

LABOR FACT BOOK III

LABOR FACT BOOK III

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CONTENTS

	PAGE
FOREWORD	7
CHAPTER	
I. TWO YEARS OF "RECOVERY"	9
"Excess Capacity," 12; Domestic and Foreign Trade, 14; Stocks of Goods, 15; Capital Flotations, 15; Money and Banking, 16; Silver Policy, 17; Banking Trends, 18; Concentration in Banking, 20; Excess Bank Reserves, 21; Stock Market Gains, 21; Profits, 21.	
II. SOME "NEW DEAL" LEGISLATION	22
Social Security Act, 22; State Unemployment Compensation Laws, 24; Workers' Social Insurance Bill, 26; The Roosevelt Budget, 28; Taxation in the Crisis, 31; Tax Evasions, 32; Who Really Pays the Taxes, 35; "New Deal" Housing Program, 37; Tennessee Valley Authority, 41; "New Deal" in the U. S. Supreme Court, 44.	
III. WORKERS' CONDITIONS	48
Extent of Unemployment, 48; Unemployment Relief, 51; Work Relief (WPA), 53; Relief Budgets, 56; Increased Production Per Man-Hour, 58; Wages, 59; Real Wages, 63; Hours of Work, 63; Occupational Diseases, 65; Child Labor, 67; Youth and Unemployment, 69; American Youth Act, 70.	
IV. STRIKES AND LABOR BOARDS	72
Strikes, 1931-1935, 72; Notable Strikes of 1934-35, 72; Recent General Strikes, 78; Labor Boards, 83; Automobile Labor Board, 85; National Steel Labor Relations Board, 88; National Textile Labor Relations Board, 90; National Labor Relations Act, 91.	
V. TRENDS IN THE LABOR MOVEMENT	93
A. F. of L. Membership, 93; Fifty-fifth Convention, 93; Industrial Unionism, 94; New International Charters, 95; Labor Party, 96; Anti-Red Action, 96; Negro Discrimination, 98; Progressive Tendencies in A. F. of L. Unions, 99; Trade Union Unity, 100; Railroad Union Developments, 102; Amalgamation, 103; Mediation and Arbitration, 103; Railroad Strikes, 104; Company Union Survey, 105; Company Union Revolts, 105; Railroad Workers Beat Company Unions, 106.	
VI. PROFESSIONAL WORKERS	107
Number of Professional Workers, 107; Professional Workers in the Crisis, 109; Professional Organization To-Day, 111	

CHAPTER		PAGE
VII.	FARMERS AND FARM WORKERS	121
	Farm Income, 121; Standard of Living, 124; Forced Sales, 124; Who Buys the Farms, 125; Other Farm Debts, 125; Interest, Rent and Taxes, 125; Government Farm Credit Policy, 126; The Drought, 128; Crop Reduction Record of the AAA, 130; Reduced Production and Price Spreads, 130; Effects of the AAA, 132; Farmers Who Cannot Feed Themselves, 133; Resettlement Administration, 134; National Farm Organizations, 137; Agricultural Workers, 140; Sharecroppers' and Tenants' Unions, 145.	
VIII.	THE UNITED FRONT	147
	In the United States, 150; Crisis in the Socialist Party, 151; Farmer-Labor Party Movement, 152; Other United Fronts, 154.	
IX.	CIVIL RIGHTS AND FASCIST TRENDS	155
	Anti-Labor Bills, 155; Fascist Trends in the Schools, 157; Organized Reaction, 158; Other Reactionary Agencies, 165; Terror in 1935, 168; Killings of Workers, 171; Troops in Labor, Unemployed and Farm Struggles, 176; Deportation of Foreign-Born, 178; Anti-Alien Bills, 181; Political Prisoners and Defense Cases, 182.	
X.	WAR AND WAR PREPARATIONS	187
	Facts on the World War, 187; U. S. War Preparations, 188; War Department Appropriations, 188; Increases in the Army, 189; Naval Expenditures, 190; United States in the Naval Race, 190; Subsidies to Merchant Marine, 191; Air Forces Expand, 192; Senate Munitions Investigation, 193; United Against War, 197; Mass Anti-War Actions, 198; Actions Against Mussolini's War on Ethiopia, 1935-36, 201.	
XI.	SOVIET STATES	204
	The Soviet Union, 204; Second Five-Year Plan, 204; International Comparisons, 205; Consumers' Goods, 205; Stakhanov Movement, 205; Agriculture, 206; Ration System Abolished, 207; Labor Conditions, 207; Education and Culture, 208; New Soviet Constitution, 210; Foreign Relations, 211; Soviet China, 211; American Friends of the Chinese People, 216.	
INDEX		217

FOREWORD

THE first two *Labor Fact Books* filled a definite need as indicated by the response of their readers. *Labor Fact Book III*, like its predecessors, attempts to provide a real arsenal of facts and figures. It is prepared for the use of workers, farmers, students of economics and sociology, writers, speakers, organizers and all others engaged in any form of activity in the labor movement in its broadest sense.

The book is designed primarily for quick reference use and is thoroughly indexed with this in view. It contains facts which pertain for the most part to developments of the last two years since *Labor Fact Book II* was published. However, in certain sections, especially those dealing with subjects not previously treated in these books, we give material for earlier years. Note, for example, the long list of anti-war actions running back to 1917.

For the first time chapters or parts of chapters are devoted to Soviet China, the United Front and the Professionals. At the same time a number of subjects to which entire chapters were devoted in previous volumes have not been treated here at length. Topics discussed in full chapters in our first two volumes, but not covered specifically in the current one, include "Material Background of the U. S.," "Government and Political Parties," "The Negro," "Employers' Offensive," "Present Day Imperialism" and "Finance Capital in the U. S." (A recent book, *Rulers of America*, sponsored by the LRA and written by Anna Rochester of our staff, deals exclusively with this topic.)

Within the space limitations imposed by the demand for an inexpensive handbook, it has been impossible to include more than the barest details on many subjects, while others have had to be entirely omitted. Keeping these necessary limitations in mind, we welcome suggestions from our readers, especially those that will aid in selection of topics which should be covered in future volumes.

As with the previous volumes this has been a collective task.

The main work as before has been done by the staff of the LRA. Among the organizations that have helped in its preparation are Farm Research Inc., Inter-Professional Association, International Juridical Association, American Civil Liberties Union, and International Labor Defense. Officers and members of a number of other organizations in the labor and farmer movements have helped with their time and technical abilities. To all these willing collaborators we are very deeply indebted.

The LRA which prepares these volumes was organized in 1927 to conduct studies of social, economic and political questions in the interest of the labor movement, and to issue its findings in articles, bulletins, pamphlets and books. It has performed such services for a large number of unions and other organizations and publications. It has prepared a series of studies of conditions in specific industries such as steel, coal, textiles, automobile, lumber and clothing. It has prepared reports, surveys, pamphlets and books on other subjects. At present it issues for subscribers five monthly bulletins—*Economic Notes*, *Labor Notes*, *Mining Notes*, *Textile Notes* and *Steel and Metal Notes*. Much of the material appearing in the present and previous *Fact Books* is kept up to date month by month in *Economic Notes* and *Labor Notes*. A complete list of our publications and services will be sent upon request to all those interested in our work.

The Association maintains a small research library and files which are available to subscribers and supporters. Secretaries of unions, labor groups and similar organizations are invited to communicate with us when in need of research services. We would greatly appreciate receiving their official periodicals, convention proceedings and other publications which may be useful in our work. Please address all inquiries, communications and subscriptions to

LABOR RESEARCH ASSOCIATION,
80 East 11th St., New York, N. Y.

April, 1936.

I

TWO YEARS OF "RECOVERY"

DURING the years 1934 and 1935 business activity moved irregularly upward. In 1934 industrial production increased 4% over the preceding year. In 1935 the increase was more rapid, bringing the Federal Reserve Board index for industrial production 14% above 1934 and up to nearly 76% of the 1929 level.

