

LABOR MAGAZINE

THE VOICE OF PROGRESSIVE LABOR

Dole or Unemployment Insurance!

HARRY W. LAIDLER

Working with the Jobless

LOUIS FRANCIS BUDENZ

What Else But Compulsory Unemployment Insurance?

An Editorial

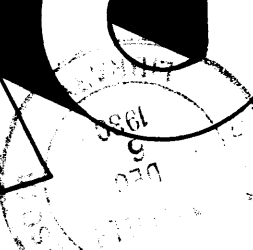
A Look at Russia in 1930

COLEMAN B. CHENEY

DECEMBER, 1930

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IN THIS ISSUE

NO other question is receiving as much consideration everywhere as unemployment insurance. And well it may, with the workless in no whit diminishing and action towards their relief atrophied because of the magnitude of the problem. For this reason LABOR AGE devotes most of the space in this issue to a discussion of unemployment insurance legislation.

Recalling the promises of President Hoover on the eve of the 1928 election, promises that today look positively grotesque, Harry W. Laidler, Executive Director of the League for Industrial Democracy and author of numerous pamphlets and books on socio-economic problems, in "Dole or Unemployment Insurance?" shows by statistics and quotations from economists that unemployment will be with us in increasing proportion and the only two alternatives are the inadequate, haphazard and inhuman doles or a system of social insurances that will be automatic, inclusive and self-respecting.

Meanwhile, the jobless mill around at the unemployment exchanges, flop houses and street corners, hungry and waiting for something to happen. What are they thinking of? "Working With The Jobless" depicts the campaign which Louis F. Budenz, Executive Secretary of the Conference for Progressive Labor Action, is conducting on the question of unemployment insurance and the reactions of the workers towards his message.

"Preachers Demand Unemployment Insurance" is a summary of sermons delivered in New York churches on Unemployment Sunday. It shows a ferment among theologians that is as heartening from the workers' point of view as it must be disconcerting from the point of view of capital. The system of capitalism is attacked in no un-

certain terms and demands made for reorganization of society on a cooperative, instead of the existing competitive basis.

SHOULDERING unemployment for front page space is Russia. Many newspapers are carrying special articles on the pro and con of Russian communism. Bias and fear is apparent in most of these despatches. "A Look at Russia in 1930" by Coleman B. Cheney, Economics Department, Skidmore College, who visited Soviet land this past summer, is an honest appraisal by a competent observer of the headway the Soviet government is making with its industrialization and collectivist program. With Russia, under tremendous obstacles, putting through a program for a new social order, it is most inopportune for radical groups to pick flaws in the Soviet's policies. We can safely leave that to the reactionaries who will do it in self defense.

THE latest word in the progressive campaign, as carried on under the auspices of the Conference for Progressive Labor Action, is presented to the readers in "C. P. L. A. on Wheels."

"POCKETBOOK Workers Unify Forces," is the story of the convention of a militant organization and the policies it adopted to win against the present day difficulties. S. Fisher is a member of the Pocketbook Workers Union and a Brookwood graduate.

WE have the pleasure of calling the attention of our readers to the cartoons in this issue by Fred Jerger, who is a member of the building laborers' union of Cleveland, and until last year worked at his trade. In 1929 Mr. Jerger won the Harmon Award for the best cartoon in that year and since then he has been devoting himself to this work solely. His drawings have been appearing in the LOCOMOTIVE ENGINEERS JOURNAL regularly. Mr. Jerger was a conscientious objector during the war and served two years in Leavenworth prison for his refusal to shed the blood of his fellow men. With cartoons by Jack Anderson, Herbert Heasley and Fred Jerger, LABOR AGE is as well served in this department as any magazine could be.

OUR book review section is becoming more popular with our readers as month passes month. We are attempting to get the best books on economics, sociology, politics and international capitalism for comment as quickly as possible. This month Frank C. Foster, of the Union Theological Seminary, summarizes three books on India. Morris L. Ernst, noted liberal attorney, reviews a book on "The Social and Economic Views of Mr. Justice Brandeis." Theresa Wolfson, author of the Women Worker and the Union, evaluates the story of a pioneer feminist, "Lucy Stone." While Dr. Harry Elmer Barnes' latest book on "The Story of Punishment" is reviewed by Louis F. Budenz. Other reviews are also included.

THE other features in this issue are The March of the Machine, In Other Lands, and What Our Readers Think.

LABOR AGE

December, 1930

EDITORIALS

FOR laborites the most important question in connection with the recent election is whether any indication is given that we may get a more realistic political party alignment, that people may be turning from the party of the elephant and that of the jackass to some other. What is the outlook for a genuine Labor Party?

Lessons of The Election

It must be admitted that the election results are not particularly heartening. The increase in the vote for working-class candidates, while in some cases considerable, was not such as to warrant jubilation. Are the advocates of independent political action then following a will o'-the-wisp? Should we abandon the foolish chase?

Very emphatically not. Rather, progressive laborites must define for themselves more clearly than ever what kind of political instrument they desire to forge and how they may fashion it. The argument for independent political action remains unassailable—unless one believes that the New Capitalism working through the Republican party will bring peace, justice, equality and the good life to the American people. The Democratic party will certainly not do more than the Republican.

In the formation of a Labor Party, the chief danger confronting us is that progressive laborites, Socialists and liberals will cherish the hope that some sort of labor-farmer-progressive party may be fashioned which will spring into prominence and power almost over-night. Most Americans still think that a party is built on outstanding individuals rather than on broad, basic economic interests. A loosely constructed party, with a nice program, but built around a few prominent individuals and including groups with diverse economic interests will get us nowhere. It may make a fine showing for a little while. But it will go the way of like promising third party movements in the past.

There is only one group unable to get its economic and social demands satisfied under the present system, with numerical strength and possibilities of organizational power to challenge the status quo, and that is the working class, the industrial workers plus those farmers practically reduced to a wage-earner's status. When this element is ready to move, then other groups and even prominent individuals may be helpful. Until the industrial workers are serious about it, there will not be a new party that amounts to anything.

Meanwhile, we must also be on our guard against fake labor parties which have no clear-cut program looking toward a radical reorganization of society. There have recently been some efforts at forming local labor parties of this character. It is possible that conservative union leaders might go in for "the labor party" in a number of places to satisfy the demands of their members that something be done about unemployment, etc. Those of the Socialist

Party who are suspicious of "such labor parties" and decline to "merge" with them, are undoubtedly right. It is possible that a party may be working-class in composition, that at any rate some working-class elements furnish it voting strength, and that it should nevertheless be utterly mistaken in its program and policies.

We believe that America needs a party which is genuinely Labor in program, constituency and control, and which has a left wing working for a revolutionary socialist reconstruction of the industrial order though with a view to the realities of the American scene. There is no real basis in America for a liberal party under whatever name. The day for a socialized industrial order has come, and only the workers and those who are willing to ally with them can build it.

It will be better to work slowly, steadily, without immediate tangible results, for a working class party with such a program, than to follow any promising but delusive alternative. A small organization which endures, which knows what it is after, will get us farther than mushroom growths which vanish over night. Labor party promoters must not fall prey to boom psychology; leave that to Babbitt and Wall Street.

All this means that effective labor political action must be based upon, certainly must go hand in hand with, economic organization of labor. All labor party efforts will remain small or inherently weak even though they seem big, until we have industrial unions, and these not of stenographers or tailors or milliners or candy-makers or laundry workers, but of miners, machinists, steel, automobile, oil, textile, electrical equipment, radio and aviation workers. The most direct road even to a new political alignment in America is by the method of arousing progressives and radicals in the existing unions, building unions in the basic industries, and welding workers in all these unions into an intelligent fighting force.

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THROUGH the hammering campaigns of the Conference for Progressive Labor Action, the People's Lobby and other like organizations, unemployment insurance is becoming a current issue of major importance. As the idea looms up as a concrete possibility, discussion increases as to the form that it should take in actual application.

Why Should The Workers Pay?

In order to think the business through, let us see for a moment what the various proposals imply.

Governor Franklin D. Roosevelt and other Democratic politicians have committed themselves to the tri-partite contributory plan. Under this, government, employers and workers would contribute to the unemployment insurance

fund. It is with some surprise that we note that a portion of the Socialist Party is inclined to agree with Governor Roosevelt. For 25 years the Socialists have been insisting on the necessity for social insurance in all its forms, and it is puzzling to note the apparent tendency to support the most conservative proposal that has been made.

In a well-organized country such as Great Britain, the plan which entails contribution by the workers might be feasible. But any one familiar with the details of the American industrial scene will readily understand what a powerful weapon the contributory plan will put into the hands of the big anti-union employers. The check-off has been condemned, when used by unions, in many radical quarters because of the indifferent and servile attitude that it is said to breed among the workers. But in the contributory plan, we have an extension of the check-off idea, with union safeguards in many instances missing entirely.

The contributory plan puts an added political club in the hands of reactionary employing interests. These interests can propagandize the workers against the plan on the grounds that they (the workers) would have to pay for it. The success of workmen's compensation, inadequate as it is, can be readily understood by the mass of the people. The extension of that principle to unemployment compensation can be easily grasped. And it is much more "Socialistic," so far as that goes, than the tri-partite scheme, in that it places responsibility directly upon government and industry.

Let us base our unemployment insurance plan in this country on the status of our open-shop, company-unionized American industry. As we see it, the C. P. L. A. model unemployment insurance bill does exactly that.

ONE of the biggest international unions to record itself in favor of compulsory state unemployment insurance is the Brotherhood of Railway Clerks. Meeting at a conference last month in St. Louis at which all its international officers and 200 of its general chairmen were present, this union, the second largest of the railroad labor organizations, disregarding the action of the A. F. of L. at Boston a week previous, demanded that "some part of the gains which have resulted from our economic development should be utilized to establish a comprehensive system of social insurance to prevent or minimize these calamities."

The same meeting voted in favor of state old age pensions and the enactment of a federal compensation law to give to employes of American railways and express companies the protection now enjoyed by workers in other industries. It also declared in favor of a public building program financed through increased taxation of corporation profits.

Of especial interest to all who have been disappointed at the increasing sentiment towards nationalism developing inside the Labor Movement is the Brotherhood's declaration for better international understanding. Reaffirming that the aims of labor are properly international, it points to our relations with Canada as an example of the possibility of world amity.

"The long established comradeship of Canadian and American workers in international unions," the conference announced, "has been one of the strongest links in the firm friendship between the two countries. We deplore the utterances and actions of those political, business and labor leaders

on either side of the line who, for personal and selfish reasons, habitually appeal to narrowly nationalistic interests and prejudices. The continuance of the splendid relationship between the two peoples can best be assured by the strengthening of the feeling of kinship of their workers."

The general progressive attitude of the Brotherhood of Railway Clerks on the issues that are before us, and the specific measures adopted to cope with them give the clue to its continued growth in the face of the loss of membership of most other unions. Here is one of the few labor organizations with courage to face problems realistically. It finds that its militancy and progressivism pay.



WHILE the present depression bears down heavily upon all workers, for with eight to ten million unemployed there is hardly a working class family in the United States that is unaffected, it is especially hard on foreign and racially discriminated groups.

Depression Emphasizes Race Discrimination

"Give jobs to Citizens," or "Give jobs to Whites" are common slogans met with everywhere. What the alien or the Negro is to do seems to be no one's concern. If they could only hibernate until some of that prosperity returns!

But they don't hibernate, and being human, they remain hungry. A survey undertaken by the National Urban League, one of the active Negro organizations, establishes the fact that as early as March, 1930, not less than 330,000 Negroes were unemployed. By October of this year the situation became worse. In Buffalo, while 10.8 per cent white workers were reported unemployed, the percentage for Negroes was 17.7. In one district in Philadelphia 29.2 per cent of the Negroes were idle while only 6.8 per cent of whites could find no jobs. The figures for the whole city show that in proportion, half as many Negroes were at work as white folk. And so it goes for other cities.

"From all sections of the country," the survey states "come reports of whites replacing Negroes in jobs usually occupied by them. In the South whites are doing domestic jobs without loss of caste, thus, ignoring the former conventions. Industrial plants hiring Negroes as unskilled laborers in the North refuse them employment in their southern branches. Negroes are discouraged and are wandering from city to city—North and South in search of employment.

Meanwhile hates are intensified, established amicable relations are severed, and the fierce struggle for existence threatens the return of the law of tooth and claw.

As one means of mitigating the spreading evil, the Conference for Progressive Labor Action invites the National Urban League as well as other Negro organizations working for the advancement of their people to cooperate with us in our agitation for unemployment insurance. When men and women are engaged in fighting for their lives, (and the struggle for jobs assumes that aspect at present), any weapon seems justified. Discriminations against black workers to save more jobs for white workers are inevitable in a system of society which finds no need for the establishing of safety regulations to prevent workers, both black and white, from starving. Unemployment insurance, by assuring unemployed workers some means of existence, would mitigate the struggle for bread and therefore lessen the urge towards discrimination.

The stand which LABOR AGE has taken upon the Negro problem is known to all. We abhor discriminations and prejudices of any sort. But now the workers of this nation are in the midst of a primitive fight for life, and in such

a fight those numerically and socially stronger use any weapon at hand to assure for themselves victory and thereby continued existence. Only the creation of social safeguards against starvation can avoid the spread of the primitive conflict to which the Urban League calls attention, rendering an important service in doing so. Negroes and their organizations, above all others, should bend every effort towards the establishment of compulsory state unemployment insurance.



WITH the re-election of Senator Norris of Nebraska and with the defeat of Reece for Congress from Tennessee, new life has been given to the movement for government ownership of electric utilities. Senator Norris' almost single-handed fight for government operation of Muscle Shoals is known. Reece's part, as President Hoover's right hand man in the fight to turn over Muscle Shoals to the private power interests, is not so well known. The fact that this private power protagonist was defeated is encouraging.

Some More Power Propaganda

The reverse is true of the attitude of the power interests towards these election results. They froth at the mouth at Norris' victory. They must cry in bitter disillusionment over Reece's defeat.

But one blow does not down the power interests. They are coming back with that weapon which they used so effectively in the past and upon which they are relying to bring them to ultimate triumph and greater profits,—the weapon of propaganda.

In a quarter-page advertisement in one of the New York papers the Associated Gas and Electric System of New York assures the people, under the heading "The Free Hand of Progress or the Deadening Hand of Regulation?" that it is the lack of regulation in this country which made for progress in the electric utilities field. "Household electricity in this country," it points out with pride, "costs 26¼ per cent less than in 1914, despite a rise in the cost of living of 70 per cent."

It may be true that in the last 16 years household costs have been reduced 26¼ per cent. In actual figures, this means a reduction of about 2 cents a kilowatt hour. But what has happened to the cost of producing electricity since 1914? There is no industry in the whole country which has reduced its cost of production to as great an extent as the electric industry. Power generating stations have been so robotized that one can go through the largest plants in the country and find hardly a worker on the job. Today, it costs but a few mills to produce a K.W.H. of electricity.

After the most searching investigation, Morris L. Cooke, one of the foremost engineers in the country, and one of the most socially minded, in a pamphlet dedicated to the power utilities to put their house in order, finds that 5 cents a K.W.H. would be more than ample to cover all costs of generating and distributing electricity and leave kingly profits to the stockholders in addition. The rates now charged to the householders are anywhere from 7 to 17 cents a K.W.H. The free hand of progress in this instance means the free hand to mulct the public. The deadening hand of regulation means the deadening of the hand which robs the people of its money and of the freer use of one of the most useful power sources in the country.

A half a billion dollars are taken right out of the pockets of the domestic and small commercial electric consumers

every year! And because of that brigandage, despite the increase in the use of electricity shown by the power utilities, millions of homes are still without electric appliances to lighten the labors of the housewives; hundreds of thousands of farmers cannot afford to utilize this form of energy to ease their burdens, while millions of dollars are made available for use by the power trust for propaganda and other subversive purposes.

There is no greater evil confronting the nation than this wholesale grab by the power trust. There is no reactionary force with as much unearned wealth at its command as the manipulators of our electric resources. The Free Hand of Progress demands that this electric octopus should not only be regulated but should be taken over by the government so that to us in the United States, as to the people in Canada, electricity will be a blessing instead of the curse it now is.



WHY the American Federation of Labor, in the midst of the most complexing problems confronting any Labor Movement, such as injunctions, yellow dog contracts, company unions and unemployment,

Looking Ahead To 1931

should have chosen Vancouver, B. C., for the 1931 convention city, is still a matter of much speculation. Here is one view of it presented by Charles P. Howard, President of the Typographical Union, and published in the November *TYPOGRAPHICAL JOURNAL*:

"With so many important questions demanding consideration and action," President Howard writes, "it is worth while to note the attention given to the question of selecting a city in which the American Federation of Labor convention will meet in 1931. Perhaps there was no question before the convention which was the object of more 'organization effort' and to which more time was devoted. Usually the selection of a convention city is not considered an important matter, but this year was a notable exception.

"Columbus, Ohio, being generally recognized as the birthplace of the federation on its present form, made a strong appeal. . . . Many of the delegates believed it would be well to hold a convention in the heart of the great middle states. Located near the great steel and industrial centers, surrounded by bituminous, and anthracite coal fields of Pennsylvania, West Virginia, Ohio and Indiana, it was felt that a convention would be especially helpful. All things considered there appeared to be no good reason for not selecting Columbus for the 1931 convention.

". . . The cost of each organization sending delegates to a corner of the continent will be approximately twice what it would if the convention were held in a central city. This is important at a time when all organizations need every dollar available for important work and none can meet all the demands made upon them for finances. The loss of valuable time of executives who attend the convention is doubled or trebled because of the distance they must travel. . . . There is an excuse, but no good reason, for taking to Canada each alternate year the money spent in connection with a federation convention. During thirty-eight years from the birth of the federation in 1881 to 1920 but one convention of the A. F. of L. was held in Canada. . . . While denial was made upon the floor that desires of which the proverbial camel would be ashamed had anything to do with the selection of a Canadian convention city, we permit you to draw your own conclusions. . . ."

