

INDUSTRIAL SLAVERY—

Roosevelt's "New Deal"

By I. AMTER

Price 1c.



INDUSTRIAL SLAVERY—ROOSEVELT'S "NEW DEAL"

The Meaning of the Industrial Recovery Act

By I. AMTER

THE Industrial Slavery (Recovery) Act is here. The bill that was supposed to bring back prosperity and return the millions of unemployed to work, now goes into operation. This, following upon all the legislation that Roosevelt whipped through Congress, **needs the closest** attention of the working class, for *industrial bondage and hunger face us, unless we fight.*

Let us look at the Roosevelt program, which has received the support of both the *Democratic* and *Republican* members of the Congress. *Not a single one of the bills a* **is in the interest of the workers.** On the contrary, each one of them is a *direct attack* on every section of the workers and toiling farmers and promises worse suffering for the whole working population. It is a direct effort of the bosses to put the whole burden of the deepening crisis on the shoulders of **the workers, and an effort to save their system** which is shaking.

The first act of Roosevelt was to *slash the wages* of the federal employes and the *disability allowances* of the veterans. *Act 1 against the workers!*

Roosevelt closed the banks, and as a result about \$4,000,000,000 of workers' and farmers' money is "frozen" in the so-called unsound banks, which in all probability the

workers will lose. This is in addition to the $3\frac{1}{2}$ billions that they lost through the failure of banks between 1929 and 1932. *Act 2 against the workers!*

Roosevelt put the youth of the country into military forced labor camps at \$1 a day, which the boys do *not* receive. Families that refuse to send their boys to the camps are threatened with being cut off the relief lists. A promise was given the boys that, if they should be offered better jobs, they would be allowed to leave the camps. Frances Perkins, Secretary of Labor, declares that they will *not* be allowed to get jobs on the public works projects, but will be compelled to remain in the camps the whole six months. The government intends to extend the camps to include 2,000,000 boys at forced labor. *Act 3 against the workers!*

Roosevelt put through the Home Owners Relief plan, by which *not* the small home owners, but the banks and mortgage companies will benefit. It is a government guarantee to the banks against the small home owners, who in most cases are *unemployed workers*, that interest and principal will be paid. It is of no benefit to the unemployed worker that he has to pay lower interest—when he cannot pay a penny of interest at all. *Act 4 against the workers!*

The Farm Relief bill, in the same way, will not help the toiling farmer, and the provision for a bonus to the millers and processors will have the effect of raising the cost of bread to the workers in the city. This is already taking place. *Act 5 against the workers!*

The Glass-Steagall depositors security act is a guarantee of the government to the bankers that they will sustain no loss as the crisis deepens, and no matter what crooked prac-

tices they continue to use. *Act 6 against the workers!*

The government went off the gold standard and inflation began. This means a rapid rise in the cost of living, which during the months of May and June alone amounted to nearly 7 per cent. The articles of daily consumption have risen sky high and this is only the beginning. This is cutting into the buying power of the hunger wages of the workers in the shops and means a slash of the relief of the unemployed (in addition to the direct cut in amount of relief given the unemployed in all parts of the country). *Act 7 against the workers!*

This is the "new deal" for the forgotten man! Long forgotten is unemployment insurance, which Roosevelt promised the workers. The new deal is the *rawest* deal that the workers have **ever received**. Roosevelt, acting in the interest of the Wall Street bankers, has put through what Hoover could not do. Hoover promised us "prosperity in sixty days." Roosevelt now tells us that "1,629,000 men went back to work in the months of April and May." This is untrue. General Johnson, his industrial czar, now promises that "5,000,000 will return by October 1." This reminds us of Hoover—and Johnson, too, will fail.

To boost the program, the employers have been engaging in *speculation* on a new scale. Some factories are working at higher speed. A few hundred thousand workers have obtained work. But what is this production? It is production for *speculation*, production *before prices rise too high*, production for *stock*, production for *war*. The capitalist papers admit that there is no basis for new production in face of the domestic and the world situation which is

rapidly sharpening, as shown by the World Economic Conference in London.

The industrial "recovery" bill was heralded as giving us "planned production," surety of employment and what not. It is necessary to examine this Act and the proposals, so that all workers, both employed and unemployed, will see what is in store for us, *unless we fight as never before.*

The purpose of the Act is to bring about:

"Cooperative action among trade groups (of the bosses, —I. A.), to induce and maintain united action of labor and management under adequate sanctions and supervision . . . to reduce and relieve unemployment, to improve standards of labor," etc.