The upturn was achieved, as the *Monthly Survey of Business* of the American Federation of Labor (January, 1936) declared, "at the expense of workers". It was achieved also at the expense of large masses of poor farmers and the lower middle classes. The early years of the crisis, 1929 to spring of 1933, witnessed the wiping out of many small capitalists, a sharp reduction in wages, an intensified speed-up of labor in all branches of industry, and a catastrophic drop in raw material prices. These and other factors aided the monopolies by reducing production costs, increasing their rates of profit and encouraging them to accelerate production.

"Costs of doing business," declared *The Annalist*, January 17, 1936, "have been cut substantially during the depression . . . costs are on the average much lower than they were in 1929 or 1930. In many occupations wages are lower. In any case efficiency has increased, partly by improved methods and partly by the unusually ruthless weeding out of personnel that has occurred during the long and severe depression."

The "New Deal" program played an important part in furthering this process of making production more profitable for the giant aggregations of capital which dominate American industry. By setting aside the anti-trust laws, the "New Deal" strengthened the monopolies and ruined thousands of small capitalists. By devaluing the dollar, and thus giving an impetus to price increases, it reduced real wages. The government also gave billions in loans and virtual subsidies to banks, trust companies, insurance companies, railroads and industrial and commercial businesses. The AAA and

the mortgage refinancing schemes helped the banks, insurance companies, the richer farmers and perhaps certain strata of middle farmers.

Business activity was also supported by the huge government works program and to a lesser degree by the unprecedented expenditures for naval and military construction. Because of these artificial stimuli, the years 1934-35 can hardly be regarded as a period of "normal" recovery, similar to pre-war business recoveries. Far more important than these considerations is the fact that the 1934-35 upturn occurred during this period, when capitalism is in its final stages of decay and in the throes of a general crisis. (For a discussion of the general crisis of capitalism, see *Labor Fact Book II*, p. 12.)

These deeper forces molded the pattern of the 1934-35 "recovery" and distinguished it from upturns in the earlier stages of capitalism. Thus the enormous unused plant capacity, characteristic of world capitalism, and especially of American capitalism, during this epoch of general crisis, has discouraged new capital investment and new plant construction. This explains the low level of new capital investments and the "peculiar" fact that during this two-year period the construction of new factories continued to decline.

These "recovery" years are marked also by an enormous volume of unemployment, estimated at over 16 million (See Ch. III), by the continued restriction of agricultural production, by the stagnation of foreign trade and by various other conditions which differentiate the upturn of 1934-35 from earlier "recoveries."

All these factors must be kept in mind in considering the recent rise in business activity during this period. The general course of American economy in this period may be read in the combined *index of business activity* of *The Annalist* presented below. Comparative index figures (100 = estimated normal) are given for the peak year, 1929, and for 1932, when the economic crisis reached its low point:

	1929	1932	1934	1935
Jan.	112.9	70.1	73.1	83.6
Feb.	112.4	68.1	76.7	83.3
March	111.9	66.7	78.9	81.5
April	115.0	63.2	80.0	80.6
May	115.7	60.9	80.2	79.3
June	116.6	60.4	77.2	79.5
July	116.7	59.7	73.2	80.7

TWO YEARS OF "RECOVERY"

11

	1929	1932	1934	1935
Aug.	115.6	61.3	71.2	82.7
Sept.	115.0	65.2	66.5	83.6
Oct.	113.4	65.4	70.5	87.4
Nov.	106.0	64.7	71.5	90.5
Dec.	101.2	64.8	77.4	* 94.8

* Dropped back in January 1936 to 91.3, and to 88.1 in February.

One can also follow the trend in production, both in the last two years and in the crisis period as a whole, by looking at the annual *index of industrial production* of the Federal Reserve Board (1923-25 = 100) which runs as follows since 1929:

1929	119	1933	76
1930	96	1934	79
1931	81	1935	90
1932	64		

The upturn in business activity, reflected in the above indices, was uneven in character. The heavy industries, especially those producing the means of production, sank to lower levels and have regained far less of their crisis losses than have those engaged in the production of consumers' goods. Industries turning out producers' goods (steel, machinery, and other materials used in production) have, in fact, reached only 57% of their 1929 level, while consumers' goods industries (food, clothing, etc.) had by end of 1935 reached about 93% of their 1929 level. (*A.F.L. Monthly Survey of Business*, February, 1936.)

Actual production in basic industries in 1935, with comparative figures for the preceding years, was as follows:

	<i>Steel</i> (Ingots and castings) (tons)	<i>Pig Iron</i> (tons)	<i>Bituminous Coal</i> (tons)
1929	56,433,000	41,549,000	534,989,000
1930	40,699,000	29,905,000	467,526,000
1931	25,945,000	17,813,000	382,089,000
1932	13,681,000	8,518,000	309,710,000
1933	23,232,000	13,345,000	333,631,000
1934	25,600,000	15,911,000	359,368,000
1935	33,426,000	21,008,000	367,980,000
	<i>Automobile Production</i> (cars and trucks)	<i>Construction Contracts</i> (37 states)	
1929	5,358,000	\$5,750,800,000	
1930	3,356,000	4,523,100,000	
1931	2,390,000	3,092,800,000	
1932	1,371,000	1,351,200,000	
1933	1,920,000	1,378,500,000	
1934	2,753,000	1,539,100,000	
1935	4,009,000	1,844,500,000	

In considering the figures for *construction*, it is important to note that although there was some improvement in the industry as a whole, the construction of new factories declined in both 1934 and 1935. Contracts awarded for factory construction totaled \$108,858,000 in 1935 and \$116,079,000 in 1934 as compared with \$127,517,000 in 1933 and \$508,840,000 in the pre-crisis year 1928. These figures indicate not merely the limited and one-sided character of the "improvement" in the construction industry, but also the peculiar nature of the upturn in industry as a whole.

The "recoveries" which followed earlier periods of crisis and depression were marked by large increases in new capital investments and in new plant construction. The consequent stimulation of capital goods industries led to "prosperity." During the present stage of capitalism, however, surplus (that is, unused) productive capacity has reached such enormous proportions, that the construction of new plant capacity proceeds very slowly and only in a limited number of industries.

The year 1935 saw a marked upturn in the production of certain types of machinery and of machine tools, but these appear to have been intended primarily for the replacement of obsolete equipment. Besides, they were job-killing machines that increased technological unemployment. Moreover, in spite of this upturn the machine tool industry is still below 60% of its 1929 level.

"Excess Capacity"

Even during the peak of "prosperity" in 1929, most American industries were able to produce from 25% to 75% more goods than they actually turned out. The Brookings Institution estimated that in that year 19% of the productive equipment of the country remained idle. This estimate was reached on such a conservative basis that it presented a distorted picture of the situation. In calculating the productive capacity of American industry, the Brookings Institution assumed operations on a single instead of a double or triple shift, and allowed for seasonal let-downs in production, for the lack of markets, etc. These factors, it is true, limit production under capitalism. But they scarcely belong in a study of *potential capacity*, that is, a study of what the American productive machinery could actually turn out within the limits imposed by technical factors, regardless of the restrictions placed upon production by capitalism.