We shall.

What Else But Compulsory? Unemployment Insurance?

THE general agitation for unemployment insurance which is arousing the interest of every intelligent person and is stimulating many economic, political and social organizations to action in its behalf, has unloosed the fury of reactionary industrial leaders and especially of the executives of private insurance companies. In a blast issued by the National Association of Manufacturers, the die-hards among American employers, the warning is issued in red ink that unemployment insurance is the next step to Bolshevism and the first entering wedge of foreign destructive paternalism in free America. The private insurance companies are equally disturbed about the possibility of compulsory state unemployment insurance and are advising the public to hold off action until they shall be able to step in and supply this form of insurance in the good old American way—to the profit of themselves.

What, then, have both the National Association of Manufacturers and the private insurance companies to offer as substitutes for compulsory state unemployment insurance?

“Protective Plans” Fail

Before the present depression set in, and while business was booming as it had never boomed before in the whole history of American industrial development, only about 150,000 to 175,000 workers, out of a possible 40 million, were covered by some form of guaranteed employment or unemployment compensation plans, either directly arranged by the employers, or in agreement between employers and organized workers. Another 150,000 workers at the maximum, were afforded some protection through discharge bonuses, ranging from fifty to one hundred dollars which the employe received when laid off. This number is of such infinitesimal significance as to show at a glance that the unemployed cannot rely for relief upon these forms of private plans. But even the 175,000 are not secure in their protection because the moment they lose their original jobs and obtain work in a plant where no scheme for unemployment insurance operates, they are immediately divorced from their insurance benefits. What happened to those few insurance plans after wholesale layoffs, which characterized this depression period, and the industrial forces in almost every plant became disorganized, is not statistically known. But it is reasonable to assume that the number of workers at present enjoying protection through plant unemployment insurance is considerably less than the 175,000 reported in 1928. It is precisely during such a crisis as the present that private unemployment insurance schemes are bound to break down in the very face of greater need for such protection on the part of the workers.

The other hope, stressed by such rugged individualists as John E. Edgerton of the N. A. M., that industry itself will take care of the business cycle and eventually make impossible the recurrence of depressions, has now patently vanished in the bitter experience of grim reality. The situation today should prove to every disinterested person that our present economic order is incapable of the unified control necessary to harmonize production and consump-

tion in order to avoid long periods of idleness. These depressions returned with distressing regularity in the past every seven or ten years, and there is nothing to sustain the hope that the cycles of “hard times” will not with equal regularity be with us in the future. During the past eight years, when industry had an absolutely free hand in advancing whatever stabilization plans science could bring forth, it failed miserably to set its own house in order. It will be no more successful in the future in that direction.

But apart from any question in regard to the business cycle, is the fact that during our most prosperous business periods millions of workers are unable to find employment. From a study of the unemployment problem made by Prof. Paul Douglas, we learn that on an average 10 per cent of our workers are always without jobs, good years or bad. Due to changes in technology, changing demands of consumers, the introduction of new products and varying weather conditions, a certain portion of the nation's working force is always insecure. The workers' periods of idleness run from six months to a year and one-half. For many, especially those over forty years of age, the loss of a job means permanent unemployment. This statistical analysis by Prof. Paul Douglas is graphically portrayed by a social service study published in book form under the name of “Some Folks Won't Work.” There we have the picture of millions of American workers deteriorating into unemployables because of forced idleness during the most prosperous period, 1928. Private unemployment insurance schemes are no answer to this problem.

A Lucrative Racket

However, one more alternative to compulsory state unemployment insurance is offered the public and that is that private insurance companies can handle the situation better than state insurance plans. It was to be expected that private insurance companies would enter the lists against state unemployment insurance. They were opposed to workmen's compensation until forced to accept it by enlightened public opinion. They are today opposing old age pensions in those states where such legislation has not yet been adopted. They are vehemently opposed to unemployment insurance for the same reason—as a threat to profits which they see an opportunity of adding to their already overstuffed coffers.

The big question here is, not how much profit the private insurance companies can make for themselves but what it will cost the workers to get the insurance offered by them. In the first place, insurance companies have as yet no legal authority to expand their business to cover unemployment insurance. Only one State in the whole country gives them a legal right to embark upon such a venture, that State being Michigan. In the other 47 States they would first have to have enabling legislation passed before sending out their agents to garner in the additional dollars from the workers.

Secondly, the cost of selling such insurance would be so prohibitive that very few workers would be benefited by any such policies. We can get a good picture of what would happen if private insurance companies were turned

loose selling unemployment insurance by noting how the holders of life insurance policies are now being fleeced.

Of the total new business done by insurance companies in 1928, for which \$269,713,118.41 was collected in premiums, \$114,848,777 or 42.5% was absorbed by commissions alone. In other words, for every dollar the insured pays in, nearly 50 cents goes to the agent getting the insurance. But that is only the beginning of the story. Out of the rest of the money must come all other insurance costs, not the least of which are the monstrously high salaries of the insurance companies' executives. During 1928, 19 persons in the Metropolitan Insurance Company drew a total of \$919,000 in salaries; twelve executives in the New York Life Insurance Company received more than \$600,000 for the same year. Equally fortunate were thirteen persons in the Prudential who were paid a total of \$538,000. Ten persons in the Equitable Life Assurance Society found \$387,961 in their annual pay envelopes. The Travelers paid to seven of its chosen officials \$279,500 while six executives in the Mutual Life received \$260,000. Adding up these six-cylinder salaries we find that with the addition of a few others not here mentioned, eighty high officials of the ten larger insurance companies received salaries in 1928 to make the noble total of \$3,492,627. No wonder these executives with princely salaries would like to add unemployment insurance to the proceeds of their widespread and lucrative racket. They so badly need to raise their annual income a few notches.

Policy Holder Holds Bag

On the other hand, what do the poor policy holders get out of this business which is so exceptionally kind to the management on top? Here the story is not so swell, that is from the point of view of the fellow who is holding the bag. During the prosperous year of 1928, 22,454,695 ordinary policies were outstanding. Only 563,088 of these, amounting to \$1,161,975,765, were terminated by death, maturity, expiry or disability. Of the remainder, 401,219 policies to the amount of \$1,133,613,159 were surrendered for one reason or another. 764,733 policies amounting to \$2,055,127 were permitted to lapse. So that in ordinary insurance two-thirds of the policies are either surrendered or lapsed in which the policy holder loses everything he ever paid in as premiums or gets only a part of what he was promised.

If this is the unpleasant and astonishing record of ordinary life insurance, the story of unemployment insurance managed by private insurance companies, would be infinitely more dismal. In a pinch the worker would let his unemployment insurance lapse long before he would cancel his life insurance.

Should the insurance companies sell unemployment insurance to industries instead of to individual workers, the result would in no wise be different and might possibly be worse. The same overhead costs would prevail; the same high premiums and the same enormous profits, instead of going to the benefit of the insured, would go into the pockets of the insurance companies, much of it to find its way into the pay envelopes of the highest executives. Industrial life insurance, taken out in group form by employers, has not been any too successful. Group unemployment insurance would be even less so. According to the New York Commission on Old Age Security . . . "Group insurance, which is an attempt by industry to take care of its workers, fills a very real need. But, like industrial pensions, only the most prosperous and best-managed corporations are likely to undertake it, and even they have

PROTECTING THEIR PRIVILEGE



Drawn for Labor Age by Jack Anderson.

restrictions which often bar the workers in irregular employments where income is lowest and protection most necessary. . . ."

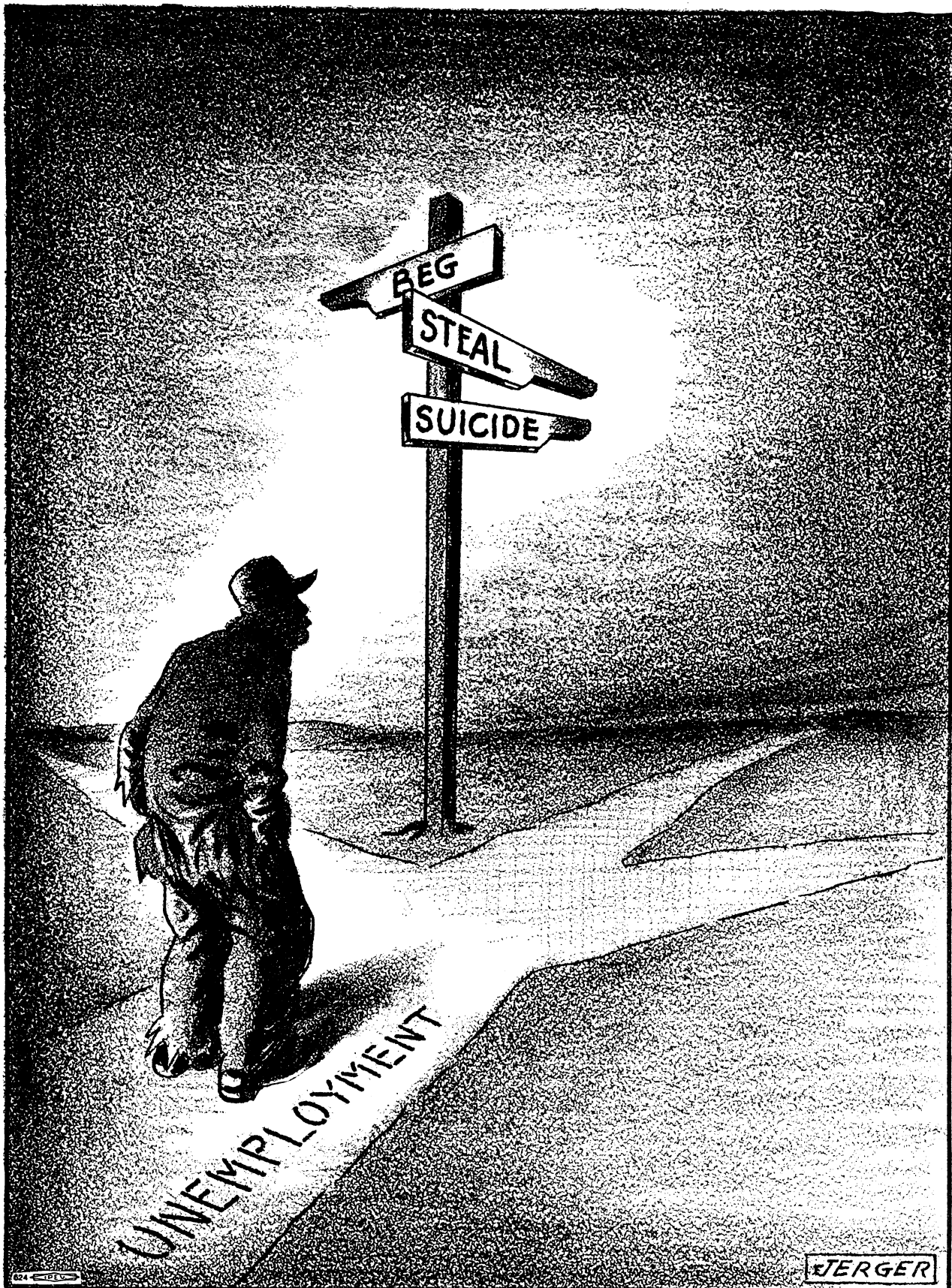
The greater evil under group unemployment insurance would be that like insurance by plant scheme, the moment a worker found himself out of a job, removed from the payroll of the firm for which he was employed, he would immediately be minus any unemployment protection.

No Other Alternatives

So looking over the field for alternatives to compulsory state unemployment insurance, we find every other plan either inadequate to meet the situation or definitely and consciously weighted against the workers for the sake of private gain. Neither in the voluntary plans set up by industry nor in the proposal of private insurance companies to expand their business to cover this unemployment hazard is there any hope for the millions of American workers who must face the possibility of enforced idleness in the ratio of at best one to ten any time in the course of their active, industrial lives, good years and bad. Private unemployment insurance schemes cover but an infinitesimal portion of the workers and afford no permanent protection even for these. Insurance company policies can do nothing more than add to the already rapacious profits of the insurance companies by mulcting the worker without affording him real protection.

It is time at this late date to recognize that unemployment cuts across too many currents of American life and affects too many workers and their families to permit relief to the victims to be applied either by the individual industry or the private insurance company. It is a social problem of first magnitude and as such should be treated in a social manner, through legislation by the various states.

In face of the obvious failure of our present system to provide steady work, there is no alternative to compulsory state unemployment insurance.



JERGER

Drawn for Labor Age by Fred Jerger.

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Dole or Unemployment Insurance!

Increasing Insecurity of Workers Demands Scientific Form of Relief

By HARRY W. LAIDLER

IN his acceptance speech delivered at his beautiful residence in Palo Alto, California, in late August of 1928, Herbert Hoover envisaged a nation of unparalleled and continuing prosperity, a picture which it is indeed difficult for realists to imagine, in these days of long queues of hungry men, of soup kitchens and of charity foot-ball games.

"Great progress (declared the presidential candidate) has been made in stabilization of commerce and industry. The job of every man has thus been made more secure. Unemployment in the sense of distress is widely disappearing....

"We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poor house is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation. There is no guarantee against poverty equal to a job for every man. That is the primary purpose of the economic policies we advocate....

"With impressive proof on all sides of magnificent progress no one can rightly deny the fundamental correctness of our economic system."

In his Madison Square Garden address in New York in late October, he reiterated this point of view:

"The slogan of progress is changing from the full dinner pail to the full garage. Our people have more to eat, better things to wear and better homes. Wages have increased, the cost of living has decreased. The job to every man and woman has been made more secure. We have in this short period (seven and a half years from the 1921 depression) decreased the fear of poverty, the fear of unemployment, the fear of old age; and these are fears that are the greatest calamities of human kind.... Prosperity is no idle expression. It is a job for every worker; it is the safety and the safeguard of every business and

every home. A continuation of the policies of the Republican party is fundamentally necessary to this progress and to the further building up of this prosperity."

Unfortunately for millions of wage-earners, Mr. Hoover's confidence in the power of the Republican party or of the system of "rugged individualism" to bring security to the American people seems not to have been entirely well placed and the last fifteen months have witnessed another of the regularly recurring periods of depression which have brought such tragedy to the lives of millions of workers during the last few generations.

This last crisis has brought more vividly before us than heretofore the increasing insecurity of American industrial life and the overshadowing need of some form of unemployment insurance to protect the worker against starvation, on the one hand, or, on the other hand, becoming an object of the great American dole.

The present depression is the fourteenth since 1885. Some of these depressions have been milder than others. In the post-war period—the period of the "new capitalism"—, we had a major crisis in 1920; less severe dips in 1924 and 1927, and the present extended period of hard times beginning with the fall of 1929.

As in former crises, no one knows the exact number of unemployed. We have statistics on almost every other conceivable subject, but up to the present time on the question of unemployment we as a people have not chosen to be informed. Facts concerning the extent of misery through lack of work in the United States might prick the bubble in too many political and Rotary club orations, and cause the people to look for fundamental remedies. The Washington administration now admits the presence of a vast army of 3,500,000 jobless men and women. Other reliable statisticians have placed that number at between 4,000,000 and 5,000,000. Some have even gone above those figures.

While we are probably near the pit of the industrial depression; while there is likely to be an upward turn again within the next few months, it will be some time before conditions return to the "normalcy" of the year 1928.

Our Future Insecure

For one thing, many of the factors at work after the 1920-21 depression are not operative today. Following the war, we had to engage in a gigantic building program, for the building of homes and offices had been largely suspended during the world conflict. We were called upon to loan great sums of money to Europe and Europe bought with this money large supplies from the United States. We were asked to help in the reconditioning of Europe. For a while we were without effective competitors in the supplying of the South American markets. We were engaged in large road building projects. Our automobile industry was growing by leaps and bounds; our energy was being put into the building of the movie, the radio and numerous new industries and our high pressure salesmen were selling tens of millions of dollars worth of goods on the instalment plan.

We are now faced with a weak European and South American market. The economic crisis is world wide and today most European countries with the exception of France and Russia are faced with a similar unemployment problem. The tariff walls we have recently erected are still further reducing the purchasing power of European countries and limiting our foreign markets. In many lines of building we are now overbuilt, while many of our industries are over-equipped, when compared with the ability of the mass of the people to buy the goods that may be produced therein. Many of our people who have bought on the instalment plan have greatly reduced their purchasing power for some years to come. Our recovery, therefore, is likely to be a slow one. And when we "recover," we will have the prospect within an-

other few years of entering into another period of hard times, with its consequent increased unemployment and suffering. Our business cycles during the last generation or so have lasted on the average about 40 months, with an upward curve of 22 to 23 months, and a downward curve, when business was gradually contracting of about 16 to 17 months.

But even during so-called "good times" the problem of unemployment is constantly with us. In fact, the insecurity of labor is increasing from year to year. The swift changes in industrial technique, the rapid displacement of man by the machine, daily recombinations of industry, accompanying our merger and trust movement, the early exhaustion of many of our workers in our mass production industries, the refusal on the part of most of our large corporations to take on new workers who have reached or passed middle age, the persistence of seasonal unemployment, the lightning changes of styles and of industrial locations—all are making life exceedingly uncertain both for the manual worker and for his fellow worker in the white collar occupations, even during the piping days of "normalcy."

More Production With Less Workers

The National Bureau of Economic Research estimated before the Wall Street crash that, despite the development of new industries, and the expansion of the ranks of high-pressure salesmen, etc., the number of unemployed in non-agricultural occupations had increased by no less than 650,000 from 1920 to 1927. The net decrease in the number of workers in manufacture, agriculture, mining and railroading during these years, it might be added, amounted to between two and three millions. And during this period—a period containing a number of years of so-called unparalleled prosperity—the gaunt army of the unemployed ranged from a minimum of 1,400,000, to a maximum of 4,200,000. Professor Paul H. Douglas, in his recent monumental book on *Real Wages in the United States, 1890-1926*, maintains that, whereas the average rate of unemployment in manufacturing, building trades, transportation and mining was 10.2 per cent from 1897 to 1926, the rate was 12.1 per cent in the post war period, 1920-1926.