What does this mean? It means that the groups of employers not yet organized into associations and trade groups will be induced to form such groups. If 90 per cent of the employers form such a group, the remaining 10 per cent will be forced to join, or they will be driven out of existence. The government then will enter into the situation by providing "sanctions and supervision." What does this mean? It means that the Roosevelt government—that *Roosevelt himself*, who has been given *dictatorial power*—will see to it, by "governmental sanctions and supervision" that *the decisions are carried out.* The whole government *police* machinery will be put into operation—or as the act states:

"The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of any code of fair competition approved under this title."

Thus, Roosevelt, to whom the workers looked as being "above all parties," as the man who could be relied upon,

now comes in as the government that will *compel* the workers to accept the decisions. It is a "partnership of government and industry"—or as General Johnson states:

"The associations of employers were not very strong under the old law, but the new one makes them highly important. They are almost a part of government and they can do and agree to many more things than they could ever before."
(Speech on June 25th, 1933.)

The bosses *are* the government—but now it is *openly* stated. From now on "they will be able to do many more things than they could ever before." This makes it perfectly clear.

The anti-trust law is set aside. This will lead to the formation of bigger trusts than ever before. "Cartels," agreements between the trusts and big concerns, will grow. They will try to organize production, but they will fail just as the European steel cartel, the American sugar and copper cartels have failed, because under capitalism production cannot be organized or controlled. Only when the workers take over industry and government can there be economic planning, production and control, as in the Soviet Union. The U. S. government will guarantee a "fair return" on investment and operation. The Act declares that it will not allow price fixing—but "gentlemen's agreements" will take care of that as they have done in the past! Thus profits will be assured through "governmental sanctions."

The government **has set up the machinery** to handle the Act. Johnson, a war general, heads the control board, as dictator. He has an advisory board of six. There are also an industry board, a labor board and a board representing

the "public." These boards listen to hearings on the basis of "codes" or proposals submitted by the bosses. Johnson says:

"It is trade or industrial associations or groups, and not combinations of trade with labor groups which are to submit codes or agreements."

These employers' associations submit the codes, the government examines them, amends and approves them. If the employers do not work out the code, the government will do so itself. Only then are the workers allowed to come in—and *not* make their own proposals, but merely discuss what the employers and the government have *agreed upon in advance*. The government promised that every group of workers would be heard; but when a delegation of textile workers on June 29, led by the National Textile Workers Union, presented the *workers' code*, they tried to deny them permission. And the workers looked to Roosevelt as *their* champion against the money changers and bankers!

The Act further provides:

(1) *"Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."*

Let us examine this carefully. Let us deal with *maximum* hours of work. This has been discussed for the various industries. **In textile**, 40 hours a week has been adopted. When the code was being discussed other proposals were made. The purpose of the maximum hours is expressed by Johnson in his speech: "*The Roosevelt plan is to split up the existing work to put more men on the payroll.*" What else is this but the *Hoover stagger plan*? Thus, the existing work will be divided up and workers supposedly will go back to work. This will take them off the relief rolls, and relieve the employers and the government of the need of providing for them on the basis of relief. They will earn *hunger* wages, but, as with part-time workers, they will get no relief, and will have to be content.

Then as to *minimum* wages. This can be established only on the basis of what the bosses are willing to pay. It is clear from the proposal made for the textile industry that the employers intend to put over *hunger* wages if they can. In textile \$13 a week in the north, \$12 in the south is proposed. This means an *actual reduction* of the present hunger wage. This will exclude young and Negro workers who are not inside workers at the machines and will continue to starve. In the department store code the employers propose \$15 to \$18 for *experienced* male workers in cities over 1,000,000, \$10 to \$12 for women workers, and then *downwards*. In the men's clothing industry, \$18; in the women's, \$15. In steel, there is talk of 36c an hour, or a standard wage of \$14.40 a week; on the railroads they continue the wage cut of 10 per cent accepted last year.

For the public works jobs (part of the act) they propose 45c an hour for short seasons—this for building trades workers who have been getting a scale of \$8 to \$12 a day! Most industries are *seasonal* industries. According to the code, the workers will be paid only when they work. When they are laid off, they will simply starve, for there is *no* guarantee of work at all or of work for a specified number of weeks per year that will ensure the worker against poverty.

They call it minimum wage, but experience has shown that the minimum becomes the *maximum* wage. Thus it is clear that what the bosses and the government are proposing is close to the \$1 a day paid in the forced labor camps. Johnson has proposed a *universal \$14 a week for 40 hours of work*. But even this pay will be given the workers only when they work the *maximum* hours. This is made clear by the textile manufacturers in their journal *Fibre and Fabric* which declared:

"Forty hours or 30 hours with a 48 hour pay is too foolish to talk about, as labor is going to get in pay, just what it gives back in work, and any one who believes that 48 hours pay is coming with a 30 or 40 hour week is being fooled."