A subsequent study, less detailed than the Brookings report, but presenting a more rounded picture of the situation, was made in 1934 by a group of technicians connected with the National Survey of Potential Product Capacity. This study attempted to discover the quantity of goods which American industry could turn out, if it were limited by physical factors only, and not by the restrictions of the capitalist mode of production. The experts conducting the study estimated that in 1929 the available capacity of industries engaged in producing consumers' goods was 84.7% greater than the capacity actually utilized. Their estimate of actual 1929 production and of potential production in the industries studied, follows:

	<i>Value of 1929 pro- duction</i> ^a	<i>Capacity output value</i>
Food manufactured	\$14,308,806	\$29,739,830
Wearing apparel	9,558,340	19,909,418
Housing supplies	4,814,128	7,055,515
Transportation, gas, oil, automobiles.....	6,306,446	7,768,425
Personal requisites	1,442,094	2,056,778
Recreational accessories	1,474,493	3,353,939
Health drugs, sanitary supplies	730,799	1,539,928
	<hr/> \$38,635,106	<hr/> \$71,423,833

^a Wholesale prices in thousands of 1929 dollars. Table from chapter on "Unused Productive and Technical Capacity in the United States" by Walter N. Polakov in *On Economic Planning*, edited by Mary van Kleeck, 1935. (See also *Report of the National Survey of Potential Product Capacity*, N. Y. City Housing Authority, 1935.)

The survey estimated that had production of goods and services been limited only by technical factors (and not by the restrictions of the capitalist system) the American people could have enjoyed in 1929 a national income of more than \$135 billion as compared with an income which the survey estimated at \$93.9 billion.

This enormous "excess" productive capacity, it should be remembered, existed in 1929, when the United States turned out more goods than at any time in its history. With production nearly 25% below 1929 levels, "excess" capacity in 1935 was considerably larger. This volume of unutilized capacity—characteristic of the period of the permanent crisis of capitalism—retards new capital investment and new plant construction and, consequently, prevents a "normal" revival of business such as followed previous economic crises. It indicates also that the country is *technically* equipped to provide a higher standard of living for the masses.

Domestic and Foreign Trade

U. S. Department of Commerce estimates that value of retail sales in 1934 amounted to approximately \$28,649,000,000, a gain of 14% as compared with estimated retail sales for 1933 (as computed by the Census of American Business), but about 42% below 1929, when retail sales were estimated at \$49,115,000,000.

The 1934 rise in the dollar value of retail sales is partly accounted for by the sharp increase in prices. Significantly, sales of luxury and semi-luxury goods increased most sharply, while sales of necessaries increased little, if at all. The dollar value of automobile sales in 1934 rose 33% above 1933. On the other hand, food sales increased only about 7%, or less than the rise in retail food prices, thus indicating an actual drop in the *amount* of food consumed.

Value of retail sales rose another 14% in 1935. Department store sales increased 7% in value above the preceding year; variety stores sales only 2%. As in 1934, the sharpest increases were in luxury and semi-luxury lines. Automobile dealer sales were up 25%, due largely to the placing of the 1936 model cars on the market earlier than usual. The dollar value of grocery chain sales increased only 6% in 1935, which, after correction for retail food price increases, indicates a drop of about 5% in the *volume* of food sales.

General increase in retail sales during the two-year period reflected the increased income of the capitalist class, the slight rise in employment, and consequently in total wage income, and the increased income of certain strata of farmers due to government subsidies. Sales also appear to have been stimulated by the wider use of installment selling. In other words, more people were forced to mortgage their future pay envelopes as merchants regained sufficient "confidence" to extend this form of credit.

Foreign markets for American goods expanded comparatively little during the two years, considering the general increase in prices. Total exports were valued at 27% more in 1934 than in 1933; but the increase in 1935 above 1934 amounted to only 7%. The low level of exports was due partly to restriction of U. S. agricultural production and partly to the sharpness of the international struggle for the declining world markets. This fierce competition led each capitalist nation to attempt to safeguard its domestic market from

competitors by means of high tariff walls, quota regulations, subsidies to home companies and similar devices.

American exports and imports for 1934 and 1935, with comparative figures for earlier years, were as follows:

	<i>Exports</i>	<i>Imports</i>		<i>Exports</i>	<i>Imports</i>
	(in thousands of dollars)			(in thousands of dollars)	
1929	\$5,240,995	\$4,399,361	1933	\$1,674,994	\$1,449,559
1930	3,843,181	3,060,908	1934	2,132,800	1,655,055
1931	2,424,289	2,090,635	1935	2,282,023	2,047,797
1932	1,611,016	1,322,774			

Stocks of Goods

Expansion of domestic and foreign markets, limited though it was, combined with the government's program of restricting agricultural production resulted in a reduction of the enormous stocks of goods piled up in the United States before and during the crisis years. The index of stocks published by U. S. Department of Commerce shows a decline in 1934 and 1935 for both manufactured goods and raw materials. Indices for December, 1934 and 1935, with comparative figures for previous years, were as follows (1923-25 = 100):

	<i>Raw Materials</i>	<i>Mfg. Goods</i>	<i>Raw Materials and Mfg. Goods</i>
1929	186.3	119.3	158.2
1930	194.5	120.1	163.7
1931	210.4	107.5	166.4
1932	194.7	96.4	152.7
1933	214.7	110.2	170.1
1934	198.1	105.8	159.4
1935	153.9	102.2	132.2

Capital Flotations

Despite the increase in profits, discussed below, capital markets continued to stagnate. The enormous amount of "excess" plant capacity has discouraged the construction of new factories and the large-scale installation of new equipment except for replacements of obsolete apparatus, for example in the steel industry. According to the compilations of the *Commercial and Financial Chronicle*, corporate capital flotations rose sharply in 1934 and 1935, but an overwhelming proportion was made for the refunding of old issues and not to raise new capital.

LABOR FACT BOOK III

New corporate capital flotations (domestic only) in 1935 were one-twentieth of what they were in 1929. Figures for corporate flotations, both for refunding and for new capital, in 1935 and 1934, with comparative figures, for earlier years, are given below:

	<i>New capital</i>	<i>Refunding</i>	<i>Total</i>
	(in millions of dollars)		
1929	\$8,002.0	\$1,374.5	\$9,376.5
1930	4,483.1	474.0	4,957.1
1931	1,550.6	820.5	2,371.1
1932	325.4	318.5	643.9
1933	160.6	219.3	379.9
1934	178.3	311.6	489.9
1935	403.6	1,863.9	2,267.5

As for flotations of foreign corporations in the U. S. market, there were none at all in 1935 and none in 1934, with the exception of a short-term refunding issue amounting to \$1.2 million. The market for long-term foreign investment, once a tremendous absorber of American capital, has dried up almost completely during the crisis.

Money and Banking

Depreciation of the value of the dollar in 1933-34 and the official devaluation January 31, 1934, together with all the intermediate steps, discussed in *Labor Fact Book II*, constitute the most important section of the "New Deal" program which has not been upset by the Supreme Court. The essentially class character of the monetary program of the "New Deal," which contributed considerably to the rise in corporation profits on the one hand while raising the cost of living of the masses of people on the other, has been made clear by the events of the last two and a half years.

The Gold Reserve Act of 1934, under which the executive proclamation of January 31, 1934, fixed the present value of the dollar at 59.06% of its former gold content, became effective for two years but could be extended by executive proclamation for one more year. On January 10, 1936, Roosevelt issued a proclamation extending this law for one more year from January 30, 1936. It is significant that this proclamation announced that the emergency which existed on January 30, 1934, had not ended but "on the contrary, continues and has been intensified in divers respects by unsettled conditions in international commerce and finance and in foreign exchange." And in this connection it should be re-

membered that the President has the power to devalue the dollar further, to a minimum of 50% of the former gold content.

No solution, even of a temporary character, has yet been found for the chaos existing in the international foreign exchange markets. *The Annalist*, January 17, 1936, states, "For the fourth successive year, fear, rather than the orderly movements of international trade, dominated in the foreign exchange markets of the world in 1935. The panic-stricken movement of money from one capital to another in response to political rumors and financial apprehensions alternately beat down or forced up the leading European currencies." Fear concerning the stability of European currencies, particularly those of the gold bloc led by France, and the greater imminence of war in 1935, led to an unprecedented flow of gold to the United States. About \$3 billion has entered this country since the devaluation of the dollar on January 31, 1934. This flow of gold represents American capital returning to "relatively" safer havens, as well as frightened European capital. As a result of this movement gold stocks in the United States rose to a high of \$10,123 million at the end of 1935.