In our country likewise, as in other countries, there is a growing disparity between the productive capacity of the

country and the consuming power of the masses. As Stuart Chase, in November HARPER's, brings out, American shoe factories are now equipped to turn out almost 900,000,000 pairs of shoes a year, while at present we buy about 300,000,000. In many other industries productive equipment has far exceeded the present consuming power of the masses.

John A. Hobson, the British economist, in his recent remarkable volume on *Rationalism and Unemployment*, further elaborates this thesis. "It is now a generally accepted truth," he declared, "that in organized industry there exists a general excess of productive power, in the sense that any attempt to operate this power at full capacity, so as to produce goods as fast as they can be produced, is soon checked by the failure of the markets, followed by a suspension or restriction of productive activity."

This situation is brought about by the "maldistribution of income of such a kind as to place too much purchasing power in the hands of the richer classes who allow it to accumulate for investment, too little in the hands of those who desire to raise their standard of living. The necessary effect is to evoke a monetary saving which is found to be excessive, in that the increased goods it is intended to produce cannot actually get produced, because there is an insufficient market for them. A better and more equal distribution of 'surplus' income is thus seen to be necessary to give full, continuous employment to capital and labor in an economic system whose productive technique is constantly enlarging the productive powers of the community."

This disparity between productive power and consumption capacity, continues Hobson, is becoming greater with the increased rationalization of industry. The author points to the figures given out by the National Bureau of Economic Research, figures which show that, between 1923 to 1927, while the average earnings of factory employees in the United States increased at the rate of 2.4 per cent a year, output per man increased by 3.5 per cent a year and the profits of industrial corporations, at the rate of 9 per cent. To this must be added the fact that the total number of workers in these industries showed a reduction of nearly 10 per cent. Rise in wages, he insists, must keep pace with the rise, not in production, but in productive power, if the balance is to be maintained.

"For we have seen that it is productive power that tends to outrun actual consumption, and to be held up by periods of un—or under-employment. The relatively high wages of Americans have admittedly been a stimulative and sustaining force for high productivity. But the statistics we have quoted, and the recent disclosures of great waste, not merely through unemployment, but through the concealed waste of excessive selling-apparatus, indicate that though wage rates are rising for skilled and unskilled labor, they are not keeping pace with profits in the distribution of the enlarged product. There is an aggregate displacement of labor (i. e., more unemployment) and a reduction in the proportion of high-skilled labor to low-skilled in the advanced and 'rationalized' industries. Final consumption is quite evidently failing to keep full pace with increased capacity for production under the new conditions."

The High Wage Myth

Thus the new capitalism, according to Mr. Hobson, "exhibits immense, almost unmeasurable, potentialities of production, everywhere kept in leash by the obvious insufficiency of the markets." Can it so expand its market, he asks, as to realize the full economies of production? On this point the British economist expresses much skepticism. If free competition went hand in glove with rationalization lower production costs might be passed on to the consumer in lower prices. However, the process of rationalization normally signifies the development of trusts, combines and cartels, which tend to eliminate competition in selling prices, and to regulate output to maintain a profitable price level. Of course the possibility of outside competition often prevents prices and profits from becoming too high, and the worker-consumer often receives some of the gains due to the substitution of mechanical processes for human skill. "But there can be no ground for holding that rationalization as a whole tends to a distribution of income favorable to the workers, either through raising wages or lowering prices. On the contrary, the policy plays in two ways into the hands of capital: first, by substituting more plant and power for manual labor, and secondly, by strengthening the capitalists' power to limit supply and fix selling prices at a level which yields the maximum profit."

Many American capitalists, it is true, have adopted the philosophy of high wages, on the ground that the

existence of such wages is a necessary condition of expansive markets, on which mass production rests. However, the realization of this fact does not induce any particular rationalized industry to pay higher wages than it needs. For the proportion of such increased income paid to its workers that would be applied to increased purchases of the particular goods it produced would be very small. Some corporations, it is also true, have adopted welfare measures in addition to the payment of wages, and this practice to some extent "tempers the rigors of American capitalism." But that the worker and consumer reap the full gains of rationalization is a "grotesque contention."

Thus we may expect, with the continuance of the present industrial order, the increase in insecurity. The only final solution is, of course, a planned system of industry under which the community is the owner and the intellectual and manual workers secure a return based on their in-

WILL IT COME TO THIS?



Drawn for Labor Age by Fred Jerger.

Suggestion for a peace poster in the great patriotic drive for fewer, younger, and more peppy workers!

dustry and productivity and are no longer compelled to support in luxury large classes whose main function is one of ownership.

So long as the present economic order lasts, however, we must be prepared to see in good times and in bad hundreds of thousands, yea millions of men and women, out of jobs through no fault of their own—often because they and their fellows have produced too much. The average wage of slightly over \$1,200 a year in the United States is not enough to permit the worker when employed to put aside any considerable sum of money against the "rainy day." And that rainy day finds 80 per cent of the workers tenants in other people's houses, ever wondering how far they can keep ahead of the dispossession notice. Under these conditions the alternative with which the American people is faced is the great expansion of the American dole or a scientific and comprehensive system of unemployment insurance.

Working with the Jobless

By LOUIS FRANCIS BUDENZ

LAFAYETTE and Leonard Sts." in New York City is a popular corner nowadays. It has risen suddenly to its peculiar position, for it is not a long time past since it was most unpopular. The Tombs prison is there. Frowning, forbidding, fortress-like, it rises over its high stone walls, to remind any one who thinks, of the degradation and inhumanity of jail life. Occasionally a face peers through its dirty, barred windows to get a glimpse of the outside and "freedom." A small knot of over-quiet men and women hovers for hours around its "Visitors Entrance," where a blue uniform stands guard.

"Lafayette and Leonard Streets" has a powerful magnet now, which brings crowds to its sidewalks. Sometimes there are one to two thousand; sometimes the number swells to five thousand and more. Rumors of increasingly new jobs granted brings out the work-hungry multitude two, three and four fold. The Free Municipal Employment Bureau is there. The big gold letters of its sign look out cheerfully upon the street. It seems a sign of hope. Blue uniforms stand guard at the Bureau's entrance, too, making the men who look in longingly, move on.

Communist orators are there, across

Lafayette Street from the Tombs. They come rather early every morning, and go on sometimes until late in the afternoon. A series of them speak in rotation, rapidly following each other, their nucleus in the crowd giving an occasional cheer to attract wider attention. Earnest, determined, bitter, these speakers point to the Trade Union Unity League and the Unemployed Councils as the way to secure relief through unemployment insurance. Their persistent evangelism, in the face of some anti-red sentiment among the crowd, has something admirable in it.

On the opposite corner, near the

Tombs, the speakers for the Conference for Progressive Labor Action hold forth every Tuesday, Thursday and Friday mornings. We now have an amplifier to aid our efforts, and in that way can reach a "meeting" of from one to two thousand people. Even before the amplifier was introduced, crowds of from five hundred to a thousand stood for hours listening to our message—of the urgent necessity for speedy action on unemployment insurance. Men of the business executive type, who clearly are not out of work, mingle with the hundreds of unemployed. They stay, too, to listen. The depression has many of them puzzled. At first they are inclined to smile. "It is only a red meeting," they comment. But under the hammering of facts and figures, taken from the American scene, they lose their smiles and begin visibly to think.

Police Become Restive

Police reserves are needed to handle our crowds as the amplifier booms out our message. They are courteous, but become increasingly restive as the days wear on. First, there is fear of "escape from the Tombs," and we are

moved across the way. Then, our literature "will litter the streets" although not one leaflet has been thrown away during the several weeks of this campaign—and 50,000 copies of "Insure Your Pay" have been distributed at these meetings. We get over that difficulty by persuasion. Then, our amplifier "disturbs the court (nearby) and the business offices," and we are told to discontinue its use. We tune it down a bit, and continue using it.

As the days go on, the listeners become more enthusiastic and more militant. Spontaneous cheers and applause interrupt the speakers. Denunciation of Herbert Hoover as "the most bankrupt Chief Executive since the be-whiskered and be-muddled Rutherford B. Hayes" evokes effusive response. We have not enough C.P.L.A. workers to secure all the petitions that could be signed. The unemployed themselves offer to help in the distribution of the literature and in getting the petition to Hoover signed. One man helpfully and may be hopefully suggests that we can get a "permit for a riot."

Triumph of "American Language"

We see the triumph of the radical labor message, delivered in "the American language." We have termed our campaign the "brass

tacks campaign" in the unemployment crisis. Our argument runs briefly as follows:

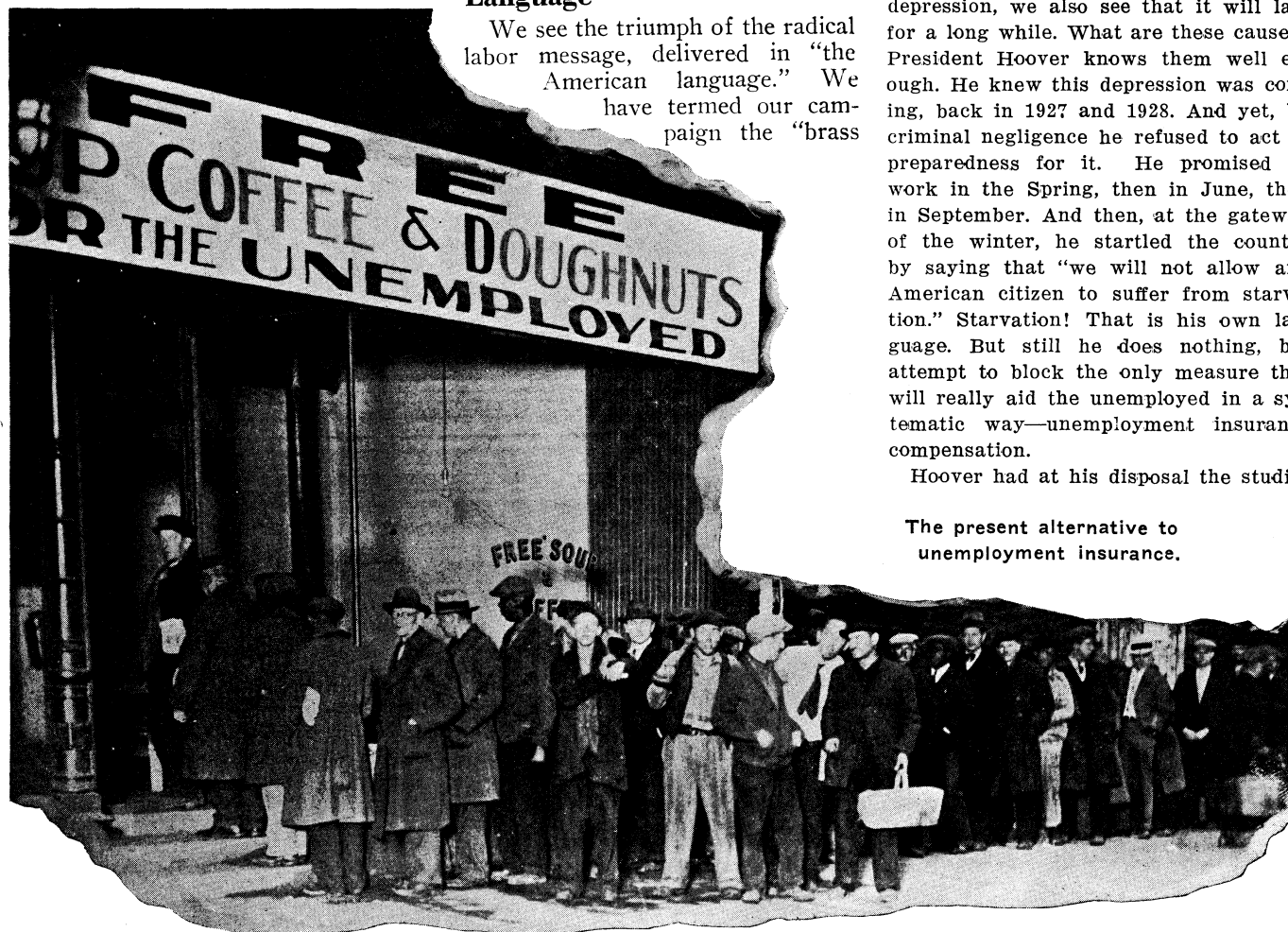
We are out for action. We are tired of the bunk and blah that has been handed out from the White House and by others in authority. By our protest we have succeeded in raising the wages of those employed by the Prosser (Wall Street) Committee from \$3 to \$5 a day. That victory is a pitifully small one. It means little. But it shows what can be done if the unemployed will show the courage that free-born, red blooded Americans are supposed to show. (It was these fine names that they dubbed us with during the war, when they wanted us to go out and fight.)

There is no other way to meet the unemployment situation except through compulsory unemployment insurance compensation. As we go into the situation, we challenge any one in the crowd, particularly business executives, to show by facts that there is any other sane, just, American way out of the crisis. We quote conservative authorities (bankers, business men, advisors to the President) to show that this depression will last for sometime—from three to five years.

When we look into the causes of the depression, we also see that it will last for a long while. What are these causes? President Hoover knows them well enough. He knew this depression was coming, back in 1927 and 1928. And yet, by criminal negligence he refused to act in preparedness for it. He promised us work in the Spring, then in June, then in September. And then, at the gateway of the winter, he startled the country by saying that "we will not allow any American citizen to suffer from starvation." Starvation! That is his own language. But still he does nothing, but attempt to block the only measure that will really aid the unemployed in a systematic way—unemployment insurance compensation.

Hoover had at his disposal the studies

The present alternative to unemployment insurance.



of Foster and Catchings on this subject. He even wrote to the New York Evening Post praising them for printing the "Road to Plenty." These conservative economists showed in their three books that the depression was bound to come—out of the Profit System. The business was one of simple mathematics. Too great profits were taken out of the pockets of the workers for them to buy back that which they produced. As long as the Profit System exists, we shall have these cycles of depression.

The machine also helped the depression. (We quote the example of the musicians, composers, etc., etc., to illustrate what the machine is doing in this respect.) It is impossible to fight the machine; that was tried by the workers in Great Britain back in the 18th century, when the steam engine machinery was first introduced. What must be done is to socialize the machine, in order that when it is introduced it will result in higher wages for the workers and shorter hours—and thus help prosperity rather than depression.

Whereupon we examine in detail the various plans put forward to relieve the present situation and show their utter inadequacy. All the combined forces of Wall Street, Mayor Walker's Committee, the Unified Relief Committee have not been able to scrape up enough funds to relieve 5 per cent of the 800,000 whom Mr. Edward C. Rybicki of the Municipal Employment Bureau estimates are out of work in New York City. Our campaign is "against soup kitchens, against bread lines, against starvation." It is for an assured systematic income to the unemployed, until they can obtain work, whether thrown out of employment by the machine or cyclical depression or both.

There is only one alternative to unemployment insurance: food riots. Lloyd's, the international insurance agency, has recognized that fact by raising the rates on riot insurance in the United States, during the past month. That agency has its finger on the pulse of American economics. It knows the unpreparedness of this country for the crisis. It also knows, that people, taught that they are free and red-blooded, will go out and get what they want rather than face suicide or starvation.

During the course of such arguments, and many more like them buttressed with facts, we urge the signing of the petition to Hoover. We want, we declare, to "bring to the front door of the White House," this word from the unemployed. We shall not do it by way of begging or pleading but by way of demanding. And our message

is: "Herbert Hoover, put an end to your inaction. Get busy as our servant on real relief for the unemployed through unemployment insurance compensation."

One thing that is noticeable is, that the argument for the extension of the workmen's compensation principle to unemployment is readily understood and agreed with. It is an argument that arises out of the American scene. The fact that its application is more radical than the British system does not make any difference whatsoever. It has been a mistake of radicals to imagine that the American people are "conservative." It is the wrong term for them; they are merely pragmatic.

The Committee of 50

On the morning of the day that the Unified Relief Committee, headed by Alfred E. Smith, held its first meeting, the unemployed passed a resolution suggested by the C. P. L. A., addressed to that committee. This resolution called for "no cutting of wages through unemployment relief," and demanded that the committee come out for unemployment insurance. A committee of 50 from the meeting of over one thousand volunteered to take it to the offices of the Welfare Council, headquarters of the Relief Committee. We walked up there, and were met by a frightened group at the Welfare Council. They took our resolution for presentation to the committee, which was to meet that night. When the committee meeting took place, police reserves were thrown around the building, for fear we would return! This is only a beginning to the marching of the unemployed, under C. P. L. A. auspices.

Meetings are being held further up-town in the afternoons. Broadway at 22nd Street, Madison Square, and 6th Avenue and 40th Street have been some of the sites of open-air meetings. Here, also, the amplifier gets us into verbal skirmishes with the police. The business men do not like the story that we are getting over to their office forces. It was only when our speeches became "hot" and pointed that objection was made. Complaints are made to the police, and they harass our meeting as a result. The response from the crowd is ever the same, even though it is much more diversified in character up-town than at Lafayette and Leonard. At 40th Street and 6th Avenue spontaneous applause has been marked. There the unemployed from Bryant Park and from the 6th Avenue private agencies brush shoulders with

"APPLESAUCE"



Keystone
Apple Growers Association reduces surplus stock by making unemployed sidewalk vendors.

executives from the Engineers Club and like places.

Because of the deep interest of the unemployed in this campaign, we are laying plans as rapidly as possible for an organization of men out of work. The church of All Nations has kindly consented to the use of its auditorium as headquarters, at least part of the time. But we have yet to set up the requisite volunteer machinery to make this step effective. We are extending the speaking drive into New Jersey and Pennsylvania, likewise, and hope to push it farther West. Only by going to the people on the streets can we make our agitation carry forward with full power.