This is plain speaking and means what it says. The bosses also will install new machinery and attempt to exact more stretchout in the textile mills, more speedup in the other industries, just as they are doing as fast as they can today. The workers will perform more work, over-production will take place (as it is taking place today), and more workers will be fired.

Now as to *collective bargaining*: No employee can be

forced to join a company union, no one be stopped from joining any other labor organization. The "yellow dog" contract has already been voided—so that the above is nothing new. The workers are to have the choice of their own representatives. The government, which forces the employers to organize, will do nothing to organize the workers. Remarkable interest the government, which is supposed to be a government of the "forgotten man," is taking in building up the organizations of the employers!

What, however, is actually happening? In the steel, rubber and tobacco industries, the companies are rushing to build *company unions*, select their rats and stoolpigeons as "representatives" of the workers, and then pretend they are carrying out the code. The workers are beginning to answer properly by tearing up the company union books, rejecting the bosses' "representatives" and electing their own. The bosses will try to introduce the company union, with or without coercion, where the workers have no tradition of organization or militancy. In those industries where the workers are known to be fighters and have had organization, the bosses will be willing, at times, to deal with the A. F. of L. and other reformist unions. They know they can rely on the United Mine Workers officials, who have helped to put across every wage cut and propose the scale that the miners of Illinois struck against. They know they can rely on the Railroad Brotherhood chiefs, who accepted the last wage cut and have let it remain in force now; and on the building trades racketeers, the reactionary needle, textile and other union chiefs, who are interested only in their own pockets. They can rely 100

per cent on William Green, who declares he "will cooperate in the industrial recovery bill to the fullest extent."

The workers must take their own action. It is clear that *strikes will be outlawed*. The government states that it is there to "induce and maintain united action of labor and management," and the whole police machinery of the government will be used to accomplish this. If strikes should take place,—and they will—the A. F. of L. and other reactionary officials will serve the purpose of breaking the strikes; if need be, of heading them in order to sell them out—as they have done in the past.

This is proven in most recent times. In face of the Industrial Slavery Act, Emil Rieve, of the Full Fashioned Hosiery Workers, a Socialist, tried to put across a *wage cut of 20 to 70 per cent* on the workers. But the workers promptly rejected it. In Philadelphia, McKeown, another Socialist, prevented a strike, because Frances Perkins, Secretary of Labor, *ordered it stopped—after the adoption of the Act*. In Western Pennsylvania, steel workers and miners went on strike for similar reasons, and Perkins tried to stop them. It is clear what the government will do once the Act and the codes are worked out in detail.

The procedure of the government in disputes between the workers and employers will be to refer them to the boards representing the industry, labor and the "public." If not settled there, they will be referred to Johnson, who has the final say—which is *law*. For the bosses, maybe, but the workers will decide. If the workers are not satisfied, they will continue, in the future as in the past, to use the weapon of *strike*. To take that away is to *make*

slaves of the workers—and that is the government's intention. The workers will not submit and will continue to fight.

Another section of the Act provides for "Public Works and Construction." This section is based on an appropriation of \$3,300,000,000 for construction of various kinds. The wages proposed for building trades workers have already been noted. The first allocation has been for the building of 32 war vessels and 290 bombing planes at an expense of \$247,000,000! The Act allows of such "construction." It further provides for:

"Aid in the financing of such railroad maintenance and equipment as may be approved as desirable for the improvement of transportation facilities."

Already the Reconstruction Finance Corporation gave more than \$300,000,000 to the railroad corporations. Now further hundreds of millions will be given to the railroads. No wonder that the railroad corporations are able to pay higher dividends. It comes from the government which obtains the funds by *taxation on the workers' lives!*

Thus what does the Act mean? *It means the organization of the employers into powerful associations, with monopolistic control of the industries, which with governmental "sanctions" works out the codes. For the workers it means the stagger plan with starvation minimum wages which will be maximum wages, so-called collective bargaining, and settling of disputes by the control boards. It means the legal denial of the right to strike. The Roosevelt government, to which the workers have looked to solve the crisis,*

becomes the policeman backing up the employers and enforcing the dictates of General Johnson.

It means the introduction of *worse speed-up* than ever before. Whenever the cost of production rises, speed-up will be increased. *New machinery* will take the place of men. Overproduction will take place and the crash will be worse than before.