Money in circulation at the end of 1935 amounted to \$5,882 million. Gold stocks at the end of 1935, therefore, covered all money in circulation over 1.72 times. This ratio tends to postpone somewhat the menace of open paper money inflation.

Silver Policy: The Silver Purchase Act of 1934 (effective June 19, 1934) declared it to be the policy of the United States to increase the amount of silver in the monetary base of the country with the ultimate objective of maintaining one-fourth its monetary value in silver and three-fourths in gold. Later, on August 9, 1934, an executive order nationalized all silver then held in the country, requiring that it be deposited with the Treasury on terms yielding the depositor 50.01 cents per fine ounce.

The monetary value of silver was established at \$1.29 an ounce and the object was to drive up the market price of silver to this figure, although the price in June, 1934, was only about 45¢ an ounce. In other words, until the proportion of silver stocks (figured at \$1.29 an ounce) reached one quarter of the total silver and gold stocks, the Treasury was directed to purchase silver at home and abroad, with advance notice to the silver speculators that the Treasury had been given a limit of \$1.29 an ounce.

Silver purchases under the Act drove the price of silver up to a

peak of 81c in April, 1935, but by December 9, 1935, the price had declined to 64 $\frac{3}{4}$ c. On the following day, December 10, the sudden withdrawal of United States silver buying in London caused an international panic in the silver markets and the suspension for that day of trading in the London silver market, the first time since 1914. By the end of 1935 silver had dropped to 49 $\frac{3}{4}$ c on the New York market, within short reach of the price existing when the Silver Purchase Act was first enacted.

Meanwhile the boosting of silver prices had contributed to the sharpening of the economic and monetary crisis in China and the final abandonment of the silver standard by that country in November, 1935. In April, 1935, Mexico was forced to call in all silver coins to be exchanged for paper money. Further repercussions came from various South American countries which placed embargoes upon silver exports, while other countries were forced to withdraw silver coins from circulation.

Contrary to the expected increase of the international use of silver for monetary purposes, the operations under the Silver Purchase Act actually accomplished the opposite. Although the Treasury had more than doubled its stock of silver during 1934 and 1935 (it was estimated at the end of 1935 at about 1.5 billion ounces) the huge increase in gold stocks during the same period kept the Treasury far from its objective of accumulating silver stocks to the point where they amounted to one quarter of the combined gold and silver stocks. At the end of 1935 the Treasury had still to accumulate about one billion ounces of silver to accomplish this purpose.

The silver policy, however, has not failed entirely of its purpose. It was enacted at the behest of silver producers and speculators (including Father Coughlin) and these interests have benefited considerably. For instance, during practically all of the period since June, 1934, and for some time previously, the Treasury has been paying silver producers for domestic mined silver a price well in advance of the open market price. On December 31, 1935, they were being paid 77.57c an ounce, whereas the market price in New York was only 49 $\frac{3}{4}$ c an ounce.

Banking Trends: Although bank failures caused a reduction between June, 1929, and June, 1935, of over 36% in the number of banks in this country, total deposits (exclusive of interbank deposits) decreased only 15%. In other words, the av-

verage total deposits in each surviving bank increased considerably from 1929 to 1935.

However, while total deposits decreased 15%, outstanding loans of all banks at the end of June, 1935, were less than one-half of the comparable 1929 amount, as a result of a continuous decline since 1929. We find, at the same time, a large increase in investments, largely in government securities, and record-breaking idle reserves. The following Federal Reserve Board figures covering all banks in the U. S. reflect this situation:

End of June	Number of banks	Deposits, exclusive of inter- bank deposits		
		Loans	Investments	(in millions of dollars)
1929	25,110	\$53,852	\$41,512	\$16,962
1930	23,852	54,954	40,618	17,490
1931	21,903	51,782	35,384	19,637
1932	19,046	41,963	27,834	18,237
1933	14,519	37,998	22,203	17,872
1934	15,835	41,870	21,278	21,224
1935	15,994	45,766	20,272	24,145

A detailed study of banking developments in New York State published in December, 1935, by the New York State Bankers Association describes this shifting in bank assets as an "epochal transition" in banking in New York State, in common with the entire banking system, and states that "our commercial banks have taken on something of the nature of investment trusts."

The Annalist, January 17, 1936, reported that more than one-half of the entire federal debt, amounting to over \$30 billion, is now held by banks, such investments constituting about one-third of their combined deposits. Further, "Government and government-guaranteed securities held by member banks in 101 leading cities in November, 1935, were 2.7 times their combined capital funds, compared with 2.3 times in December, 1934. Their 'other' investments would certainly be affected by any decline in government bond prices. Since total investments of these banks were nearly 3.6 times their capital funds, and since nonmember and smaller city member banks were probably not so well situated, it seems quite probable that a moderate decline in government bond prices would have a disturbing effect. The deterioration in the banking structure during the year is clearly apparent from these figures."

An important factor in the drying up of bank loans is the fact

LABOR FACT BOOK III

hat smaller concerns, which require bank loans, are not "deserving" of credit because so many of their number have been put out of business since 1929, whereas the large corporations have an overabundance of cash. This situation was described by the Chairman of the Board of The National City Bank in his report to stockholders, January 14, 1936. He declared that "the great industrial corporations on which a bank of this size must depend for the greater volume of its loans entered the depression in strong cash positions and, because of the low rate of production, reduced inventories, and the cessation of normal capital expenditures, most of them, instead of needing money, have actually added to their cash balances."

Concentration in Banking: Big banks hold a rising share of all deposits. At the end of 1935 the topmost groups of banks had greater deposits than at any time during the history of American banking. The largest 100 banks at the end of 1935 held deposits of over \$25 billions, representing 56% of total deposits (including interbank deposits) of all commercial banks in the United States, numbering about 15,400. The following table—a comparison of 1930, previous peak year, and the end of 1934 and 1935—shows the trend:

DEPOSITS IN U. S. COMMERCIAL BANKS AND TRUST COMPANIES *
(in millions of dollars)

	Dec. 31, 1930	% of all banks	Dec. 31, 1934	% of all banks	Dec. 31, 1935	% of all banks
First 10 banks.....	\$ 9,886	20%	\$ 9,624	24%	\$11,234	25%
First 25 banks.....	14,604	30%	14,751	37%	17,103	38%
First 50 banks.....	18,295	37%	18,297	46%	20,964	47%
First 100 banks.....	22,158	45%	21,892	55%	25,102	56%
First 200 banks.....	28,590	58%	25,104	63%	28,705	64%
All commercial banks and trust companies.	49,300	100%	40,000	100%	45,000	100%

* Figures cover interbank deposits; they do not cover mutual savings banks.

During the year 1935, deposits in all commercial banks increased \$5,000 million and \$3,601 million of this represented the increase in deposits of the 200 largest banks.

Concentration of U. S. industry generally and its control by finance capital is discussed in *Rulers of America* by Anna Rochester, recently prepared in collaboration with the Labor Research Association.

Excess Bank Reserves: Funds in excess of reserves legally required against bank deposits have recently reached record-breaking proportions. In the second week of December, 1935, they totaled over \$3.3 billion. Inability of the capitalists to put this idle fund to work is admitted by the board of Governors of the Federal Reserve System in its statement (December, 1935) that the present volume of member bank reserves is "far beyond the present or prospective requirements of credit for sound business expansion." Furthermore, it is generally recognized that these idle funds may be used as a basis for a huge speculation in stocks and commodities which would hasten the coming of another financial crash much worse than the collapse of 1929.