In doing that, we also get a firsthand picture of the urgent need for unemployment insurance. Many of the men met with have been out of work for from 6 months to a year. They desperately require relief. And yet, every one of the committee of 50 who volunteered to go to the Welfare Council refused carfare back—"because we know you are trying to help us."

"Applesauce Socialism"

It is this sort of men who are offered the option of selling apples on the street corners or starving. We have been prompt to point out that the city government "has to go into business" when crises arise, even though they deride "Socialism" as a theory. The selling of apples we have dubbed "Applesauce Socialism," and have hammered at the fact that the price of apples to the unemployed has risen

(Continued on Page 29)

Preachers Demand Unemployment Insurance

Denounce Capitalist System

SUNDAY, November 16, being designated by the New York City Emergency Unemployment Committee as "Unemployment Sunday," most of the City's churches resounded to sermons discussing causes, effects and remedies of this foremost problem confronting the nation. Never before have churchgoers listened to such naked, revolutionary doctrine as was propounded on this occasion and there must have been many a shocked communicant among those who heard their preachers denounce the present capitalistic order and even advocate Communism if that be a cure. The present wholesale unemployment situation with the widespread misery seemed to have thoroughly aroused even the most conservative of ministers. For once at least they shook off their traditional timidity and went after those who can be held responsible for our debacle with both fists. According to the resume prepared by the NEW YORK TIMES, the most conservative ministers were the most outspoken. Unemployment insurance, which some of them advocated outright, seems mild in comparison to the language they used in excoriating the system that curses the workers periodically with wholesale idleness.

The sermons preached at the churches, excerpts of which are here published, show at least one thing. Public opinion will no longer tolerate victimization of workers at the expense of profit seekers without some adequate form of social relief. When Dr. Fosdick of the Riverside Church, a Rockefeller institution, can in plain language denounce capitalism and advocate unemployment insurance, we are not far away from the successful introduction of such a remedy nationally.

Rockefeller Church Hears Revolutionary Doctrine

"Why can't we have unemployment insurance?" asked the Rev. Dr. Harry Emerson Fosdick, in his sermon at the Riverside Church, the church that was built in part as a memorial to John D. Rockefeller, Jr.'s mother and for which he contributed millions of dollars.

"We insure against death," Dr. Fosdick continued, "disease, invalidism, industrial accidents. We are going to

pay this bill one way or another. We are going to pay millions in charity this winter. Why not use our brains and pay it in unemployment insurance?"

But Dr. Fosdick went even further, much further. And the congregation must have sat up in amazement at the statement that followed.

"Why can't we stop repeating the crazy idea that competition is the life of trade, in a new generation, when obviously competition has become the death of trade and, instead, begin bringing the basic industries of the na-

unregulated except by the personal profit motive," he said, "has been weighed in the balance and found wanting. Unemployment is the nemesis of any civilization." The haphazard and hasty methods devised at present for coping with the situation he characterized as "mere stop-gaps which do not go to the root of the trouble."

The Rev. Dr. Christian F. Reisner of the Broadway Temple Methodist Church called attention to the fact that "to dole out small charities or mere money gifts" is ludicrous in the face of the enormity of the problem.

"Something is wrong with our system," he pointed out, "when honest workmen can be reduced to starvation by unemployment in a few weeks, while the few live in extravagant abundance because they happened either to have superior ability or to invest wisely or accidentally to choose the right kind. It will not be enough to merely cry out against the Soviet or to club the Communists into silence or outvote the Socialists. The day will come when America must, in the light of such a Father God as we believe sits on the throne, face the fact of the unequal distribution of wealth."

Communism Is Bound to Come, Unless—

"It is certain that we can never hope to stamp out Communism by force," prophesied the Rev. Thomas H. Whelpley of the Chelsea Presbyterian Church, "It is bound to come, unless there is a better alternative offered to meet our economic need. It is an undying shame and disgrace to a land of untold wealth that periodically thousands of her citizens should be compelled to go begging for the mere necessities of life while others bask in the sunshine of plenty."

"Anarchy is in the offing," warned the Rev. Dr. Caleb R. Stetson from his pulpit in the wealth-intrenched Trinity Church at the very gate of America's plutocracy, Broadway and Wall Street. While Dean Mils H. Gates at the Cathedral of St. John the Divine, offering no particular remedy, satisfied himself with the statement that "what men and women out of employment really want is not charity but work."

BUY NOW!



New York World.
"I see where Vice President Curtis endorses the 'buy now' movement."

tion under cooperative control and social planning? Of course we have unemployment and we will continue to have it until the brains of this country set themselves to the task of socializing our basic industries under comprehensive plans of cooperative control so as to fit what we produce to what we need."

Present System Found Wanting

In similar vein, and equally revolutionary, was the sermon preached by the Rev. Dr. George Maychin Stockdale of St. James's Methodist Church. He proposed that wealth be conscripted for the purpose of insuring the workers during periods of unemployment. "Our present economic order,

A Look at Russia

By COLEMAN B. CHENEY

In 1930

THE traveler in Russia, especially the American tourist during his first few days, is almost certain to have a feeling of depression and discomfort from his experiences with Russian inefficiency and from the gloomy appearance of empty stores, unkempt lawns and broken plaster. Few people are well-dressed (as we would use the term), and many are very poorly dressed. The hotels are not attractive either in the appearance and cleanliness of the rooms or in the quality of the food. It is not strange if many returning visitors bring back accounts of poverty and inefficiency.

But seeing Russia through American eyes and judging it by American standards is unfair both to Russia and to the observer. Practices which we regard as essential may be so foreign to the Russians that they are amused or irritated by them. The impatience of Americans to "get going and keep on going" is in sharp contrast to the average Russian's indifference to time. The lines of customers waiting in front of the stores make the American tourists shake their heads in wonder, but the people in the lines seem to be in no hurry whatever. The observer needs to remember also that Russia is not organized for the benefit of the foreign traveler, but, nominally at least, for the welfare of the Russian people. The true tests therefore are not the comforts of the foreigner and the quantity of goods offered by the shops to him, but the standard of living of the native workers and peasants who make up the bulk of the population.

Furthermore, one must remember that the term "standard of living" has no absolute meaning, but is always relative—to previous standards of the people studied or to contemporary standards of other people. In the case of national groups the former is more important; there is more satisfaction to a people in realizing that they are improving than in knowing that other people are in worse condition. And

one needs to take into consideration various other factors—the spirit of the people—whether they feel free or oppressed, gay or gloomy; the prospects, objectively considered, of improvement in the future; and the social status of people in various economic positions. In this country we would do well to remember, too, that the chaos of 1920 from which recovery has been so difficult was in part caused by the invasion of Russia in 1919 by American troops without a declaration of war or even the knowledge of most American citizens.

It cannot be denied that conditions of work and of living are far from good—judged either by conditions in other countries or by the standards set by the Russians as the goal to be sought. Housing facilities are inadequate as to both quantity and quality; merchandise in the stores is scarce and expensive; wages are low. It is officially stated that

11 per cent of all workers receive less than 40 rubles (\$20) per month;

25 per cent of all workers receive between 40 and 60 rubles (\$20-30) per month;

24 per cent of all workers receive between 60 and 80 rubles (\$30-40) per month;

16 per cent of all workers receive between 80 and 100 rubles.

7½ per cent of all workers receive between 100 and 150 rubles.

4 per cent of all workers receive between 150 and 200 rubles.

Improved Conditions

These facts must not be overlooked. In conversations about Russia, however, I am constantly hearing of these bad conditions with the implication that it was the present system of government that made them so. It seems to be quite forgotten that before the revolution the vast majority of people in Russia lived under unbelievably bad conditions, that they were prac-



JOSEPH STALIN

tically without political rights or opportunity for education, and that efficiency and cleanliness were never among their common virtues. No matter how low the scale of living is now, there can be no doubt that the condition of the workers has improved greatly since the revolution. Real wages, according to official reports, have increased 37 per cent, without taking into account the various kinds of social insurances now in force which bring the total gain up to 60 per cent. This is a very considerable gain in itself, but there are to be added shorter hours, vacations with pay, lower rents, and the satisfaction that comes with security of job and the right to voice complaints and suggestions.

The social insurances cover accidents, illness, old age, maternity and unemployment. In case of accident, a worker receives full wages for the duration of the disability. If the disability be partial and permanent, the worker gets from industry what he can earn as wages, and enough more from the insurance fund to make his income the same as before the accident. Full wages are paid during temporary illnesses (up to one year, or even in some cases, two years), and in case of permanent illness, except that arising directly from the job, which is treated the same as an accident, he receives an amount equal to 60 per cent of his former wage. When a worker becomes too old to work he is allowed a pension. Women are released from work for several weeks before and after child-birth, and they receive full wages during the absence.

Free medical aid is given as a matter of course in all these cases.

There is a shortage rather than a surplus of skilled labor at present, so little unemployment occurs in this class. Of the 725,000 out of work this summer (July), more than 75 per cent are unskilled. These latter, in addition to the unemployment insurance* which all the unemployed receive, are given technical training to prepare them for places in industry or agriculture.

Rents are charged according to income, the maximum charge for workers being 13 per cent of wages. For the unemployed, the rent may be reduced almost to nothing, while for Nepmen (private traders) it may rise to very high figures. At present the scarcity of housing leads to allotment of space according to size of families.

Vacations With Pay

Every worker is allowed a vacation of two weeks a year with full wages. A considerable number of "Houses of Rest" are provided without charge where workers may rest and study during those two weeks if they care to do so. During the past year, 700,000 men and women were accommodated in such places and the number is increasing annually. Most of the houses were formerly residences of wealthy business men and government officials who have emigrated or been moved to smaller quarters.

The eight-hour day is the standard, though some workers are employed for longer hours. In the dangerous trades, such as coal-mining, hours have been reduced to six and annual vacations are longer. The most striking innovation regarding hours is the introduction of the five-day week—not five days of work in each seven, but a newly-defined week of five days, of which each person works four and rests one. By rotating the days of rest, only one-fifth of the workers are off-duty on any one day, and four-fifths are always at work. By this method, each worker gets about the same total number of days of rest per year as if he had a day and a half from each seven. But the wheels of industry do not stand idle one-fifth of the time, nor do all the people try to crowd into the recreation centers on the same day and then leave them empty the rest of the week. Possibly the United States could learn something even about efficiency from Russia.

To the majority of American work-

* Since revoked to insure greater labor stability.—Ed.

ers, the right to voice complaints and suggestions may seem a small matter, but to the Russians who have been kept in silence for generations, it is symbolic of the whole revolution and is in fact an important part of it. Security of job which is one of the aims of the working class movement the world over is a corollary of this right. Every Russian worker is a member of a trade union, and the trade union is a recognized part of the administration of every factory. The manager, who is appointed by the trust which controls a number of factories, has full authority over the technique of production, but he can discharge a worker only with the approval of the workers' committee. This committee also is the focal point for complaints and suggestions as to production, personnel, conditions of work, etc.

An interesting opportunity for workers to express their opinions appeared in the "general house cleaning" of the Communist Party which took place not long ago. Officials of the Party "held court" to try the fitness of members, and not only other members but fellow-workers who were not members were called upon to testify as to whether the persons on trial were worthy of membership. A Communist factory manager or foreman who had been careless, inefficient, grafting or otherwise unfit for his position had little chance of escaping such serious criticism as would cost him both his membership in the Party and his position in the factory. Thus in the land which admittedly restricts freedom of speech on political questions, the workers enjoy an actual and effective right to speak about the matters most directly affecting them, to a degree that might arouse the envy of many American workers.

And then back of these gains in immediate income, and fundamentally more important than any of them, is the fact that all the increase in productivity (in industry this increase has been 100 per cent in the past six years) is actually accruing to the credit of the workers and peasants—because they are the owners—because there is no other outlet.

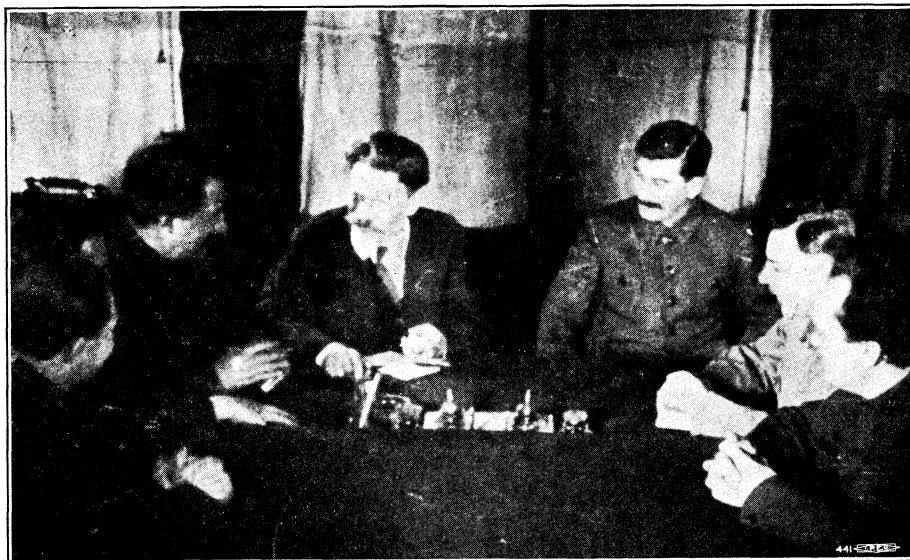
Educating the Peasant

I had little opportunity to get firsthand information about the peasantry, and since this article is addressed to people primarily interested in labor, I shall not attempt any detailed discussion of this class. But from conversations with Americans who have been in Russia for some time and with Russian officials in close touch with the

agricultural situation, I am convinced that the peasants are in several respects better off than they were before the revolution but that their gains are less than those of the industrial workers. Probably the most important improvement in the condition of the peasants is in the extension and betterment of the educational system, which includes not only schools for teaching the three R's but also club rooms in the cities where peasants have the use of libraries, are given free legal advice, and are taught by pictures, models, lectures, and conferences, the most modern agricultural methods. Such topics as seed selection, design of farm buildings, care of animals, use of machinery, fertilization and sanitation are discussed and illustrated. There are ten thousand of these "Houses of Peasants" throughout Russia, the largest one (in Moscow), serving 200,000 people a year.

The once prominent class called the intelligentsia has almost disappeared from sight, partly by emigration and partly by absorption into the Soviet regime. By absorption is meant not only employment by the government but also the disappearance of distinctions in dress, living conditions and general appearance, until it is almost impossible to recognize former members of the intelligentsia as such. But of course there are physicians, engineers and the like who have stayed through the revolution. Some of these are ardent Communists who get genuine satisfaction from enduring the sacrifices they are called on to make, but there are others who are unwillingly and unhappily suffering considerable reductions in their standards of living. By chance I made the acquaintance of one of these, a physician who before the revolution had been at the head of a large hospital, received a comfortably large income, and occupied an apartment of eleven rooms. He is now paid \$70 a month salary as physician to a certain group of workers and is allowed to occupy only four rooms of the former apartment. (This is the space allowed for husband, wife and son.) His bread and fat quota is a limited one: he is allowed the same amount as any light-work employee of the state. Other things he may buy as far as the limited supplies and his limited income permit. Extra meat can be bought from Nepmen if he is able and willing to pay the high prices charged outside the government and cooperative stores. Here is a case of lowering of the standard of living, and one cannot fail to sympathize. But the loss here means a gain to others in the form of

RUSSIA'S RULERS



Left to right: Ordzenikidze, member of Supreme Economic Council, Stalin's right hand man; Michael Kalinin, president of Council of Commissars; Joseph Stalin, head of Supreme Economic Council; Clemente Voroshilof, War Commissar; I. V. Kybyshev, president of Supreme Economic Council, in charge of the Five Year Plan.

higher wages and lower rents. And if the Communists have gone farther than is necessary in curtailing the freedom and opportunities of the intelligentsia (they have made it impossible for the doctor to leave Russia and difficult for his son to pursue his studies as far as he would like), still it is not hard to see the logic of the Communists' insistence that until there is plenty for all, of food, clothing, housing, educational facilities, etc., no one shall have an undue share, and that when a choice has to be made between workers and others, the workers shall have preference. The bitter memory of the hostility of most members of the intelligentsia to workers' aspirations before the revolution and during the Civil War is quite enough to account for this partiality and the suspicion which accompanies it.

Scarcity of Goods

The shortage of consumable goods is one of the outstanding facts of present-day Russia. Retail stores (in Moscow and Leningrad at least) are usually filled with people but almost empty of goods. Long lines of customers wait patiently in front of almost every store. Bread and meat, as I have said before, are sold in limited quantities to each family. I visited store after store in search of a Russian blouse, but in every case I was told the supply was all gone. This, of course, does not mean that they are unobtainable but it certainly in-

dicates a scarcity. At the Sunday open-air market where peasants are allowed to sell farm products, there were vegetables and fruits of all sorts, eggs, meat, cheese and the like—but at very high prices. Some things are much more plentiful, but it remains true that there is a real scarcity of many kinds of goods.

Why, nearly thirteen years after the revolution, is it necessary for the Russian people to live so frugally? The answer is not far to seek: The thirteen years of communist rule include four years of civil and foreign war, which with the chaos inherited from the Czarist regime, required six years more for recovery. Only since 1927 has there been much new construction as contrasted with the reconstruction before that time. In 1928 began the operation of the present program for the general industrial development of Russia, the program known as the Five-Year Plan, which calls for an increase of productivity in all industry at a rate greater than any other country has ever known. This means a tremendous investment of capital, and since the capitalistic countries are unwilling to make large investments here, this capital must be produced in Russia. Consequently labor and capital are directed to the production of steel, coal, machinery, chemicals, electric power plants, etc., at the expense of the increase that might otherwise take place at once in textiles, foods and the like. Consump-

tion of goods is for the time being purposely restricted by means of the high prices and scant stocks. There is some increase immediately in these "light industries," but the rate of growth of the "heavy industries" is very much greater. In time, the increased machinery, coal, electricity, etc., will result in a larger production of consumable goods—that, of course, is the sole purpose of the production of equipment—but this result has not yet become appreciable. In short, Russia is living on a war basis; is practising the frugality that Americans were asked to practice in 1917-18; and for the same immediate end; rapid saving. Our saving, however, was to allow increased destruction, whereas Russia's saving is to allow increased construction.