In Detroit this year the auto factories are turning out *10 per cent more cars with 20 per cent less workers*. Speed-up, stretchout—new machinery—more overproduction—more mass unemployment—and then another deeper crash.

This is the “planned production,” the “planned economy”! The bosses think they can do under capitalism, what the Russian workers are doing under the Soviet system. In the Soviet Union they have abolished capitalism, the system of profit and of hunger for the masses. There they are producing for *use*. There is *no unemployment* in the Soviet Union, production is *increasing*; wages *go up* continuously; the welfare of the workers and peasants rises. The Soviet Union wishes to buy \$1,000,000,000 of goods this year: this while in the other capitalist and colonial countries the system is collapsing and the masses are suffering hunger!

Thus the “new deal” reaches its highest point! What have some of the labor “leaders” to say about this slavery act? William Green, president of the American Federation of Labor declares:

“This proposed legislation marks a very definite step forward in industrial stabilization, rationalization, and economic planning. The bill is appropriately termed an industrial recovery

measure. It is in the judgment of labor the most outstanding, advanced, and forward looking legislation designed to promote economic recovery that has thus far been proposed. In the opinion of labor, it will, when applied, prove to be a real, practical constructive remedy for unemployment."

Matthew Woll gives it the "unqualified endorsement of organized labor." He adds, that "there is dynamite in the Industrial Recovery Act. It contains elements for national good and elements for national disaster." This means that it may be *good for the employers*; if, on the other hand, the workers do not accept the slavery it will bring, they will answer in a manner that will mean "*disaster*" for the *bosses and the other supporters of the slavery act*.

While pronouncing the Act the "most outstanding, advanced, and forward looking legislation," William Green has to pretend to be fighting for the interests of the workers. McMahon, of the textile union, originally approved \$11 for the textile workers for a 40 hour week—but at the hearings he demanded \$14 for 35 hours of work! Why this change? Why did Green demand \$17.40 for 32 hours of work? *Because the textile workers have let the government, the manufacturers, McMahon, and Green know that they not only will not accept the code, with its hour and wage provisions, but that they will STRIKE.*

Norman Thomas, the Socialist leader, considers the Act a "revolution" and calls upon the workers to accept it "quietly"! Emil Rieve, Socialist president of the "Continental Congress," which adopted a "new American Declaration of Independence"; McKeown, of the textile workers union of the A. F. of L.; and Sidney Hillman of the

Amalgamated Clothing Workers, all Socialists, sing praises to the Act.

"The president did his share, now it is your next."

So runs a leaflet in Philadelphia. The workers will *do their next* and should demand:

1. *Higher wages—further to be adjusted to meet the rising cost of living.*

2. *Shorter hours with a guaranteed number of weeks work per year.*

3. *The right to belong to any union the worker chooses.*

4. *Recognition of the shop committee as representative of the workers.*

5. *The right to strike, of free speech, free assemblage.*

6. *Social and Unemployment Insurance at the expense of the employers and the government.*

The workers must do more:

1. *Organize at once the workers in the shop. Build the militant union of your industry. Elect your shop committee and begin immediately to operate on the basis of the provisions of the Act.*

2. *Discuss the conditions in the shop, and draw up your own code. When the hearings of your industry take place, do not accept the bosses' code, but put forward and fight for the WORKERS' CODE in the shops.*

Industrial slavery stares us in the face from the hand of that great demagogue, Franklin D. Roosevelt, the new Messiah, the great savior—the dictator. He has shown his hand. He has been given a “chance.” The Industrial Slavery Act, the culmination of Wall Street’s measures in enslaving the American working class, will be forced on the workers—*unless we fight. We will fight.*

Build the army of the working class. Build the militant unions and Unemployed Councils. The lines are drawn. *On the one side, the employers, backed by the government and the reactionary labor and Socialist leaders—on the other, the masses of hungry workers, employed and unemployed, preparing to fight.*

Forward into the fight against industrial slavery, for security, for workers’ rights—for decent wages, hours and conditions, for the right to belong to the union of your own choice and to strike, for Social Insurance at the expense of the employers and the government.

Take up the fight in every shop, union and unemployed organization; in every neighborhood, lodge and club. The working class must be united in this fight. It is a fight against hunger and slavery!

Unemployment Series No. 8

Issued by National Committee Unemployed Councils, Room 437, 80 East 11th Street, New York City. Published by Workers Library Publishers, P. O. Box 148, Sta. D, (50 East 13th St.), New York City, July, 1933.