Stock Market Gains: What the "New Deal" accomplished for owners of stocks is shown by the following tabulation of the market value of all stocks listed on the New York Stock Exchange:

	<i>Total market value (in millions)</i>		<i>Total market value (in millions)</i>
January 1, 1932	\$26,694	January 1, 1935	\$33,934
January 1, 1933	22,768	January 1, 1936	46,946
January 1, 1934	33,095		

Between January 1, 1933, and January 1, 1936, the market value of stocks listed on the New York Stock Exchange more than doubled in value. And the prices of the 30 leading industrial shares comprising the Dow-Jones index rose 140% between December, 1932, and December, 1935.

Profits: Corporation profits rose in 1934 and 1935. National City Bank reports that the net profit of 1,435 *manufacturing and trading* companies increased 64% in 1934 over 1933 and that the net profits of 1,935 corporations, including utilities and banks, totaled \$1,732,572,000 in 1934 as compared with \$1,314,411,000 in 1933, an increase of 32%. National City Bank compilation of net profits of 895 important representative *manufacturing* corporations shows a rise from a total of \$647,659,000 to \$951,719,000 between 1934 and 1935, or an increase of 47%. Out of these profits came higher dividend payments for the stockholders. *New York Times* compilation showed a rise of approximately 10% in dividend payments from 1934 to 1935, from \$2,472,825,000 to \$2,715,347,000. (Data on *high salaries* and *bonuses* of corporation executives are given in *Economic Notes*.)

II

SOME "NEW DEAL" LEGISLATION

Social Security Act

THE Social Security Act, sponsored by Senator Robert F. Wagner of New York to carry out President Roosevelt's "economic security" program, was passed by 74th Congress in its first session and signed by the President, August 14, 1935.

It is an act "to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes."

The act is in three main divisions: (1) federal old-age benefits for which workers must pay an income tax on wages received, and employers an excise tax on wages paid; (2) federal encouragement to states to enact compulsory state unemployment compensation laws; and (3) providing meager grants-in-aid to states from federal funds for old-age assistance, and for aid to the blind, to dependent and crippled children, for maternal and child health and public health.

Federal old-age benefits will be payable beginning January 1, 1942, by the federal government on basis of wages received between December 31, 1936, and the date when the worker reaches age of 65. Amount paid in benefit will be one half of 1% ($\frac{1}{2}\%$) on first \$3,000 received. Minimum monthly benefit is \$10.

For the great majority of workers, averaging less than \$100 a month in wages, old-age benefits will average less than \$30 a month. Only if an individual has averaged \$100 a month *steadily for 20 years* will he get as much as \$32.50 in monthly benefits. These rates doom the great mass of workers over 65 years of age to a "living standard" of less than \$1 a day.

A permanent income tax, ranging from 1% of a worker's wages

during the first three years (1937-1939) up to 3% by 1949 and after, is established by this act. Those who still have jobs must pay one-half the cost of such old age benefits as are to be paid. Employers, taxed for the other half, can pass on this tax to the workers and consumers by means of increased prices on commodities.

To qualify for old age benefits, the worker must be at least 65 years old; must have earned not less than \$2,000 in total wages between December 31, 1936, and before the age of 65; and must have received wages on some day in each of five years after December 31, 1936, and before the age of 65.

Excluded from all old age benefits under this act are the following groups: agricultural workers; domestic workers in a private home; casual labor not in the course of employer's trade or business; officers or crew of a vessel; employees of the United States government; employees of a state or political subdivision; employees of institutions operated exclusively for religious, charitable, scientific, literary or educational purposes, and not operated for profit. Thus, among those excluded are most of the workers employed in hospitals, colleges, schools, libraries, churches, and laboratories—in fact the great majority of professional workers.

Unemployment benefits cannot be obtained by the workers of any state until that state has passed legislation for unemployment compensation in conformity with this act.

Criticism of Act: The Social Security Act does not represent any complete system of social insurance as does the Workers' Social Insurance Bill. (See below.)

1. It discriminates against young workers and against women workers because benefits are based on earnings. Lower wage rates generally paid to women and to young workers will mean less unemployment compensation and lower old age benefits. Lower-paid workers, more than higher-paid, will feel the burden of taxation in the contributory old age pension system and in states where the law taxes employees for unemployment compensation.

2. It makes no provision, as does the Workers' Bill, for additional compensation for each dependent.

3. It does not provide compensation for loss of income suffered. It does not guarantee an income equal to average earnings. Still less does it guarantee an income equal to a minimum standard of living. The Workers' Bill, on the other hand, provides for adjustment in case of change in the cost of living.

4. Meager benefits to be provided under this act will not be available

for several years, whereas an effective system of social insurance must go into immediate operation, as provided in the Workers' Bill.

5. Act does not provide insurance for *all* workers but only for certain groups, whereas the Workers' Bill includes all wage-earners, all salaried workers, farmers, professional workers and self-employed. *The act does not insure those who are at present unemployed or who suffer other disability*, but only some of those who may become unemployed or may suffer disability in the future.

6. It is not a system that is nationwide in scope. It depends largely on action by separate states. But the needs to be served are nationwide, and provision for compensation for losses sustained is beyond the powers of any state.

7. There is no provision under the act, as there is in the Workers' Bill, for democratic administration by workers. There is no safeguard to prevent administration against the interests of workers.

8. Costs of this act will be placed directly, by payroll taxes, or indirectly, by sales taxes, upon the workers and broad consuming masses of the United States. It will thus tend to undermine the workers' standard of living which a social insurance system should protect.

As clearly stated in the Workers' Bill (declaration of policy), the costs of a social insurance system must be a primary charge on the national wealth and recognized as part of the federal government's budget, to be provided out of the national treasury. Any additional costs necessitated by the plan should be derived by suitable tax legislation, from high incomes, corporate surpluses and other accumulated wealth.

State Unemployment Compensation Laws

Under the Social Security Act, as explained above, there is no compensation for any worker until the state in which he lives has an approved law.

Excluded under the federal act and under most state laws so far passed are the following groups: farm labor, personal or domestic service, state and municipal employees, wife or husband and minor children of an employer in his employ; employees of educational, religious and other non-profit institutions.

Excluded also under state laws are workers employed in small establishments. California, New Hampshire, New York, Washington and Utah exclude those in establishments of less than four employees. Massachusetts and Wisconsin follow the federal act in excluding workers where fewer than eight are employed. Only the District of Columbia includes workers of small concerns where one or more are employed.

Eligibility: No state law except Wisconsin's provides any compensation for workers now unemployed. Wisconsin's benefits start July 1, 1936. Benefits in other states do not start until January 1, 1938. In order to become eligible for compensation, a worker must first be reemployed in industry during 1936 or 1937, the length of such employment varying in the different states.

New York and Massachusetts require 90 days' employment during the year, or 130 days during the two years, preceding the day benefits are to start. Washington requires the longest period—40 weeks in two years, or 26 weeks, half the year, immediately preceding benefit application.

Most states include clauses in the law for protection of the union worker. These provide that unemployed workers shall not be required to take work unless it is "suitable." Suitable is defined as allowing membership in trade union, not requiring membership in a company union and not available because of a strike or other trade dispute. Suitable work is further defined to mean a job located within reasonable distance of a worker's home, not involving unusual traveling expenses, and with wages, hours and labor conditions equal to those prevailing in locality.

But this last clause in state laws still leaves the way open for *discrimination against Negro workers*. Under it, Negro workers could still be forced to take jobs where wages and other working conditions were below the prevailing rates or standards for white workers. Nothing is said in any state law against discrimination on the ground of race or color.

Waiting Period: All states require a waiting period before a worker is to receive any compensation. In most states this period is from three to five weeks. Washington requires a waiting period of six weeks. This requirement means that after a worker loses his job he must still live as best he can for several weeks before any compensation is available.

Amount and Duration of Benefit: In practically all states the amount of benefit to be paid is described as 50% of full-time weekly wages, with a maximum of \$15 and a minimum of \$5. Utah sets a slightly higher rate, with a maximum of \$18 and a minimum of \$6. Whatever the size of a family, a jobless worker cannot receive more than the low maximum.