This industrial revolution and its attendant circumstances suggests a comparison with similar transition periods in English and American history. England in 1800 was making great sacrifices in order to accumulate capital; Russia in 1930 is sacrificing to the same end. Both countries have suffered greatly in process; low wages and low standards of living have been the lot of the masses of the people. The United States on the other hand seemed somehow to make the transition without great difficulties. The explanation is to be found partly in the vast natural resources which awaited American expansion, but still more in the fact that America borrowed the capital from abroad and repaid it from the earnings of the capitalized industry. In contrast, England accumulated its own capital, as Russia is now doing, from its own hand labor and infantile industries. In the case of England it was because other countries were *unable* to make large loans; in the case of Russia because they are *unwilling* to do so.

"Growing Pains"

Thus the dearth of goods on sale in the stores is not so much an evidence of poverty, though it is partly that, as it is one of the symptoms of rapid growth—part of the "growing pains" which every industrial nation endures to a more or less degree depending on the extent of foreign aid, but which happily provide the means of their own termination.

The principle underlying the Five-Year Plan has a further implication which should be significant to Americans. When I raised the question of economic self-sufficiency of Russia, in a discussion with a man high up in Party organization, he replied very

(Continued on page 29)

RUSSIA'S RULERS



Left to right: Ordzenikidze, member of Supreme Economic Council, Stalin's right hand man; Michael Kalinin, president of Council of Commissars; Joseph Stalin, head of Supreme Economic Council; Clemente Voroshilof, War Commissar; I. V. Kybyshev, president of Supreme Economic Council, in charge of the Five Year Plan.

Flashes From The Labor World

THE trend of the times is to unemployment insurance. Union officials, experts in labor legislation, progressive state and federal labor department officers, even the politicians, are declaring themselves for the one system that takes the charity and begging out of unemployed relief. In fewer years than most progressives would be willing to concede, an American Federation of Labor convention will indorse unemployment insurance, after perhaps several state legislatures have adopted the plan. This would be in accord with the Federation's tardy indorsement of workmen's compensation and old age pensions.

Let's call the roll of the unions and labor bodies favoring insurance: Int'l Ass'n of Machinists, Brotherhood of Railway Clerks, American Federation of Teachers, Amalgamated Lithographers of N. A., Pocketbook Workers Int'l Union; New York, Rhode Island, Utah, Wisconsin state federations of labor, Canadian Trades and Labor Congress, N. Y. United Hebrew Trades, Women's Trade Union League — in all 1,500,000 of the 3,000,000 members of the A. F. of L. It must of course be pointed out that these bodies do not possess half the voting strength in A. F. of L. conventions.

Other organization for unemployment insurance include the Amalgamated Clothing Workers, the C. P. L. A., the Socialist and Communist parties, the League for Industrial Democracy, the American Ass'n for Labor Legislation and a host of liberal and progressive bodies. Even the railway union organizations have expressed themselves favorably and a score of important labor papers, ranging from dailies such as the Milwaukee Leader, through local weeklies to international union monthlies, are arguing for insurance and against the dole.

* * *

How long will Mathew Woll be able to withstand this pressure? Not many

years, we predict. Even now his extraordinary argument that insurance will "enslave" workers must be framed in the form of questions. At least five members of the A. F. of L. executive council have indorsed unemployment insurance at one time, or would be favorable to it. Pres. Green himself in 1915 wrote cordially to Congressman Meyer London, congratulating him on introducing an unemployment insurance bill in Congress. Green then was secretary of the United Mine Workers and had not fallen under the baleful influence of Woll. Sec. Frank Morrison has always been a staunch advocate of social insurance, speaking out vigorously for old age pensions at the Boston convention when Woll's committee ignored this vital issue. Pres. Wharton of the Machinists is pledged by action of his union to favor insurance and Sec. Bugnizet of the Electrical Workers has published fragments favorable in the Electrical Workers Journal. Martin F. Ryan of the car-

men can be expected to follow the railwaymen's lead in demanding real federal and state relief from the situation which has thrown 245,000 rail workers out of their jobs in the past 12 months.

As a matter of fact the A. F. of L.'s peculiar opposition to social insurance has its fount and origin in the person of none other than Woll. Remove him and the Labor Movement would naturally and inevitably campaign actively for insurance. This was apparent at Boston where his arguments and his fervor alone swayed committee and convention, aided by Green. No other Federation delegate or official condemned insurance, several spoke for it, and Woll side-stepped action by referring the whole matter to the executive council for study.

* * *

Craftism helped American workers to dig an organized position in the still-to-be mergerized industries of the 80's and 90's. Now it lingers to bedevil workers

in their fight to gain better working conditions. Was ever a better example of this to be found than in the recent conference of the railway brotherhoods in Chicago, which nearly broke up because of craft jealousies? Here were four big unions faced with a critical situation. 75,000 of their members had been displaced since 1923 while 245,000 railway men, all told, have seen their jobs go up the flue in the past 12 months.

The program offered was simplicity itself: the 6-hour day with no reduction in wages, and the maximum 26-day month. Did the 600 system chairmen and general officers or their committee of 25 find it easy to adopt this program and to devise ways to push it over? Not at all. The engineers and firemen have been engaged in running warfare for several years, the engineers going so far as to take a strike vote last year against their junior brothers. Relations between the conductors and trainmen have been

GET BEHIND THE BALL!



Drawn for Labor Age by Herbert Heasley.

An invitation to A. F. of L. to untie itself from capital's apron strings and to join progressives in the 6-hour drive.

hardly more cordial. Trainmen and switchmen, the fifth organization present at the conference, have been fighting for years on jurisdictional grounds.

With this background of strife, small problems loomed large and difficult problems became insoluble. The conductors were about to pick up their hats and leave, and engineers were to follow suit. Finally an agreement was patched up: the unions are in favor of the 6-hour day. But how to get it, or how to cut out overtime, were questions that were too hot to handle. Another meeting is to be called and Pres. Hoover is to be asked to get up one of his inimitable conferences to solve the problem. Vain hope!

* * *

It should be noted of course that engineers in England have preserved their own union in face of a general movement to group all railway workers together. Even in Russia engineers have insisted on a certain measure of autonomy. But here in America the four railway brotherhoods are each sovereign in every respect and owe not even a shadowy allegiance to any such "voluntary" body as the **A. F. of L.** Just how much sovereignty and independence are worth when hundreds of thousands of railway men are being thrown out of jobs is a subject which will be of growing interest in railroad yards and shanties.

* * *

American workers are earnestly requested not to fall for the charity buncombe that the rich are paying for the unemployed. As a matter of fact the rich are getting a lot of free publicity painting them as benefactors when they are holding on to their cash as never before. The bankers emergency employment committee—employment for workers, not bankers—in New York announced it would give \$6,000,000 to the jobless. What nice, generous, lovely bankers, cheered the daily press. Even the little stenographers on their way to jobs where their pay has been cut \$5-10 a week in the past six months, got a comfortable glow out of the prospect that the big bosses had kicked through. Scrutiny of the bankers' list reveals however that nearly all the money has come from assessing employed workers. E. L. Gyppum and employes, reads the entry.

* * *

Eight hundred miners of Ward, W. Va., decided that someone would have to put a stop to the wage cuts in the Kanawha Valley. They took the job on themselves, and struck the Kelly's Creek Collieries Co. pit. The good news is that the reorganized United Mine Workers sent or-

CAN U. S. AFFORD IT?

Dividends Tell the Tale

IS the United States able to maintain a system of compulsory unemployment insurance? One chief argument against this form of justice to the unemployed is that it is too costly.

The answer is found in the dividend figures for the current year, of depression. As quoted in Harvey O'Connor's pages last month, the dividends paid by corporations this year will be larger than in any other years of U. S. financial history. Already in the first nine months of 1930, total dividends paid were \$500,000,000 more than in the same period of 1929.

Then comes the Standard Oil Co., on this November 25, and announces the greatest dividend in its history. "In spite of the general business depression, the Standard Oil group of companies will show for 1930 total cash dividends disbursements of \$286,666,728," says the New York Times of November 26th. The increase over 1929 is \$17,020,801.

If these corporations, while millions of men are out of work, can increase their dividends for coupon clippers, can they not also by taxation be made to care for their workers, thrown out of work? The answer is, **THEY CAN.**

ganizers, the Emergency Committee for Strikers Relief sent money, and the strike was won. Thus a halt has been called to the employers' march through miners' living standards and a hopeful prospect opened of a new campaign to organize West Virginia miners.

* * *

Of all the disgusting hooey, that pouring from the oily lips of big business executives to the effect that they have refused bravely to cut wages, causes us the worst retching pains. Consider for example the high and mighty Alfred P. Sloan of General Motors. "General Motors has not and will not reduce wages," he asserts, but the Federated Press correspondent in Detroit immediately digs up no less than six instances of wage slashes that affected large numbers of General Motors workers in as many different plants. At Flint 5,000 struck in a body against one such. You can watch this disgusting process of highfalutin lying in your own town.

Down in Danville strikers are facing a cheerless winter, wondering just how sincere the A. F. of L. is in its promises of relief. Four thousand workers and at least 8,000 dependents must be helped through the winter months if the A. F. of L.'s southern organizing campaign is to be worth more than the words spent on it. Relief has not been too abundant but the local strike leaders are carrying on hopefully under assurances from Pres. Green that relief will surely come, even if slowly. The Emergency Committee for Strikers Relief, 112 E. 19th St., New York, is also sending funds to Danville.

* * *

Times are hard in the United States. For whom? For the millions of unemployed wage earners who are walking the streets looking for jobs, appealing to the charity organization societies, chamber of commerce relief committees, and other bread line organizations.

For the farmers who are trying to make a living by selling 40c oats and 80c wheat, and whose crops were cut by the unprecedented drought which hit large sections of the country last summer.

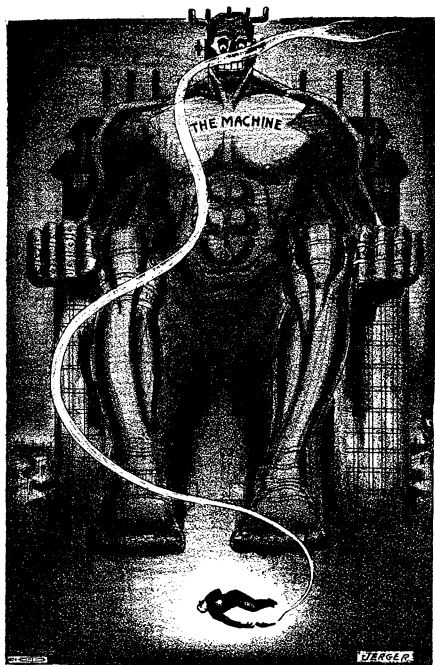
For the little business men who are going down in companies before the keen cutting tools of 1930 bankruptcies. Ever since 1922 reports of business failures have averaged around 20,000 per year. Until the present year the banner total was 23,600 failures. In the first quarter of 1930 there were 7,369 failures; 6,403 in the second quarter; and 5,904 in the third quarter. In short, during the three quarters of 1930 there have been approximately 20,000 commercial failures. There is every indication that the total for the year will run well above 25,000, an unprecedented figure for the American business world. The great majority of these failing firms had a capital of less than \$5,000.

* * *

Railroad executives, watching their industry slipping in its competition with busses, truck lines and big pipelines, have begun to talk of government ownership—to come within 10 years.

One of the signers of the formal statement of their troubles filed with the Interstate Commerce Commission, speaking for one of the best railroads in the western traffic region, declared to a friend in Washington that he saw no outcome of the present downhill slide except the sale of the properties to the government. His view is sustained by some of the experts connected with the U. S. Chamber of Commerce.

HARVEY O'CONNOR.



Drawn for Labor Age by Fred Jerger.
Smoke from suicide's gun is in-
cense to the modern god.

THIS department is attracting attention. It ought to. Not because it has any of the brilliance of Veblen, the presentation of Chase, or the penetration of Marx, but because there is hardly a phase of modern economic development of more importance than the march of the machine.

Like the airplane, the machine, in its onward march, has no regard for national boundaries. It overruns them all, tending either to obliterate them entirely, or alter them radically. Thus it comes, most likely, that we get a letter from a member of parliament 'way down in New Zealand asking for a copy of one of our articles that he had seen quoted in the papers there.

Evidently, the machine makes for internationalism in the problems of capitalism; hence the call for information from remote corners of the earth.

As the poet would say, "One touch of modern machinery makes the whole world depressingly akin."

* * *

Consider the machine and the city. Much is said about what the machine is doing to the country. For instance, Secretary Benough of the Vancouver Trades and Labor Council, declares, according to the A. F. of L. Weekly News Service, "Enough of these machines (called combines) have been introduced in the province of Saskatchewan to displace 9,000 farm workers. The machine has displaced 7,000 farm laborers in the province of Alberta and 3,000 in Manitoba," he said.

The March of the Machine

That's bad for employment in the country. But look at this Federated Press item regarding an Ohio city: "Wrought iron workers from the Girard plant of the A. M. Byers Co., which has been permanently shut down because of the introduction of the Aston mass puddling process at their new mill at Economy, Ohio, have joined the mobs of job hunters at mill gates. Instead of the 2,500 pounds that the highly skilled and well paid hand puddler could turn out per day, the new process produces 6,000 pounds of wrought iron every 24 minutes by a chemical action machine. The closing of the mill, the largest puddling unit in the country, ends the old time iron industry which once flourished here."

* * *

Next consider this little bit from the pen sketch of "Youngstown, Ohio," right near Girard, drawn by Martin Larson in *The Weekly People* of November 1st: "And here too the Modern Machine has made its presence felt. The guide who took me through the Youngstown Sheet and Tube Company explained that approximately as much steel could today be turned out by 3,000 workers as was produced eleven years ago by 15,000. But the demand for steel is less now. So is it everywhere. In the valley-mills where once 40,000 men found work, today, I was told by the city editor of the *Youngstown Vindicator*, only 7,000 are now employed. And the end is not yet."

* * *

Lest we hastily conclude that the machine is only undermining and disintegrating steel towns, let's read Charles J. Miller's writeup in *Industrial Solidarity* of November 4th. It shows how the onward sweep of new weaving machines wipes out jobs and creates dead textile mill villages. The present writer personally knows Charles J. Miller as a practical woolen weaver and a careful student of economics. Miller knows whereof he writes from first-hand experience. Describing the new Northrop woolen and other woolen weaving machines which displace the mule, and the tendency to abandon mills with old machines and concentrate in mills with new, Miller declares:

"The effects of all these labor saving machines and efficiency systems are

shown in the American Woolen Company's report for 1929 which states that 14 small and unprofitable woolen mills were closed during the year. The last ten mills to be closed have in every instance been operating at only 25 to 50 per cent capacity. They follow: Saranac Mills in Rhode Island, Rochdale Mills and Ray Mills in Massachusetts, Winchester Mills, Connecticut, Lebanon Mills in New Hampshire, and the Sebasticook Mills, Newport Mills, Oakland Mills, Waverly Mills, and Forest Mills in Maine.

"This report brings out a certain angle to this readjustment which is tragic and still there is very little said or read about it. There are scattered throughout New England 50 or more dead towns or villages. These communities had been built around a cotton or woolen mill. With the closing of these mills, these towns have been practically wiped out."

There's as good a summing up of the tale of the machine and the city as could be told. Some day we may tell what the machine is also doing to coal mining and railroad towns. But this is enough proletarian woe for the present.

* * *

A word as to the Eastern Regional Conference of the C. P. L. A. which is to discuss "Labor in the New Industrial Era of Hard Times."

Here's a contribution to the subject, from the *American Bankers' Association Journal*: "Below the surface of business activity there has been drastic readjustments going on for many months. Some of them have already been completed and are being reflected in a speeding up of current operations on a sound basis."

Just what does that mean? Possibly the following will throw some light on the above words: "Mechanization of industry is actually being stimulated by hard times," declares Theodore M. Knappen, editor *Magazine of Wall Street*. "In other depressions," he said "reduced labor costs were met by lower wage rates. Labor costs are now reduced by the machine."

It looks from this as though the "new era (of hard times)" is going to be a continually accentuated one—for the workers.

Pocketbook Workers

Unify Forces

By
S. FISHER

THE fourth biennial convention of the International Pocketbook Workers' Union opened in Hoboken, N. J., October 31. The next day it moved across the Hudson and continued its sessions in New York City. One hundred-and-forty-five delegates were present from New York, New Jersey, Philadelphia, Boston, Springfield and Montreal, Canada.

Barnet Wolff, Manager of the Union, and permanent chairman of the convention, presented a comprehensive report of the organization's activities. Wolff pointed out that since the beginning of 1930, over twenty shops had been unionized in New York City. In some cases, where the employers were stubborn, strikes had to be called. Beside these activities the New York organization had to have a constant watchful eye on the runaway shops in order to check the tendency for employers to move their shops to unorganized centers and to unionize the new territory that might enter into competition with the New York market and undermine the conditions there.

Manager Wolff stated that the union will in the future carry on a more vigorous campaign in the non-unionized markets. He recommended that the new agreements with the employers should call for the 40-hour week, a single scale for workers, a minimum scale for helpers, the installation of an apprenticeship system and control over the development of machinery. He also recommended that suspended members of the union should be reinstated in order to promote "harmony, unity, solidarity and united efforts among our members and against the employers for better wages and working conditions.

