully-documented biography of John L. Lewis, describes the campaign of flattery, intrigue and pressure used to squeeze from FDR his grudging consent to Section 7(a), "a set of words" written so vaguely that it could be interpreted to assure the "rights" of company unions as well as of genuine labor organizations.

7(a) meant that the government really would protect them in their right to join a union. Even before NRA became law on June 16, 1933, Lewis sent an army of union organizers into the coal fields, shouting, "The President wants you to join the union." In her book, Miss Perkins complains that this organizing slogan was raised "with more drama than truth" and that "Section 7(a) was subject to excited interpretations by organizers who gave working people an exaggerated notion of their rights." Lewis himself, many years later, admitted to Alinsky: "Roosevelt was not too friendly to Section 7(a); and, if there was any time when I began to question and wonder and have reservations about the President, it was at that time." Section 7(a) did at least have the effect of getting some of the union leaders out of their office chairs and doing a little organizing. In some instances, the immediate results were phenomenal. The mine union signed up 300,000 new members in two months; the International Ladies Garment Workers Union, 150,000; the Amalgamated Clothing Workers, 50,000. There was a spurt of unionization in steel and a few other industries where organizations of a sort existed.

Southern Rail Bosses Retreat

(Continued from page 1) 234 feet of track. And four carloads of freight were derailed at Attalla.

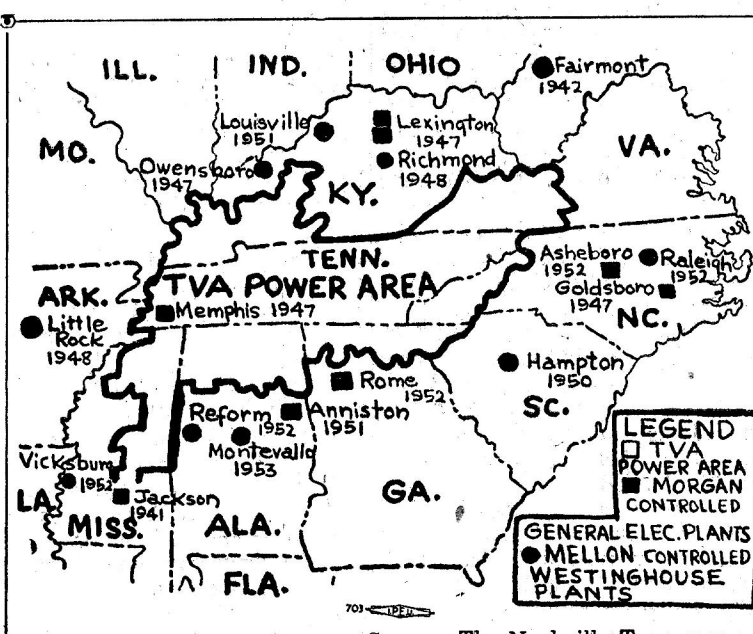
Reuther and Ford versus Marx

(Continued from page 1) his own "responsibility" by declaring, "We have never claimed that a worker in the United States... is automatically entitled to economic security." (UAW keynote.) Henry the Second says it is imperative for the American people to "understand and support the American incentive-for-everybody system." Reuther, too, wants to give the capitalists their due: "We know that when corporate management makes a contribution to the economic well-being of the country and to the economic progress of our country they are entitled to a just reward for their economic contribution... We believe in individual incentives... I maintain no one will argue that each General Motors worker ought to get as much as Mr. Curcio. No one will argue that a GM worker, even in the skilled trades classification, ought to get as much as Mr. Sloan." (UAW keynote.)

The Dixon-Yates Power Scandal

By Sam Marcy

What's all the fuss and noise about Dixon-Yates, and what has it got to do with TVA? The story is so mangled and mutilated by the capitalist press that it is difficult even for one deeply interested in the issue to make out what is what. That is because the biggest and most important point in the controversy has been glossed over, when not deliberately avoided. That point is — THE ATOMIC ENERGY COMMISSION IS NOW THE BIGGEST SINGLE ELECTRIC POWER CONSUMER IN THE U.S.A. It consumes more power than such giant companies as Aluminum Co. of America, or Ford Motor Co., and last year outranked General Motors, which is the largest single industrial unit in the world.



The above map shows how the multibillion dollar power trust is surrounding the TVA area and putting the squeeze on TVA in the war on what the private monopoly interests call "creeping socialism."