Worst of all provisions in these so-called "social security" laws are those setting the duration of benefits. Period for which benefits

will be paid is usually only one week for each four weeks of insurable employment. New York provides one week's benefit for two weeks' employment but not more than 16 weeks' benefits, in all. This is the maximum length of time for which benefits will be paid in most states.

Contributions: Five states, Alabama, California, Massachusetts, New Hampshire and Washington, require contributions from worker as well as from employer. In these states the worker must pay 1% of wages, but the worker's contribution is not to exceed one-half the general rate required of employer.

This requirement, that workers themselves must contribute for unemployment compensation, and other provisions of these state laws are in marked contrast to provisions of the Workers' Social Insurance Bill. (See below.)

Eleven states, Alabama, California, Indiana, Massachusetts, Mississippi, New Hampshire, New York, Oregon, Washington, Wisconsin and Utah, and also the District of Columbia, had passed unemployment compensation laws by April 1, 1936.

Workers' Social Insurance Bill

The Workers' Social Insurance Bill (S. 3475) was introduced in the U. S. Senate by Senator Lynn J. Frazier (Progressive Republican, North Dakota) and in the House of Representatives by Ernest F. Lundeen (Farmer-Labor, Minnesota), on January 6, 1936. It is based on the principles of the former Lundeen bill introduced in first session of 74th Congress, but is broader in its provisions.

Drafted by the Interprofessional Association for Social Insurance, the measure provides "for the establishment of a nation-wide system of social insurance" and declares "it is the obligation of Government to insure *every worker* against loss of income due to unemployment, old age and other disability." (Our emphasis.—*Ed.*)

It integrates in one comprehensive plan six systems of social insurance, as follows: (1) compensation for unemployment; (2) insurance of the self-employed, covering for the first time self-employed professional workers, farmers and owners of small businesses; (3) disability insurance, including all forms of disability, whatever their cause; (4) old age insurance; (5) maternity insurance; (6) widows' and mothers' insurance.

"The term a 'worker,' when used in this Act, means a person

over the age of 18 years and under the age of 60 years who has customarily derived his livelihood from any form of labor or service in industry, trade, agriculture, mining, transportation, the arts, the professions, domestic service, or any other occupation or employment."

Under the special provision for self-employment insurance, "any worker who is self-employed in agriculture, the fisheries, forestry, trade, manufacturing, in professional or other services, whose average weekly net earnings do not equal the minimum compensation payable under this Act, shall be entitled to compensation."

Chief provisions of this Workers' Bill include the following:

1. *Unemployment insurance*, including *full compensation for the whole period of unemployment*. Unemployment compensation under the workers' bill would be equal to average weekly wage payable in the occupation or profession in the district. The bill sets a minimum compensation of \$10 a week plus \$3 for each dependent, and a maximum of \$20 a week plus \$5 for each dependent. Provision is made for adjustment of compensation rates, according to change in the cost of living. Those who receive income above this maximum are disqualified, but those having lesser income are eligible to social insurance.

2. *Old age insurance*. Bill provides explicitly that persons 60 years of age or over shall receive *compensation equal to average wages*, if they were employed up to 60 or over. If they were receiving unemployment compensation at the age of 60, they are entitled to old age compensation equal to the unemployment compensation which they were receiving. All other persons 60 years of age or over would be provided for by minimum compensation—\$10 a week, plus \$3 for each dependent.

3. *Compensation for disability*, whether total or partial; for *maternity*; and for *widows and mothers* are included in the bill. A woman worker would be entitled to compensation for eight weeks before and for six weeks after childbirth. Disability and maternity compensation would both be the same as provided in this bill for a worker totally unemployed.

4. A Federal Workers' Insurance Commission would be set up to administer the system, combining technical administration by experts with policy-making and judicial administration by workers themselves. Commission would be appointed by the President but from names nominated by workers' organizations. It would be an independent part of the federal government's executive organization.

5. Immediate appropriation of \$5 billion and annual estimates of amounts necessary to provide compensation payable under the act; no payroll taxes or sales taxes or any other taxation which places the burden on the workers. Surplus funds required would be raised by suitable revenue legislation from high incomes, corporate surpluses and other accumulated wealth.

Other important points in the Workers' Bill include recognition of 30 hours as the standard working week; part-time employment is defined as a working period less than this standard. A worker partially unemployed is eligible under this bill for compensation for the unemployed part of his time. Young people who have never worked, but who are over 18 and available for work, are included in this bill's provision for unemployment compensation to those who have never been gainfully employed but who are capable and available for work.

The Roosevelt Budget

During the crisis the government came to the aid of the capitalists by enormous handouts to railroads, the rich and middle farmers, insurance companies, banks and other financial institutions. (See *Labor Fact Book II*, pp. 58-62.) The funds for these purposes were obtained in part by increases in the taxes paid by the broad masses of people. At the same time, departmental expenses were cut to the bone by lay-offs and wage cuts; expenditures to veterans were slashed. Even so, it was impossible to meet from the federal income the capitalists' demands for financial support and the rising military expenditures, in addition to some allotment for relief. As a result the government debt grew by leaps and bounds until it was more than \$9 billion greater on June 30, 1935, than on June 30, 1932—an increase of 47% in three years.

The budget for current fiscal year ending June 30, 1936, and the proposed budget for the year ending June 30, 1937, presented by Roosevelt January, 1936, indicates that the enormously increased tax burden is to remain permanently on the masses of this country.

U. S. BUDGET—FISCAL YEAR ENDING JUNE 30

(Millions of dollars and per cent of total)

	1928-29	1933-34	1934-35	Estimated 1935-36	1936-37	% change 1928-1936
<i>Federal Income</i> (General and special fund)						
From corporations, wealthy individuals and upper middle class:						
Income taxes	\$2,331	\$ 818	\$1,099	\$1,434	\$1,943	- 16.7%
Estate, gift, capital stock, excess profits and stamp taxes	\$ 127	\$ 263	\$ 353	\$ 420	\$ 551	+ 33.4%
	\$2,458 (63.0%)	\$1,081 (34.8%)	\$1,452 (38.3%)	\$1,854 (42.1%)	\$2,494 (44.2%)	+ 1.5%

SOME "NEW DEAL" LEGISLATION

29

From workers and consuming masses:						
Miscellaneous internal revenue taxes (excluding those above), processing taxes, customs and miscellaneous revenue *....	\$1,444 (37.0%)	\$2,026 (65.2%)	\$2,338 (61.7%)	\$2,553 (57.9%)	\$3,155 (55.8%)	+ 118.4%
Total revenues	\$3,902	\$3,107	\$3,790	\$4,407	\$5,649	+ 44.8%
<i>Federal Expenses</i>						
To banks, corporations, wealthy individuals and farm owners	\$1,236 (33.2%)	\$2,964 (41.7%)	\$2,276 (30.9%)	\$2,003 (26.3%)	\$1,832 (27.2%)	+ 48.3%
War purposes	\$ 660 (17.8%)	\$ 903 (12.7%)	\$1,036 (14.0%)	\$1,361 (17.8%)	\$1,310 (19.4%)	+ 98.5%
Veterans	\$ 738 (19.9%)	\$ 557 (7.8%)	\$ 606 (8.2%)	\$ 718 (9.4%)	\$ 790 (11.7%)	+ 7.1%
Unemployment relief	\$1,512 (21.3%)	\$1,918 (26.0%)	\$1,918 (26.0%)	\$ 552 (7.2%)	\$ 211 (3.1%)	
Public works	\$ 201 (5.4%)	\$ 653 (9.2%)	\$1,056 (14.3%)	\$2,114 (27.6%)	\$1,255 (18.6%)	+ 52.6%
Postal and administrative	\$ 886 (23.7%)	\$ 516 (7.3%)	\$ 483 (6.6%)	\$ 542 (7.1%)	\$ 529 (7.8%)	- 40.3%
Miscellaneous, unallotted .....	.....	.....	.....	\$ 355 (4.6%)	\$ 825 (12.2%)	
Total	\$3,719	\$7,105	\$7,375	\$7,645	\$6,752	+ 83.8%

* All of these taxes, of course, fall on the wealthy as well as the masses. But with the exception of customs tax they place a disproportionately heavy burden on low income groups.