Prominent speakers of the Labor Movement addressed the convention. Among them was A. J. Muste, Chairman of the C. P. L. A. and Dean of Brookwood Labor College. In his address Brother Muste attacked gangsterism wherever it exists in unions and stressed the importance of organizing the unorganized workers in militant, industrial unions. He urged the convention to endorse national unemployment insurance. He was given a big ovation by delegates and visitors when he finished his speech.

The most interesting discussion of the convention occurred when the cases of suspended members came up for

consideration. These members were suspended for being Communists and for adhering to the policies of the Trade Union Unity League. The Appeals Committee, through its chairman J. Rosenblum, reported that it had received a communication from the suspended members which stated that they were more convinced than ever in the correctness of the program of the T.U.U.L. Also a leaflet was distributed at the convention, bearing the same attitude. In spite of this defiance the Appeals Committee recommended that the decision of 1926 be upheld, that the suspended members be reinstated with the right to participate in all phases of union activity, except that they could not run for office for one year. The Committee's recommendation was adopted by a vote of 69 to 14. Another group of expelled members, which no longer belong to the Trade Union Unity League, were reinstated as full-fledged members.

The Resolutions Committee with its Chairman, Max Drevnovitz reporting, favorably recommended the following resolutions which were adopted as demands upon the employers when the present agreement expires on May 1, 1931. The 40-hour week; unemployment insurance to be paid by the employers and controlled by the union; a \$60 minimum wage scale for mechanics was defended by C. Drevnovitz, chairman of the section; the changing of the date of expiration of the annual agreement from May 1, to August 15, when the fall season is on; one week trial period for workers instead of the present two weeks; control of the introduction of machinery so that the workers should not be the sufferers; and an investigation, by a committee, of the dual system of week work and piece work in the industry, this committee to report its findings at the next convention. All these resolutions were referred to the Office Committee for unification when they will be presented to the employers for the entire organization. The convention adjourned November 2, and reconvened on November 8 and 9 to finish its business.

At these later sessions which were

held in Forward Hall, New York City, additional resolutions dealing with a scholarship to Brookwood Labor College; with a Labor Party; with national unemployment insurance; with aid to the A. F. of L. Fund for the striking textile workers in the South; and one urging the United Leather Goods Workers' International Union, of which the Pocketbook Workers are a part, to affiliate with the Amsterdam International, were favorably adopted.

Reinlib reported for the Constitutional Committee. One question before the Convention was: Shall the Pocketbook Workers become an international union with separate locals and a general executive board? This question was discussed and it was decided to give it to the Joint Council for study, and bring in a full report to the next convention. Also, hereafter no officer will be able to hold office for more than two years. After that he must go back to the bench to work in a shop for one year before he can again run for office. This was adopted in order to eliminate bureaucratism. Proportional representation was defeated and it was decided that each section should send 15 delegates to future conventions, these delegates to be elected by the members of each section.

This convention of the Pocketbook Workers was a very important one. All shades of opinion were represented. There was no red-hunting. There was absolute freedom of expression and every delegate, "left," "right" or "progressive" was treated alike. Much credit should go to Chairman Wolff for his skilful and unbiased handling of the convention.

Many of the problems considered at the convention will be found extremely difficult to solve when the attempt is made to translate the resolutions into actual practice in industry. But the spirit shown by all the delegates and officers makes the task of constructive building much simpler. The Pocketbook Workers are now a united force. It is to be hoped that other progressive and Socialist unions will follow the example of this small progressive organization.

C. P. L. A. ON WHEELS *The Story of* A Ford in Action for the Progressive Cause

WHEN an author goes to Russia and writes a book on "A Ford Crosses Soviet Russia," (reviewed in the November LABOR AGE), it makes exciting reading. Were some bright observer to follow a similar trail across the United States and record his findings, the reading would probably not be so exciting as doleful. Though this story we are about to relate has a Ford as its center plot, we hope its reading will be far from doleful, for connected with this particular Ford are to some extent the future fortunes of the C. P. L. A.

To speak out plainly, this organization has fallen heir to a much used Ford touring car, vintage still unknown, which will soon be equipped for active service in the progressive cause. Before long residents along the triangular trail between New York, Bayonne and Paterson will become quite familiar with this latest addition to C. P. L. A. equipment for action and they will know, as it whizzes by, that somewhere in the vicinity distribution of literature, agitation for unemployment insurance and organization work with the unorganized are being conducted. The C. P. L. A. is truly on the move!

Our campaign for unemployment insurance is now in full swing. Here it is not necessary to go into details about this particular activity for in another section of this issue the complete story is adequately related. But we are tempted to quote short passages from a few workers from many who sent in sad tales of their plight, after listening to our speakers.

"I am an ex-service man," writes one, asking what he can do to help in the agitation for unemployment insurance, "and can't find a thing to do since last December. I have two children and a wife to support. I am unable to do so. Therefore I am willing to join you, even in a revolt."

Another worker shows us how employers kept their promise to President Hoover not to cut wages.

"I have been employed for the last seven years by a large concern on Fifth Avenue," he explains. "My salary was \$50. On June 26th they cut my wages 33 1-3 per cent, after which they laid me off besides, and finally lost my job altogether. I am the father of eight children and am raising an orphan be-

sides. They have deprived my youngsters from taking a full course of education. Therefore I am ruined and lost."

What more can be added to this pathetic situation?

Here is one who wants to know more about the causes and effects of his present dilemma.

"I am a family man," he writes. "My mother is past 60 years of age. I am the main support. I need work, not charity. Don't forget your literature."

Do we need unemployment insurance? From everywhere comes the answer in an unmistakable affirmative as our campaign is being taken up with vigor and determination. During the past month the office was flooded with returned petitions, full of signatures, and with demands for more blanks from Carl Brannin, 'way out in Seattle to Alfred Baker Lewis, in Boston, Mass.; from Cleveland, O. to Marion, N. C., the petitions are being passed around with an earnestness that means hundreds of thousands of signatures when they will be presented to Congress.

Meanwhile other phases of our program are not being forgotten. Two new leaflets are now hot off the press and if you haven't received them send in a hurry call. They should be widely distributed. They are "The Call To Action," a short review of the origin and activities of the C. P. L. A. brought up to date, and "Let's Pull Together," an illustrated leaflet on organization that has achieved such an immediate popularity that 5,000 copies were distributed before we had it in the office for hardly two days. In preparation are three new pamphlets on important phases of C. P. L. A. interest. The first one to be published will be "Fifty Years of the American Federation of Labor." It will be ready in December. The others are a comprehensive review of causes of unemployment, alternatives for relief to unemployment insurance and the superiority of unemployment insurance to any other remedies proposed; and a pamphlet on the extent of company unions and industrial welfare plans and their present status. Keep an eye out for the announcement of their publication.

In Philadelphia the Labor College

has been reorganized under C. P. L. A. auspices and a neat little folder announces its adherence to a program of real workers education, ready for business during 1930-31.

"We are not out to train good Republicans or Democrats or Babbitts or exploiters of labor," reads its program. "We consider ourselves a part of the Labor Movement of America and the world. We conceive of the Labor Movement in turn not merely as a tool to gain certain ends for certain individuals or groups of workers, but as a great social force whose mission it is to build a finer human order than this present capitalist and imperialist one, and a social order in which a good life shall be possible for all men, under the control of the workers."

Workers Education Bureau please copy.

The officers of the Labor College are George Creech, President, Gertrude Schermerhorn, Secretary and Joseph Schwartz, Director. Classes now functioning are History of Trade Unionism, Public Speaking, Economics, Current Problems in the Labor Movement, and Social Problems and Sociology.

Cooperating with a large group in Buffalo, the local C. P. L. A. is staging a conference on unemployment and remedies to be adopted. The preliminary meeting was held on Tuesday, November 25, at which, under the chairmanship of Rabbi Joseph L. Fink, many phases of the problem were discussed. Dr. Robert Riegel of the University of Buffalo, spoke on "The Problem of Unemployment." Douglas P. Falconer of the Children's Aid Society took up "The Social Consequences of Unemployment," and Dr. Coleman B. Cheyney of Skidmore College, discussed "Unemployment Insurance—Financial and Administrative Plan."

Plans for the Second Eastern Regional Conference have been definitely completed. Great interest is shown everywhere in the subject to be discussed and if you can at all attend, make definite preparations to be present.

We can announce with pleasure that we shall have Dr. George S.

Counts, outstanding educational authority in this country, author of many books on education here and abroad, and author of the book mentioned at the very outset of this article "A Ford Crosses Soviet Russia," as one of the speakers at the dinner session of the Conference to be held on Saturday evening, December 6. The other dinner speaker will be Walter White,

Acting Executive Secretary of the National Association for the Advancement of Colored People. A. J. Muste will be toastmaster. Make your reservations at once.

Branches which have not yet chosen their delegates should attend to this matter immediately.

The Conference for the Progressive Labor Action is decidedly on the move.

C.P.L.A. Unemployment Insurance Bills

The following unemployment insurance bill has been drafted by the C. P. L. A. for use as a model by those individuals or agencies desiring to further such legislation in their respective State legislatures. It can be adapted to the legal requirements of each State by slight changes in its form and wording.

SECTION 1. Short Title.—This act shall be known as the "unemployment insurance law."

SECTION 2. Definitions.—As used in this act,

1. "Department" means the department of labor ;

2. An "employment," except where the context shows otherwise, means any employment for hire within the state.

3. "Employee" means any person employed by an employer in an employment subject to this Act, except a person whose income from employment other than manual labor is not less than \$3,000 a year.

4. "Employer," except when otherwise expressly stated, means a person, partnership, association, corporation, and the legal representatives of a deceased employer, or the receiver or trustee of a person, partnership, association or corporation including the state and a municipal corporation or other political subdivision thereof, employing six or more employees in a common employment;

5. "Fund" means the unemployment insurance fund established by this Act;

6. "Benefit" means the money allowance payable to an employee as provided in this act;

7. "Wages" means the money rate at which the employee is recompensed under the contract of hiring in force at the time he became unemployed, or partially unemployed, including the reasonable value of board, rent, housing, lodging or similar advantage received from the employer;

8. "Unemployment" means unemployment subject to the conditions of this Act.

SECTION 3. Liability for Payment of Benefits.—Benefits shall be paid to every unemployed employee by the fund.

SECTION 4. Benefits.—1. Benefits shall be payable on account of each week of unemployment after a waiting period of

one week, at the rate of forty per cent of the employee's weekly wages, but an employee shall receive an additional ten percent of his wages while he has a wife with whom he is living, and five percent if he has one child, and ten percent if he has two or more children, under eighteen years of age or over that age and dependent.

2. The waiting period shall commence the day the employee registers as unemployed at the state employment agency for the district in which he resides.

3. An employee whose usual weekly employment is reduced to such an extent that his weekly wage is less than the amount of the full benefit to which he would be entitled if he were totally unemployed shall be entitled to a benefit which when added to his wages will bring his income for the week up to the amount of that full benefit.

4. The total benefits to which an employee shall be entitled in any calendar year shall not exceed twenty-six times his benefit for a week of total unemployment. No employee shall receive benefits in a greater proportion than one week's benefit for each two weeks of full time employment by an employer.

5. Benefits shall be paid to an employee only;

(a) if he has been employed by one or more employers in the state while such employers were liable for the payment of premiums under this act for not less than fifty-two weeks;

(b) while he is capable of and available for employment and unable to obtain employment in his usual employment or in another employment for which he is reasonably fitted. But he shall not be required to accept employment if:

(1) there is a strike or lockout in the establishment in which employment is offered; or

(2) the position is at an unreasonable distance from his residence, having regard to the character of the work which he was accustomed to do; or

(3) travelling to the place of employment involves expense, unless the expense be provided for; or

(4) the wages offered be not the wages prevailing for similar work in the place of employment; or

(5) the conditions of labor be unsatisfactory.

SECTION 5. When Benefits Not Paid.—An employee shall not be entitled to benefits:

1. if he has lost his employment through misconduct; or

2. if he has left his employment voluntarily without reasonable cause.

SECTION 6. Agreement to Contribution by Employees Void.—No agreement by an employee to pay any portion of the payment made by his employer for the purpose of providing benefits either through the fund or otherwise, shall be valid and no employer shall make a deduction for such purpose from the wages or salary of any employee.

SECTION 7. Waiver of Agreement Void.—No agreement by an employee to waive his right to benefits under this act shall be valid.

SECTION 8. Assignments.—Benefits due under this act shall not be assigned, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt, which exemption may not be waived.

SECTION 9. Method of Determining Claim for Right to Benefit.—1. If the fund after request by an employee, fail to pay, or to continue to pay, the benefit as provided in this act, the employee may file a claim with the officer in charge of the employment office at which he is registered. The claim must be filed within one month of default in payment.

2. If the claim appears to such officer invalid or improperly made, he shall, within three days, notify the fund, who shall have an opportunity to correct any error. He shall also notify the employee of his right to make an application for a hearing which must be made within five working days. Such notifications and applications shall be in such form as the department may provide.

3. If such officer believe the claim correct, or as soon as it has been corrected, he shall notify in writing such fund, of the claim and that he may contest it by filing in his office within five working days after receipt of notice, a denial of the claim in such form as the department may provide and such denial shall operate as an application for a hearing.

NO LONGER TO BE EVADED



Drawn for Labor Age by Jack Anderson

SECTION 10. *Appeals.*—The commissioner may provide for an appeal from the decision of the officer to an appeal board of three members, appointed by the commissioner. This appeal board shall contain at least one employer and one employee, who shall be resident within the district for which they serve.

SECTION 11. *Questions of Law to Court.*—The commissioner, or an appeal board, may certify questions of law to the [appropriate court].

SECTION 12. *Proof of Right.*—The employee shall prove his right to benefits in such manner as may be provided by the rules and regulations of the department.

SECTION 13. *Break in Unemployment.*—Employment at any work for which provision for benefits is not required

shall suspend the right to benefits. If the employee loses such employment within six months of the cessation of his employment by his last previous employer, his right to benefits shall recommence upon registration and expiration of the waiting period.

SECTION 14. *Administration.*—1. This act shall be administered by the department of labor and the department shall have power to make all rules and regulations and to make all appointments which are necessary for the enforcement of the act.

2. The department shall be assisted by an advisory board appointed by the governor, which shall consist of two employers, two representatives of organized labor and one representative of the public. This board shall be consulted re-

garding every rule adopted by the department.

SECTION 15. *Unemployment Fund.*—There is hereby created a fund to be known as "The Unemployment Insurance Fund." Such fund shall consist of all premiums received and paid into the fund, of property and securities acquired by and through the use of moneys belonging to the fund and of interest earned upon moneys belonging to the fund and deposited or invested as herein provided. Such fund shall be applicable to the payment of benefits.

SECTION 16. *Premium Rates.*—The rate of premium to be paid into the fund shall be a percentage of the employer's payroll. For the purpose of establishing this rate employments and employers shall be divided into groups and classes equitably based upon differences of unemployment hazard, and a system of merit rating may be employed which shall take account of the peculiar hazard in the case of each individual employer. Premiums shall be fixed at the lowest possible rates consistent with the maintenance of a solvent fund and of reasonable reserves and surplus.

SECTION 17. *Accounting and Dividends.*—Employment and employers insured in the fund may be divided into such groups as shall be equitable for the purpose of accounting and the declaration of dividends, but for the purpose of paying benefits the fund shall be deemed one and indivisible.

SECTION 18. *Record and Audit of Payrolls.*—Every employer shall keep a true and accurate record of the number of his employees and the wages paid by him, and shall furnish to the commissioner, upon demand, a sworn statement of the same. Such record shall be open to inspection at any time and as often as may be necessary to verify the number of employees and the amount of the payroll. Any employer who shall fail to keep such record or who shall wilfully falsify any such record, shall be guilty of a misdemeanor.

SECTION 20. *Collection of Premiums in Case of Default.*—If an employer shall default in any payments required to be made by him to the fund, after due notice, the amount due from him with interest at six percent from the date when due, shall be collected by civil action against him in the name of the commissioner, and the same when collected, shall be paid into the fund, and such employer's compliance with the provisions of this act requiring payments to be made to the fund shall date from the time of the payment of said money so collected.

SECTION 20. *Bankruptcy.*—In the event of bankruptcy or insolvency of an em-

ployer, the amount due for premiums shall be a preferred asset second only to wages.

SECTION 21. *Cost of Administration.*—The cost of administration of this act shall be borne by the state.

SECTION 22. *Penalties.*—1. Any person who wilfully makes a false statement or representation:

(a) to obtain any benefit or payment under the provision of this act, either for himself or for any other person; or

(b) to lower premiums paid to the fund; or

2. any person who wilfully refuses to pay a premium to the fund; or

3. any employer who shall make a deduction from the wages or salary of any employee to pay any portion of the premium to secure benefits under this act; shall be guilty of a misdemeanor.

SECTION 23. *Separability of Provisions.*—If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 24. *Time of Taking Effect.*—This act shall take effect immediately, except that the requirements in respect of benefits and applications for benefits shall take effect on January first, 1932

employees practices and methods of planning which are likely to alleviate unemployment.

SECTION 6.—It shall be the duty of the Bureau to examine plans submitted by the state agencies and approve the same if it finds them to be in conformity with the provisions and purposes of this Act.

SECTION 7.—Each state accepting the provisions of this Act shall report semi-annually to the Bureau the premiums paid into its unemployment insurance fund, the benefits paid to unemployed persons, the number of persons who have received such benefits, and such other information as the Bureau shall request. In addition the state agency shall report annually such information as may be requested by the Bureau regarding the activities of the state in the alleviation of unemployment.