That is because the biggest and most important point in the controversy has been glossed over, when not deliberately avoided. That point is — THE ATOMIC ENERGY COMMISSION IS NOW THE BIGGEST SINGLE ELECTRIC POWER CONSUMER IN THE U.S.A. It consumes more power than such giant companies as Aluminum Co. of America, or Ford Motor Co., and last year outranked General Motors, which is the largest single industrial unit in the world. The AEC still is the legal owner of all the atomic energy facilities in this country. In spite of all efforts of the big monopolies to gobble up atomic energy for their private use, the law still says: "All right, title and interest within or under the jurisdiction of the U.S. in or to any fissionable material, now or hereafter produced shall be the property of the (AEC) Commission."

if not billions to be spent by the government in the purchase of electric power. The electric utility trust, whose assets amount to over \$35 billion dollars, and is dominated by the Morgans and Rockefellers, is hell-bent on cornering the market so that the AEC will make contracts for the purchase of electric power from the private utilities alone, and bypass TVA despite the fact that TVA produces and sells electric power at a much cheaper rate.

struct a \$100 million plant which would feed energy into the TVA system. Doesn't that sound good? The catch is that the 600,000 kilowatts that TVA supplies to the Atomic Energy plant at Paducah would be done away with. Furthermore, TVA would now be serviced by the private power monopoly, when it could build its own plant. And most important of all, as the need of the atomic energy plant at Paducah increases TVA will be displaced by the private monopoly pirates. But TVA is the country's major public power development! More than a million people each year go to visit and gaze at its wonders and accomplishments. Does the power monopoly really want to make it so ineffective as to ultimately turn it over to private industry? Let us hear from Governor Clement of Tennessee testifying at the Congressional hearing on Dixon-Yates in early November 1954.

competitive stimulus that the power industry has ever known... The fact is that TVA has brought down the price of power to all consumers 60% in the last 20 years. That is why the private power trust is attempting to turn the clock back from federal public power... "In connection with my charge of private power company conspiracy against the TVA, I would like to offer a rather interesting map, which shows the location of plants that has been made by the General Electric and Westinghouse Corp. in our region. If you gentlemen will examine this map, you will see that the Tennessee Valley area is RINGED with Westinghouse and General Electric plants, but they have no plant in the whole TVA area, though it is admittedly one of their best markets."

WALL STREET SPIDER The late Senator Norris, who was the legislative architect of TVA, knew the power trust to the marrow of his bones, on the basis of a quarter of a century of experience with them. "The conscienceless power trust," "the irreconcilable and uncompromising enemy," he was wont to say. On the rear wall of his Senate Chamber, he hung a picture of a spider, on a canvas eight-foot square. He labeled the insect "Wall Street" and surrounded it with an intricate web; each leg of the web bore the name of a big bank; each line of the web criss-crossed with the names of major corporations. On his spider web he could see at a glance the 318 directors in the great public utility combine, who worked on behalf of J. P. Morgan. (Thus this representative of the smaller capitalist interests and farmers knew his monopoly capitalist opponents well.) The working class must know its class enemy even better than Sen. Norris did. For it is the American working class, and not the small capitalists, that will release the U.S. (and the world) from the strangulating grip of the monopoly capitalist plutocracy.

THE MILITANT ARMY

work — subs from two auto workers. Johnny Tabor, the efficient Militant agent in New York, who hands in a report every week, writes, "New York started the campaign with a bang. Ann Mann has two 1 year subs and one six-monther. Nate from Brooklyn sent in two 1 year subs — one a brand new one. He promises more and will produce them. John Tabor got a one year sub. Kay turned in a one year sub. Pete just handed me two six month subs." Johnnie Adams, one of the most dogged Militant salesmen in New York City, reported that he sold the paper last week on a street corner in Harlem. He says the headline, "Southern Strikes Spearhead Defense of American Labor" created a great deal of interest, and when he made clear the Militant's position on Negro and white solidarity he had no trouble in selling 10 copies. Watch this column next week for more news of the Militant Sub Campaign. And if you haven't sent in a report from your own city, Do It Now!

Since the campaign started we've been so deluged with good news from the field, we can't begin to pass it all on to you in this space. So those of you who look for news of your own town's campaign, and don't find it — please be patient and look for it again in the weeks to come. Cleveland, Detroit and New York are out ahead so far, but after all this is only the beginning, and it looks from here as though they will get plenty of stiff competition. Cleveland asks for a second increase in their bundle order, and here are some excerpts from their most recent letters, "Sunday we had our first mobilization. We sold 25 Militants and started some new routes. Five other papers will go to a union and 15 for news stands... Saturday four of us went out. We sold 11 papers and got a six-month sub, and the next day we sold 34 papers on a new route... We've been getting a pretty warm reception. Most of the people want to know what we have to say, and we've had very little hostility or red-baiting. Some ask how we differ from the CP." George Breitman writes, "Detroit is setting to work seriously to extend the Militant's circulation in this area by getting a substantial number of subscriptions from auto workers and young people interested in learning more about socialism. The prospects look good. Enclosed are the returns from our first day's

Detroit Fri. Night Socialist Forum Government by Minority: How Democratic Is the U.S.? Friday, May 20, at 8 P. M. The American Labor Leaders Friday, May 27, at 8 P. M. At 3000 Grand River, Rm. 207 Donation 25c. Free for Unemployed