On the side of federal *income* we note a large increase in income taxes and other taxes collected from the capitalists in the fiscal period ending June 30, 1934, to the fiscal year ending June 30, 1937. This increase is based on Roosevelt's belief that corporation profits and capitalists' incomes will show very large gains in the coming two years, as income tax rates themselves have hardly been increased at all. Despite this large increase in profits, the capitalists will actually pay nearly 17% less income taxes in 1936-1937 than in the fiscal year ending June 30, 1929. And total receipts from the wealthy, including estate, gift and other taxes, will be just about the same in 1936-37 as in 1928-29.

Compare this with the receipts from taxes taken from workers and consuming masses. It is expected that in the fiscal year ending June 30, 1937, their taxes will contribute more than twice as much as in 1928-1929—an increase of \$1,711 million or 118.4%. These added taxes are imposed at a time when there are 16 million unemployed and while purchasing power is still close to the low point of the crisis. Of the total receipts of the government, the workers and consuming masses furnished 37% in 1928-1929, but they are expected to contribute 56% in 1936-1937. During the same period the share of the wealthy has been reduced from 63% to 44%.

LABOR FACT BOOK III

Figures for federal *expenses* further emphasize the ruthless policy carried through by Roosevelt. We find that banks, corporations, wealthy individuals and farm owners in 1936-1937 will receive an additional \$600 million, or 48%, more than they received during the high profit days of 1928-1929. In contrast to this, relief expenditures will be cut by \$1,707 million in the two years ending June 30, 1937, and in the latter year will amount to only \$211 million. And this \$211 million is actually less than the total amounts involved in the lay-offs, wage-cuts and other "savings" made at the expense of postal and federal employees in the year ending June, 1937, as compared with the year 1928-1929. As a substitute for relief, expenditures will to some extent be made for public works. They will be increased by \$199 million during the same period that relief is cut \$1,707 million. These public works give the capitalists some very fat contracts, which will swell their profits still further.

To complete the picture, expenditures for war preparations in 1936-1937 will be twice as great as they were in 1928-1929. And there is little doubt that actual appropriations will exceed present schedules.

The Roosevelt budget for the coming two years thus virtually abandons relief while it continues the enormous subsidies to capitalists, throwing an ever-increasing part of the burden on the workers and consuming masses. Through this policy Roosevelt hopes to come closer to balancing the budget and conforming to the demands of the capitalists who fear that the large increase in the federal debt may lead to uncontrolled inflation:

INCOME AND EXPENDITURES—FEDERAL GOVERNMENT

<i>Fiscal Year</i>	<i>Receipts</i> * <i>Expenditures</i> * <i>Deficit</i>		
	(millions of dollars)		
1931-32	2,709	5,865	3,156
1932-33	2,826	5,889	3,063
1933-34	3,864	7,822	3,958
1934-35	3,790	7,375	3,585
1935-36 (estimated)	4,407	7,645	3,238
1936-37 (estimated)	5,649	6,752	1,103

* All receipts and expenditures, 1931-32, 1932-33, 1933-34 from report of Secretary of Treasury, June, 1935. These figures are not entirely comparable to those in preceding table since the Treasury report contains certain receipts and expenditures not included in the budget message. Figures for 1934-35 on, from President's budget message, January 3, 1936.

The drastic reduction in relief expenditures and increases in the tax burden still leave an estimated deficit for 1936-1937 in excess of a billion dollars. On this basis, the federal debt will continue to increase and by June 30, 1937, will be over \$15 billion more than it was as of June 30, 1930.

PRINCIPAL OF PUBLIC DEBT OUTSTANDING
(As of June 30; in millions of dollars)

1930	16,185	1934	27,053
1931	16,801	1935	28,701
1932	19,487	1936 (estimated)	30,933
1933	22,539	1937 (estimated)	31,352

Taxation in the Crisis

In presenting to Congress his proposals for the Revenue Act of 1935, Roosevelt declared in part: "Our revenue laws have operated in many ways to the unfair advantage of the few and they have done little to prevent unjust concentration of wealth and economic power." This general statement is especially true of the changes made in the income tax law since 1929.

Roosevelt also talked about having taxes levied "in proportion to ability to pay." Analysis of the trend of sources of federal income during the crisis years, however, clearly shows that throughout this period the burden of taxation has been shifted increasingly to the shoulders of those less able to pay—the workers, farmers and general consuming masses. At the same time the tax burden of those with the "ability to pay" has shown a marked decrease:

FEDERAL TAX TRENDS BY TYPES OF TAX, 1930, 1932, 1934, 1935
(millions of dollars)

Type of Taxes	1930		1932		1934		1935	
	Amount	%	Amount	%	Amount	%	Amount	%
Income taxes	\$2,410	66.4	\$1,057	56.0	\$ 817	27.4	\$1,099	30.2
Estate and gift.....	65	1.8	47	2.5	113	3.8	212	5.8
Capital stock and ex- cess profits taxes..	.....	...	.....	...	83	2.7	98	2.7
Total	\$2,475	68.2	\$1,104	58.5	\$1,013	33.9	\$1,409	38.7
Miscellaneous revenue	\$ 565	15.6	\$ 454	24.1	\$1,288	43.2	\$1,364	37.5
Customs	587	16.2	328	17.4	313	10.5	343	9.4
Processing taxes ....	.....	...	.....	...	371	12.4	526	14.4
Total	\$1,152	31.8	\$ 782	41.5	\$1,972	66.1	\$2,233	61.3
Grand Total ...	\$3,627	100.0	\$1,886	100.0	\$2,985	100.0	\$3,642	100.0

Source: Statement by Robert H. Jackson, Counsel to Internal Revenue Bureau, to Senate Finance Committee, *New York Times*, Aug. 7, 1935.

The table shows that between 1930 and 1934, the proportion of indirect taxes (paid by the masses of workers and farmers) in the federal tax revenue *increased* from 31.8% to 66.1% while that of direct taxes (*i.e.* those taxes supposedly paid by persons best able to bear them) *declined* from 68.2% to 33.9%. In other words, between 1930 and 1934 the tax burden of the poor was proportionately more than doubled, while that of the wealthier classes was more than cut in half. Moreover, ever larger amounts were collected from the *lower* income groups each year of the crisis. While in 1930, persons with incomes of less than \$5,000 a year paid 2.1% of the total federal income tax, in 1932 they paid 13% and in 1933, about 11%. But persons with incomes of \$100,000 a year, who paid in 1930, 50.3% of the total federal income tax, by 1932 paid only 33.5% and in 1933, 36.7%.

As a result of the 1933 "boomlet" which benefited mainly the upper income groups, the proportion of the total federal income paid by those with incomes under \$5,000 a year declined in 1934 to 6.4%. The proportion paid by those with incomes of \$100,000 and over dropped only slightly, to 35.2%. These changes in the proportion paid by these groups were due primarily to considerable increases in both the aggregate income and the amount of the tax paid by the intervening groups, *i.e.* those with incomes of from \$5,000 up to \$100,000 a year.

It is estimated that about \$500 million a year is obtained by the federal government alone from taxes on gasoline, matches, lubricating oils, electric energy, toilet preparations, fur and fur articles, radio sets and phonograph records, mechanical refrigerators, chewing gum, admissions to theaters, telephone and telegraph messages, and postage. These so-called "nuisance taxes" were renewed in 1935 by the Roosevelt government and produce the major portion of the funds lumped together in the item "miscellaneous revenue" in the above table. While it is true that the wealthy also pay these taxes, it is an established fact that they place a disproportionately heavy burden on the lower income groups.