SECTION 8.—Within 60 days after ascertaining the amounts of the benefits paid under the state's plan during the six-months' period, the Bureau shall certify to the Secretary of the Treasury the amount to which each state, under the appropriation then in force, is entitled for the six-months' period during which the reported payments were made. Such certificate shall state

1. that the state is complying with the provisions of this Act, and
2. that the sum to which the state is certified to be entitled does not exceed:
 - a. one-third of the benefits paid from its fund or funds during that period; or
 - b. the state's pro rata share of the total appropriation made by Congress under this Act for that period.

Such certificate, when in conformity with the provisions hereof, shall be sufficient authority to the Secretary of the Treasury to make payment to the state in accordance therewith.

SECTION 9.—The Bureau shall make an annual report to Congress on or before December 1, on the administration of this Act, and shall include in such report the reports made by the state agencies under the provisions of this Act.

SECTION 10.—This Act shall be construed as intending to secure to the various states control of the administration of the system of unemployment insurance within their respective states, subject only to the provisions and purposes of this Act.

SECTION 11.—There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, or so much thereof as is needed, to carry out the provisions of this Act.

SECTION 12.—This Act shall take effect on January 1, 1931.

Federal Unemployment Insurance Bill

A BILL

To Authorize the Furnishing of Aid to the States in Maintaining State Systems of Insurance Against Unemployment, and for Other Purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That for the purpose of cooperating with the states in providing insurance against unemployment, there is authorized to be appropriated annually, out of any money in the treasury not otherwise appropriated, \$100,000,000 to be apportioned among the several states which accept the provisions of this Act in the proportion which the number of employed persons in each such state bears to the total number of employed persons in all such states, according to the last preceding United States census.

SECTION 2.—In order to secure the benefits of the appropriation authorized in section 1 a state shall through its legislative authority:

1. accept the provisions of this act;
2. create or authorize the creation of an insurance fund or funds to be administered by or under the supervision of a state agency under a comprehensive plan of insurance against loss due to unemployment;

3. authorize the state agency administering or supervising the administration of such unemployment insurance system to cooperate with the Federal Bureau of Employment in accordance with the provisions of this Act.

SECTION 3.—All money expended under the provisions of this Act from appropriations authorized by section 1 shall be upon the following conditions:

1. The state's plans for the establish-

ment, administration and supervision of the system of unemployment shall be approved by the Federal Bureau of Employment, and shall provide that:

- a. benefits are to be paid only to persons by whom or on behalf of whom premiums have been paid into the insurance fund;
- b. benefits are to be paid only to persons capable of and available for employment and unable to obtain suitable employment;
- c. no person shall be denied benefits by reason of his refusal to accept employment which is available owing to the participation of a previous occupant in an existing strike or lockout.

2. The amount paid to any state by the federal government shall not exceed one-third of the amount paid out in benefits under the state's plan during the same period.

SECTION 4.—There is created in the Department of Labor a Bureau of Employment, hereinafter called the Bureau, which shall be charged with the administration of this Act. The Bureau shall be under the charge of a Commissioner of Employment, who shall be appointed by the President, by and with the advice and consent of the Senate; he shall hold his office for four years, unless sooner removed.

SECTION 5.—This Bureau shall have power to cooperate with state agencies in carrying out the purposes and provisions of this Act; to adopt such rules and regulations as may be necessary and appropriate to carry into effect the provisions of this Act; and to cooperate with the Bureau of Labor Statistics and with such public and private agencies as it may deem advisable in procuring and distributing information regarding conditions of employment throughout the country and suggesting to employers and

In Other Lands

GREAT BRITAIN

As the life of the Labor Government painfully flickers out its troubles multiply and pile on so much that one would imagine that some evil genius was turning it aside with a diabolical ingenuity from the straight and narrow road which leads to Socialism.

The brilliant promises of the last general election campaign are either negated or translated into petty, abject performances to the disgust of all MacDonald's well wishers. The much lauded education bill that was slated to reduce the number of unemployed by the hundreds of thousands is delayed if not sidetracked. It was to go into effect on April, 1931, but on pressure from the Liberals its operation is postponed till September, 1932. The Coal bill is in danger of being wrecked by the magnates striking against the government rather than permitting its enforcement on their properties. Conditions in the textile, steamship, shipping and other industries are most unsettled. Indeed, outside of a comparatively few luxury trades industry on the whole is sick. One could go a step further and say that British capitalism as an organized system is in a trap and cannot extricate itself on account of the operations of uncontrolled forces all over the world. MacDonald pathetically complains of this and asks the British workers to accept it as an excuse for his running in a circle, or away from his party's mandate. MacDonald's failure to take a bold stand and strike lightning resulted in his party's defeat at the late municipal elections and the loss of a working class parliamentary division.

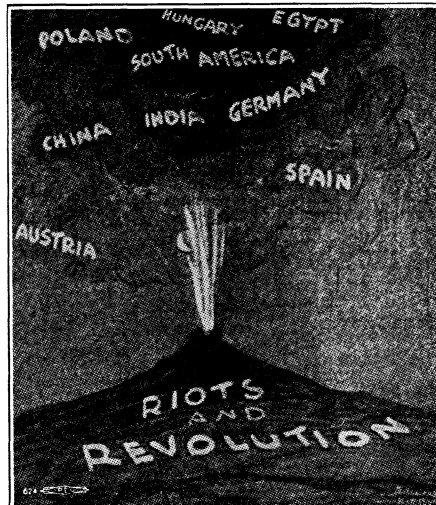
MACDONALD'S FOREIGN BLUNDERS

The mess abroad is worse than at home. Slick fraud and double dealing were practised on Palestine and when the inhabitants of the Holy Land protested they were treated as if their country was an oriental satrapy of another age.

On India MacDonald has gone to greater limits than in Palestine. At Delhi his friend, Lord Irwin, hedged on real Dominion Rule. At the Round Table Conference in London MacDonald's appointees ignored the splendid campaign waged by the Hindus for freedom as they understand it. In so far as the British delegates could express themselves they were reactionary to the core. Lord Reading, alleged Liberal, spoke their mind best. Lord Peel, the Tory, simply

revealed what was in all of their minds when he shot out the words of scorn and contempt for the advocates of Indian freedom. The Indians of all classes from the sovereign princes and independent rulers to the lowly Untouchables gave Peel and Reading their answer in one word—*independence*. As one Indian put it, "We shall sit at the king's table not squat in his stable." The unanimity of the Indians flabbergasted the British and MacDonald was trotted out to do his accustomed stunt of facing-both-ways—but ultimately siding with the reaction-

WORLD IN TURMOIL



New York World.

aries. His speech was polite but contained nothing definite. He admitted his panic when he pronounced the Indian proposal revolutionary and talked solemnly of constitutions and evolving towards higher form, ignoring the fact that the attendance of the Indians was the result of change and constitutional agitation. The Premier's speech was the last straw with the Left Wing groups and I. L. P. men. Instead of taking a hint from the remarks of the delegates, especially the Untouchables, MacDonald took refuge in a cloud of words, a torrent of apologies and negations and wound up by metamorphosing himself into a leader of the Imperialists. This means that many I. L. P. men and their sympathisers will repeat their Yorkshire performance at the next general election and boycott the conservative and cowardly Labor Party men and leaders who have brought the name into derision and contempt.

AROUND IN CIRCLES

Louis Blanc advocated national workshops in '48 but MacDonald, poor imitation of the Frenchman, does not even try that or any other experiment, afraid of offending Snowden and the middle class. So he parades uphill and marches down again or around in circles. History proves that no ruling class gives way to the class beneath it without a struggle, yet MacDonald thinks he can overthrow capitalism by parliamentary means.

GERMANY, AUSTRIA, POLAND

Berlin is at last preparing to throw down the gauntlet to the Allied powers on the reparations muddle. Concealed in speeches and diplomatic notes (now and then an inspired unofficial statement, gives the show away) is a demand for a suspension of payments and debts which the Allies will agree to if Uncle Sam consents to be the goat and agrees to cancel his loans to the Allies. Otherwise there will have to be more agitation and economic troubles. There are several large strikes due to low wages and high prices, and the attempts of the German industrialists to force wages lower. The Reich on the whole is economically in a bad way. The Socialists are threatening the government of Bruening with withdrawal if the Chancellor does not introduce the remedial legislation advocated by the Social Democrats. Conditions force the Socialists to take a determined stand and if Bruening does not yield it will mean defeat, temporary dictatorship and another general election. In foreign affairs Germany is battling for real disarmament which the British, French and Americans do not want. Should Poland persist in persecuting Germans a demand for a rectification of the Eastern boundary will be made by Berlin and it may lead to war.

The elections in Austria revealed that the Fascisti are weaker there than anywhere else. Their small vote will have a bad effect on Hitler and other mad-cap pinchbeck Louis Napoleons. Mussolini has taken the hints from Berlin and Vienna and has eased up on the brutal Italianization of Tyrol. The next step will be an agreement to admit Austria into the German Federal Republic. Like the Cuban elections near home the Polish election was a great national political farce. Pilsudski jailed half his opponents and prevented a large number of them from voting. So the Marshal won an easy victory but not the two-thirds majority he started out to get by hook or crook.

PATRICK L. QUINLAN.



"Say It With Books"



A New Technique for Conflict

Mahatma Gandhi, *His Own Story*, by C. F. Andrews, Macmillan, New York, 1930, \$2.50.

Mahatma Gandhi's Ideas, by C. F. Andrews, Macmillan, New York, 1930. \$3.

Disillusioned India, by Duan Gopal Mukerji E. P. Dutton, New York, 1930, \$2.50.

IN the life and thinking of Mahatma Gandhi we have one of the most thorough-going indictments of Western capitalistic civilization yet produced. While occasionally in America and Europe wage workers band together and grapple for a larger portion of the spoils derived from the present methods of production, seldom is there a fundamental challenge to the system as a whole. Where the foundations of capitalism are attacked, the methods used in the conquest are those of the institutions they besiege, methods far more forceful in the hands of those in control.

The contribution of Gandhi is chiefly here, he has given us not only an indictment of our materialistic, ruthlessly inhuman, economic life of which criticisms we are more than tired, he has produced a technique for attacking the system. In these two books by C. F. Andrews, his devoted friend, we have the account of Gandhi's development and the character of his thinking.

Where in America and Europe we have a timid fear of bringing into the conflict any factors that might taint the controversy with political, religious and social issues, to Gandhi the separation can not be made. The welfare of his people is bound up with religious toleration, political organization, and social solidarity. In India the need for this is more evident than in America. It is so much easier to see the evils of the other nation's system. "Politics, divorced from religion, has absolutely no meaning" (p. 110). A nation divided by religious rivalries, social caste, political jockeying is in no condition to face a life and death struggle against the exploitation of imperialism. The power to overcome the barriers of age-long division lies in a religious devotion to the cause of freedom, justice, and good will.

Such terms, however, fail to give the genius of the movement. It is necessary to use the terms associated with Gandhi's philosophy in order to suggest the thoughts upon which this technique for conflict is based. Where capitalistic society rests on the assumption that mankind is a mass of vandals bent on plundering each other, tempered in their attack by a mutual caution that leads to laws and governments, Gandhi sees a world of possible saints religiously devoted to the welfare of each other, ready to suffer in order to see that others are fairly treated. Where Western civilization would rest on man's self seeking impulses, Gandhi would create a society resting on the loving, other-regarding, father-mother impulses that find their reward in seeing their fellow creatures prosper and flourish. This, however, still carries the materialistic implications of our western thinking. To Gandhi the manner of life, freed from the limitations of materialistic form is far more important. Fundamental to the thinking of Gandhi is the conception of soul-force or *Satyagraha*. The way this is carried out is described by Gandhi in his own works (p. 250) "An Englishman never respects you till you stand up to him. Then he begins to like you. He is afraid of nothing physical; but he is very mortally afraid of his own conscience, if ever you appeal to it and show him to be in the wrong. He does not like to be rebuked for wrong doing at first; but he will think over it, and it will get hold of him and hurt him till he does something to put it right." This fundamental faith in the decency of the other fellow, of his willingness to follow the truth and do the right thing when he is shown is at the root of *Satyagraha*. Similarly, the suffering of the righteous is more potent than the attack by violence on the vested powers.

Linked with and a part of the conception of soul-force is the idea of 'non-killing,' *Ahimsa*. "It really means you may not offend anybody . . . there is no room for an enemy . . . under this rule there is no room for organized assassinations, or for murders openly committed,

or for any violence for the sake of your country, and even for guarding the honor of precious ones that may be under your charge. . . . We may guard the honor by sacrificing our own lives into the hands of the man who would commit the sacrilege. And that requires far greater courage than delivering blows. If you do not retaliate, but stand your ground between your charge and the opponent, simply receiving the blows without retaliating, what happens?" (p. 103-1-4).

By the vow of *Swadeshi*—"one's own country"—Gandhi has made a religious duty the practice of what popularly passes in American communities as the patronize-your-home-industries movement. "If a man comes from Bombay and offers you wares you are not justified in supporting the Bombay merchant so long as you have got a merchant at your very door, born and bred in Madras."

But the implications are carried farther. On this is built the *Khaddar* (non-wearing) movement. With great factories throwing people out of work Gandhi has started the home industries encouraging spinning and weaving. By making all take a hand in this work he dramatizes the dignity of labor and contributes toward a nation-wide movement that will add to the income of families and at the same time strikes a vital blow at the nation that looks upon the cloth market of India as an additional reason for maintaining a rigid rule.

"*Swaraj* (self-government), does not consist in the change of Government; that would be merely the form. The substance that I am hammering after is a real change of heart on the part of the people. I am certain that it does not require ages for Hindus to discard the error of untouchability; for Hindus and Mussalmans to shed enmity and accept heart-friendship as an eternal factor of national life; for all to adopt the spinning-wheel as the only universal means of attaining India's economic salvation; and, finally, for all to believe in that India's freedom lies only through Non-Violence." (p. 366-67).

Much that relates to the Hindu background of the book will not appeal to

American readers—the ascetic appeal—complete vegetarianism, celibacy, and his approval of the caste system.

The spirit of the man, however, his own freedom from race and class prejudice, and his readiness to work, continuously and suffer whole-heartedly for his people should prove as stimulating to a nation whose idealism rises with difficulty above the leaven of protest found in the home industry of home brew.

Mukerji relates in a poetic manner the impression he gains from a revisit to his native land, of the disillusionment his people share in the civilization of the West. He, too, looks for India to contribute to the west a new technique for conflict, closing his book with this statement:

"This non-violent revolution, if it succeeds, may prove an epoch-making event in world history. Not only does passive resistance create a purer spiritual atmosphere, it will actually prevent most of the death, wounding and destruction which war involves. The limit is soon reached, where soldiers will refuse to strike or kill the defenseless. India has given many religions to the world. She may now be giving a new method of gaining political freedom without resort to war." (p. 222).

FRANK C. FOSTER.

THE OPINIONS OF JUSTICE BRANDEIS

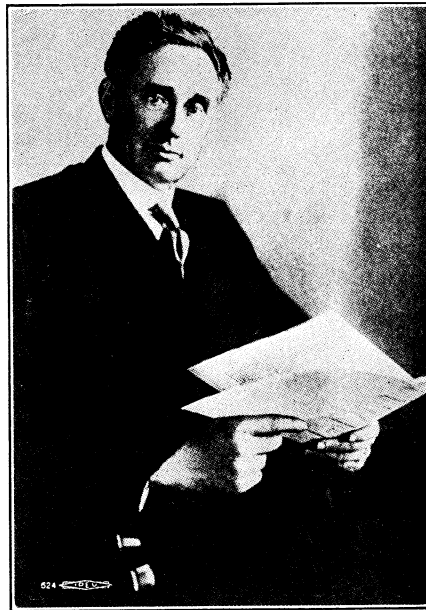
The Social and Economic Views of Mr. Justice Brandeis, Collected with Introductory Notes, by Alfred Lief. With a Foreword by Charles A. Beard. The Vanguard Press, New York, \$4.50.

THIS volume should really have been entitled "A Picture of a Decent Society." Some such title would have been less forbidding than "The Social and Economic Views of Mr. Justice Brandeis." The average layman is usually afraid to try to read legal opinions and all things connected with the law. As a matter of fact these opinions are easy reading and make a first class education in social problems. Practically everyone in these days of great unemployment is interested from one angle or another in the social ills created by private employment agencies. The very first opinion set forth in this volume is the famous story of Adams vs. Tanner, and the trials and tribulations of the State of Washington when it tried to prevent private employment agencies charging fees to the unemployed. Justice Brandeis realizes that law at times should coincide with life and he approaches the legal problems of this case, for example, by discussing "the evils," "the remedies" and "the con-

ditions in the State of Washington," and "the fundamental problem."

To laboring men throughout the country, Justice Brandeis writes on the subject of the "yellow dog" contracts in a manner which is essential for any true understanding of the problem. One of the best papers ever written on the subject of boycott is set forth in the Duplex Printing Company case. Justice Brandeis' approach to the major problems of our day, although arriving at the same end with Justice Holmes in many cases,

DISSENTER



LOUIS D. BRANDEIS

Despite lack of liberalism in Debs and Sacco and Vanzetti cases, his decisions generally have been unorthodox.

proceeds on a very different basis. His reasoning is closer and his background is that of a detailed economist. When he treats of subjects involving the regulation of public utilities, his opinions set forth the wide background of such problems as concern valuations, investment principles, franchise rights and the very troublesome problem of depreciation. If the reader perchance wishes to dip into realms of idealism, let him read through those cases which deal with the guarantee of freedom, the right to teach pacifism, the attempts of the Post Office Department to censor the press and those other issues which have arisen because bureaucrats have always attempted to limit free speech.

The introduction by Professor Charles A. Beard is an interesting and scholarly background for the opinions of Justice Brandeis which follow. In this review it

is impossible to appraise the Brandeis' opinions, but it may be worth something to the reader to be told that if he wants to know what a comfortable, free, untroublesome, decent life would be like in the United States, he should read this volume of opinions by Justice Brandeis. To those who are opposed to experimenting with life and who believe that the courts should always clamp us down to the decisions of bygone days, this volume will be meaningless. To any working man who is interested in the essential conflicts between free people and their rulers or between laboring men and their employers, this volume is necessary to a real understanding of the issues involved.

MORRIS L. ERNST.

WOMEN'S RIGHTS PIONEER

Lucy Stone, A Biography, by Alice Stone Blackwell, Little, Brown & Co., \$3.

THERE have been women in the annals of the world's social history who have labored indefatigably, almost fanatically for a cause. They have thrown themselves into the maelstrom of activity with all the zeal, hope, energy, and vision they were capable of—and reaped meager fruits, all too frequently bitter ones. Such women were Vera Figner and Sophia Perovskaya in the early days of the Russian revolutionary movement; and Frances Wright, Susan Anthony and Lucy Stone in the early days of the woman's rights movement in America. Why did they fight the lone fight in the first place, and what did they accomplish?

Psychoanalysts judge such expenditure of energy in fashions not always complimentary to the women or their causes. Historians mention them hardly at all. It seems to me to make little difference whether "sex-starved" women or women with lofty social ideals led the suffrage movement—the result has been that women have strayed from the old chartered paths, and set their own limits. Such is the story of Lucy Stone as told by her daughter Alice Stone Blackwell. It is an excellent example of a "woman's devotion to a cause."

Lucy Stone was the first Massachusetts woman to take a college degree. She was a zealous leader and lecturer for the woman's rights movement. She was the first married woman to keep her own name (and indicated in a public statement the reason for this action.) Today we may stop to wonder at the effect of college education on women, to appraise the relationship between woman suffrage and our present political and economic debacle, or to muse on all the married women who have retained their

maiden names and shoulder double responsibilities. But in Lucy Stone's day securing an education meant going into the woods as a wee child to gather chestnuts to sell for money with which to buy a book, or at the age of sixteen teaching in the district school at a dollar a week, "boarding around." At the age of twenty-five after working for nine years to save enough money, she entered Oberlin College. This was a fulfillment of her prophesy made to her brother, "Only let females be educated in the same manner and with the same advantages that males have, and as everything in nature seeks its own level, I would risk that we would find our appropriate sphere."

At Oberlin Lucy Stone was constantly stirring up troubled waters because of her anti-slavery convictions, her fervent convictions about women's rights, and her religious scepticism. In 1847 she gave her first lecture on woman's rights from the pulpit of her brother's church in Gardner, Massachusetts. From that time on until her death her life was dedicated to the cause of woman's political equality.

She married Henry Blackwell, an ardent abolitionist and woman's rights advocate. The charm of the letters which passed between them before their marriage, is not easily forgotten. In many respects Lucy Stone was a naive and simple woman taking her ideas so seriously that one might wish she had more humor in her make-up.

The story of her participation in the various women's congresses, of her opposition to the Woodhull-Claffin contingent, of her editorship of the *WOMAN'S JOURNAL* is a vivid picture of the great struggle for suffrage and the way in which the cause was interwoven with the social and economic fabric of the time. When she was a very old lady she stated that nothing could have been more hopeless in her youth than the effort to abolish slavery, so strongly was it entrenched in the seats of power; yet it had all been swept away. "Remember, whatever ought to be done can be done." With this motto she pursued her course—never to actually behold its accomplishment, though her daughter did help bring it to pass.

THERESA WOLFSON.

DEMOCRACY IN UNIONS

Justice for Organized Workers, by Louis Kirshbaum, Published by author, P. O. Box 22 Station A, Brooklyn, N. Y. Paper, 96 pages, 25 cents.

HAVING run up against certain practices of his organization not much to his liking, Louis Kirshbaum, erstwhile

tailor of the rank and file category, proceeds to tell his story at his own expense in order to effect definite changes in organization procedure so that what happened to him shall never again be repeated on others. The result is "Justice for Organized Workers," an interesting recital of a worker's experiences with shop rules and organization technique.

If Mr. Kirshbaum has detailed correctly the facts in his case and if his difficulties are not unique but reflect occurrences affecting many other union workers, then there is certainly need for the overhauling of union machinery, as he suggests. As a matter of fact, so important is this contribution considered to trade union literature that the author, before the publication of his manuscript, received encouragement for it from such outstanding labor students and economic leaders as Norman Thomas, A. J. Muste, David J. Saposs, Roger N. Baldwin, Paul F. Brissenden and Paul H. Douglas.

As Mr. Saposs writes in an introductory note: "This account of the experiences of a highly intelligent and capable rank and filer, irrespective of its accuracy, is a distinct contribution. It is one of the few but one of the best descriptions of how the conduct of internal union affairs affect and impress certain types of rank and filers. Those of us who are students of the labor movement should hope for more such frank and explicit accounts of the experiences and reactions of both leaders and rank and filers."

It will be interesting to see what answer the union in question will make to these charges.

ISRAEL MUFSON.

THE INJUSTICE OF JUSTICE

The Story of Punishment, by Harry Elmer Barnes. The Stratford Press, Boston, \$3.00.

DARK, blood-splashed pages mark the Story of Man, as well as those leaves of divine lightening flashes toward a nobler common life. In the long tale of human savagery, nothing is more revolting than the persistent record of criminal treatment of the criminal class.

It may well be debated whether the concept of "Law," as we understand it, has not been the occasion for infinitely greater mischief than any incidental good that may have sprung from it. The "Law" has even been the enemy of social progress; it has been over-eager to throw the non-conformist to torture or imprisonment. It has always treated the current "anti-social"

action by rule of class distinction. A different code prevailed for King, noble and slave-holder than for subject, vassal and slave. The captain of industry may steal millions with impunity while the impoverished creature who makes away with a loaf of bread receives a stiff penalty.

Dr. Barnes has shown us, in his usual clever way, the multifold devices which have been resorted to for the punishment of crime. He also gives us hope. While third degree torture, whipping of prisoners, chain gangs, and pestilential prison conditions exist, there has been something like progress toward more humane conceptions of the treatment of criminals. This progress has been marked by the varying theories of crime and criminal responsibility that have been prevalent from time to time. The original idea regarded criminal conduct as the outcropping of "diabolical possession and instigation"; then came the concept of the individual "as a free moral agent who was at perfect liberty to choose between good and evil"; thirdly, through Lombroso and others, stress was laid on "the physical causes of crime"; while today psychiatry or medical psychology takes into account "all the possible influences operating upon the criminal."

The prison—whose evil and congested condition has been the occasion for so many recent outbreaks and riots—is a comparatively recent "improvement" over the preceding methods of widespread capital and corporal punishment. The prison dates back only to the 18th century. It came into existence as the prevalent means of dealing with criminals only after centuries of torturing, maiming and killing of the most atrocious sort. The notorious prison hulks and transportation to far-away colonies had immediately preceded it, the latter method being continued by the French in their vicious Devil's Island and New Caledonia penal colonies.

In his chapter on "The Prison Nuisance," Dr. Barnes shows how far from desirable is the prison itself and how necessary it is that the prison be abolished. Over-crowding, widespread venereal disease, insanitation, homosexuality, continued brutalities, and demoralization of the convicts' personality are black marks against our present system. As a happy mark of what the future will bring the author points to the Bolshevik prison colonies, which "represent the most advanced humane innovations in the whole range of contemporary penology. Life therein has been made so pleasant and rational that it is literally true that unconvicted per-

sons frequently make an effort to disguise themselves as convicts and seek admission to these prison colonies." Yet, he contends, they have been more effective in crime repression than the more brutal Western institutions.

Dr. Barnes strikes a happy note when he lays the chief blame for our present difficulties in penology to the "bigotry, intolerance and stupidity of lawyers and judges." The modern criminologist regards as the worst enemies of society, "not so much the degraded felon as the conventional jurist and lawyer." For these men are preventing that scientific treatment of the criminal which modern psychiatry demands, and which should be applied to "anti-social" individuals just as medical science is now dealing with the insane.

As Dr. Barnes states: "We may hope that in another hundred years the treatment of the criminal will be equally thoroughly and willingly submitted to medical and sociological experts." That will mark the real dawn of prevention by treatment as against punishment and will end the savagery which has marked the stupid dabbling of lawyers and courts in this criminal business.

LOUIS FRANCIS BUDENZ.

Why Europe Votes, by Harold F. Goshell, University of Chicago Press, Chicago, 247 pages, \$2.50.

ATEMPTING to solve the puzzle presented by the apparent apathy of American citizens towards their civic duties as compared with the voters of European countries, Dr. Goshell has made a careful study of election methods of England, Germany, France, Belgium and Switzerland, of the functions and responsibilities of the many legislative and executive bodies of each country and of the tactics of elected officials once they are in office.

A good book for students of political democracy.

JUSTICE FOR ORGANIZED WORKERS

By LOUIS KIRSHBAUM

The Experiences of a Union Rank and Filer Who Stood Up for His Rights

Analyzing Trade Union Evils and Suggesting Means for Their Abolition

With Comments by Norman Thomas, A. J. Muste, Roger N. Baldwin, Paul H. Douglas, Paul F. Brissenden and David J. Saposs.

LOUIS KIRSHBAUM, Box 200, Station A., BROOKLYN, N. Y.

96 Pages

25 cents

WHAT OUR READERS THINK

JUSTICE FOR ORGANIZED WORKERS

Dear Editor:-

Some readers of Labor Age who have received and read my pamphlet, "Justice for Organized Workers," may be under the impression that I am backed financially in its publication and distribution. I wish to make it known, therefore, that I have published it at my own expense; that I have not received any financial aid from any one.

I was willing to make this personal financial sacrifice in the hope that this story of my own experiences will bring about lasting reforms in the union by which the rank and file, and thereby the Labor Movement, will benefit.

LOUIS KIRSHBAUM,

AN EXPLANATORY STATEMENT

Dear Editor:

Mr. Louis Kirshbaum has written and published a pamphlet entitled "Justice for Organized Workers." I was and am much interested in Mr. Kirshbaum's experiences, his suggestions, and the light he sheds on an important problem in the unions. My interest is accurately expressed in a statement which he publishes among his forewords. Nevertheless his reference to me in the introduction and his quotation from me under the head Comments imply a degree of responsibility for an endorsement of the pamphlet which I steadily refused to assume. The sentences under Comments are taken out of their context from an early letter never intended for publication which contained critical suggestions.

The understanding was that I was to see the revised manuscript or proofs of it, and my failure to see either the revised manuscript or the proofs is responsible for this error. Mr. Kirshbaum is, however, partially excusable because he failed to get my last letter in answer to this offer of proofs stating my desire to see them promptly. I regret this situation. Mr. Kirshbaum has promised to consult me about correcting it in getting out any further edition of this pamphlet. I am sending this letter to you and a number of other editors of papers interested in labor matters for your own information and for publication, if the pamphlet is the subject of comment in your pages. It is my conviction that discussion of this matter does not reflect solely on one particular union or on all its officials but should concern the important social problem of reconciling discipline in the unions with the reasonable liberties of their members. NORMAN THOMAS.

ROBBERS OF TWO NATIONS

Dear Editor:

Mrs. Kate Gartz, who was formally engaged in charity work in Chicago, made a trip around the world in 1929. In her "Travel Diary" she says that she thought she had seen the depths of human misery in this nation, but really knew little of it, in comparison with the destitute and degraded millions of China and India.

When any of the so-called "upper" class is approached on the subject of this general starvation and misery, the almost inevitable answer is, "Ah, yes! It is their ignorance; we must educate them."

Ah, Education! What might education accomplish in a single year, if we but had educators! If we could but begin with these "upper" classes and enjoin one brief law, "Thou shalt not steal!" But the "upper" classes are fond of applying this law only to those who labor.

A new and higher conception of honesty is now the hope of the world. No nation can have just reason to boast of its civilization where the exploitation of labor is the rule; where those who work are pauperized while the idle are honored.

A bill was introduced in the 1928 Congress to legalize the issuing of national currency to incorporated communities, if secured by bonds; the limit being fixed at 50 per cent of the assessed value of real estate in the community, exclusive of buildings. The bill seems to have given Andrew Mellon such sufficient uneasiness that he wrote a lengthy letter to the Committee on Banking and Currency, setting forth his objections.

Had it been possible to pass such a bill the present menace of unemployment and crime would have been impossible, since it was the distinct purpose of the bill to provide money for public improvements to all communities having impending unemployment. The fact that the people were to have this currency without any interest would naturally meet with opposition from Mellon and the other money-lords of the nation.

A similar bill will be introduced in the coming Congress, but we may hope that no effort will be spared to omit defects, so that the opposition will have to depend entirely on attacking a "straw man." Pyramiding may be blocked by providing that any small, incorporated community may draw currency for public improvements up to one-fourth the assessed value of its real estate, (always exclusive of buildings), that a county may draw to only one-sixth assessed value, and a state to only one-fourth.

JULIAN COOK.

Russia

(Continued from page 15)

emphatically that that was the aim of the present program. While it is true that Russia has great resources of coal and iron, it is not likely that the Communists will be able to undersell the American, English and German producers of steel products—for a long time at least. Likewise, and even more certainly, in the case of chemicals, textiles, shoes, and many other products requiring highly skilled labor and much capital, they could buy them abroad more cheaply than they can make them at home. That is to say, labor, for the most part, could be more profitably employed in agriculture and in the production of raw materials than in the production of finished manufactures. Economic reasons for the great industrial expansion are not insignificant, for there is undoubtedly opportunity for a considerable growth in industry; but I am quite convinced that the political factors are still more important, and that of these, chief place must be given to the desire to be freed from dependence on foreign countries, not because they are foreign, but because they are capitalistic. Russia is buying millions of dollars worth of goods annually from the United States alone. But the difficulties are great (one never knows when a Fish Commission will be appointed or what it will do), and credits are obtainable only at very high rates. Then too there are always people clamoring for embargoes on Russian goods, and if they succeed, Russia will be unable to buy needed products from us. It is not *foreign* trade that the Communist leaders wish to avoid—for they know economics; it is *capitalistic* trade—for they also know politics and history.

If this be true, the conclusion is unescapable that the Communists are expecting the capitalistic nations to remain capitalistic for a long time to come; that the idea of world revolution which occupied so prominent a place in their thoughts and plans a few years ago, is now receding into the distant background. Additional evidence of this came from American residents in Moscow who declared that the Comintern (Communist International) was becoming less and less important in the Russian program with each passing year.

This should give comfort to those who have been fearful of the ability of capitalistic institutions to withstand communistic propaganda, and allow them to see that the important ques-

tion is not what is *said about* either Capitalism or Communism, but what is *done by* each system in promoting the welfare of the people in their respective areas. Let each have a fair chance to prove or disprove its own principles and then we shall have the only real basis for judgment. We are not called on to give aid to this greatest experiment of all history, but we are required, if we want to know the truth about Communism, to see to it that no artificial and unnecessary obstacles are placed in its way. Neither Capitalists nor Communists, if they have real faith in their principles, will doubt the outcome or feel it necessary to give artificial aid. And neither party could find any surer way of converting the other than by a free and honest experiment carried out to the end. Meanwhile, the proponents of each system should make every effort to understand the theories and institutions of the other group; to assume an objective point of view toward their opponents; and to realize that truth is never wholly on one side of a controversy.



Working with the Jobless

(Continued from page 11)

from \$1.75 a box to \$2.50 since the public apple-selling began.

If the Prosser Committee raises its promised \$6,000,000 by January 1st, there will have been available about \$10,000,000 altogether, raised by then in New York City for unemployment relief. That is a mere pittance for the needs of the 800,000 out of work. The haphazard manner in which it is necessarily handled makes the situation still worse. And the hypocrisy of the Prosser Committee in talking about getting jobs for the unemployed when its own committee members are discharging employes has been referred to by Frank P. Walsh in no uncertain terms. The Bankers Trust Company, of which Mr. Prosser is an officer, has just laid off part of its own force. It is the same shell game that was played by Hoover's conference last Fall, in promising no wage cuts. The antics of the Prosser Committee will be duplicated by bankers and manufacturers in every city of the country. A mere glance at "sweet charity" at work gives redoubled assurance of the need for immediate action for unemployment insurance.

Some talk is abroad about the "cost" of unemployment compensation. The

other morning I walked up Broadway in a cold, rheumatic rain. The apple-sellers were at their posts, though many of them had had to get under nearby cover. Over 5,000 men were huddled in various places, despite the nasty weather, before the Municipal Employment Agency. They had heard of an extra-number of jobs being given out the day before, and had come there to face a drenching and a disappointment. That same day I had occasion to pass through the village of King's Point, Long Island—just one of many such hiding places of the rich that could be delineated. Miles on miles of granite fences shut in these estates—20 feet of such fencing would provide a home for a poor man. Insulting signs of "private property" could be seen everywhere, barring the highway finally even and all view of Long Island Sound. On Sundays and holidays liveried flunkies guard the entrances to these estates, standing near the "porters' lodges" to keep out the "angry mob." Is there enough money in this country to pay for unemployment compensation? I should say so. Draw the picture of King's Point and other similar places for the unemployed, and they will realize what is being withheld from them by the fakery in high places. That can only be done out in the streets, and that is the place where every man and woman with radical ideas and with leisure and vigor should be today.

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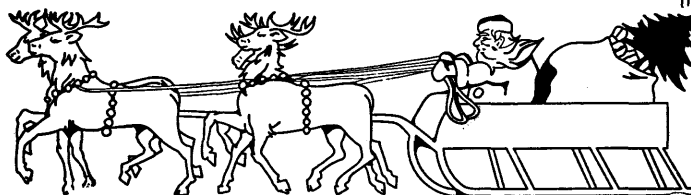
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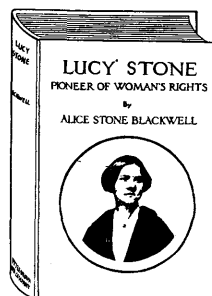
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