Tax Evasions

Because of the many loopholes in the income tax laws, figures on the number of persons with large incomes as well as the figures for their aggregate incomes do not give a real picture of the situation. There are many ways by which people with large in-

comes may legally "avoid" or illegally evade payment of taxes, and the incomes reported are only those which the income tax payers are obliged to report after all possible legal and illegal deductions and trickery.

After the stock market crash in 1929, when stock prices were falling, the wealthiest groups were able to avoid a large part of the tax which they should rightfully have paid on the income actually at their disposal. For the income tax law permitted them to deduct capital losses from income received. Investment bankers (like the Morgan firm) could legally carry this out by a mere book-keeping entry. Others—including Andrew Mellon, Pierre duPont, Charles E. Mitchell, Albert H. Wiggin—would go through the motions of selling securities at a loss while actually retaining ownership through a family holding company, a relative, or a trusted friend. As a result, more wealthy men than ever before were classified in low income groups totally unrelated to the large amounts which they actually enjoyed. The Morgan partners, for example, paid no federal income tax whatever (since they reported no "net income" after deduction of capital losses) for several years after the crash.

When stock prices began to rise once more, this device of "capital losses" ceased to be so useful and the sliding scale of taxation on capital gains was inserted in the Revenue Act of 1934. Under this, for example, only 30% of the profit on an investment held for ten years would be included in a person's net income. This cuts down the net taxable portion of a capitalist's income and affects especially the large incomes in which profits from sales of stock are most important. It partly offsets the higher tax rates on large incomes included in the Revenue Act of 1932.

Moreover, the present income tax law does not touch the stockholder's portion of corporation profits which are not distributed but which are held as reserves or added to the surplus accumulated by the corporation. Although their share in these undistributed profits actually is an increase in the wealth of these individuals, they are not taxed on these profits.

One of the chief methods by which big capitalists avoid payment of taxes is by investing their money in tax-exempt securities. These are bonds issued by the federal, state and municipal governments. By this method they manage to have large tax-free incomes often equal to, or in excess of, their taxable in-

LABOR FACT BOOK III

comes. The total loss to the federal government from this source is estimated to be from \$145 million to \$160 million a year. The amount of money placed into such securities (federal government only), interest from which is either wholly or partially exempt from federal taxation, is shown in the following table:

TAX-EXEMPT BONDS OF FEDERAL GOVERNMENT ^a

Year ended June 30	<i>Interest wholly or partially exempt from federal taxation</i>	<i>Interest wholly ex- empt from federal taxation</i>
	(millions of dollars)	
1932	38,312	26,409
1933	40,404	28,556
1934	45,283	30,409
1935	48,419	31,285

^a Net outstanding issues, "net" meaning "Total outstanding issues" less "Held in U. S. Government trust funds or owned by U. S. Government or governmental agencies" and "Held in sinking funds." Source: Annual Report of the Secretary of the Treasury on the State of the Finances, for Fiscal Year ended June 30, 1935, pp. 424-26.

The extent to which this method is employed by wealthy individuals was indicated by Robert H. Jackson, Counsel to the Internal Revenue Bureau, in an article in the *New Republic*, August 28, 1935. He stated that an analysis of 58 taxpayers whose gross income for 1932 exceeded one million dollars each, showed "ownership of \$461,000,000 tax-exempt securities" despite the fact that not all reported their holdings of such investments. They enjoyed "a tax free income therefrom in that year of \$21,000,487," stated Mr. Jackson, thus depriving the government of \$11,866,000 in revenue. In an address to the Senate Finance Committee (*New York Times*, August 7, 1935), Jackson cited several individual examples of this method of evasion. One taxpayer reported a net income of only \$101,050, but had "a tax-free income of about \$1,400,000." Another taxpayer reported only \$20,000 net income out of a gross income of \$2,700,000 and had about \$290,000 of tax-free income. Yet another, out of a gross income of \$22,000,000 managed to report only \$5,200,000 of net income while he had, tax-free, about \$4,300,000.

Another method cited by Mr. Jackson in his address before the Senate Finance Committee (*New York Times*, August 7, 1935) is that of obtaining allowances as business losses of the

expense of show farms, ranches, racing stables and hobbies, which are really only amusements and recreations. For example, three taxpayers regularly lost from \$150,000 to \$200,000 a year on their farms. In the last five years they had reduced their taxes \$206,000, \$210,000 and \$220,000 respectively because of farm "losses."

These are only a few of the methods used by those whose large incomes permit the employment of able lawyers and assure the coöperation of corporations, individuals and banks in juggling figures to avoid their share of the tax burden.

Who Really Pays the Taxes

The tax burden of the nation, local, state and federal, is everywhere shifted onto the shoulders of the masses of workers, farmers and small property owners. The *general property tax* is almost entirely a tax on real estate. As such it hits the farmer and small property owner directly and the non-property owning wage earner almost as severely, though indirectly. A tax on the farmer's property, if not shifted by him to the price of his produce to the urban consumer, must be paid as a charge against his own income for living. A tax on urban real estate, *i.e.* dwellings, is passed on directly to the tenant as rent. A tax on an industrial or commercial plant is reckoned as part of the cost of production and passed on to the consumer in the higher price of the product or service rendered. In addition there are the various "business taxes," licenses and fees, all of which are tucked away in the prices the consumer pays, or in his rent. Of course, the wealthy pay these taxes too, but it is well known that these taxes, like other consumption taxes, fall most lightly on the rich.¹

Contrary to current propaganda, the sales tax offers no relief to the small home owner but instead increases his burden. "Taxpayers with homes worth \$2,000 to \$4,000, and with incomes ranging from \$1,000 to \$2,000, would find that they would have to pay on the sales tax about twice as much as they saved on the real estate tax. It is not until we reach the owners of property approximating more than \$25,000 that the sales tax relieves property. . . ." (*The Home Owner and the Sales Tax*, pamphlet issued by Tax Policy League.) The latter are the ones who should bear

¹ From manuscript on taxation prepared by Joseph M. Gillman for the Inter-Professional Association.

the tax burden and even then it is generally conceded that large properties are under-assessed in relation to small ones.

In the past few years, 24 states and many municipalities have imposed a direct *sales tax* in order to pass the burden of taxation for unemployment relief and other emergency measures onto the masses of workers and small consumers. In seven other states sales tax bills have been introduced and are now pending before the legislatures. It is especially significant that in five of the richer states—Illinois, Michigan, Florida, Ohio and California—food is included among the commodities taxed. And four of these states have no personal income tax to place the tax burden on the shoulders of those able to bear it; Ohio has a low flat-rate income tax.

In his address to the Tax Policy League, December 28, 1934, Robert S. Ford of the University of Michigan declared that in Michigan,

The burden of meeting the crisis was placed largely on those who were least able to bear it. The tax on food alone represented 28% of the total sales tax collections in the fiscal year 1934 while food and wearing apparel combined represented 35% of the total. (*Tarbits*, November, 1935.)

This is true of all communities burdened with a sales tax. As incomes become smaller, a larger and larger proportion is spent for food. In the lowest income group one-third of the total budget goes for food, and 60.9% of the total income goes into the purchase of commodities affected by a general sales tax. The heavier burden that low income groups bear is clearly shown in the table presented by Mabel L. Walker in *Where the Sales Tax Falls*, a pamphlet issued by the Tax Policy League. (See table on following page.)

In other words, the burden of a sales tax, including food, falls more than 60 times heavier on each dollar of the masses of workers with incomes of \$1,000 a year and less, than it does on each dollar of the multimillionaire's income.

A graduated sales tax is no less burdensome. For example, in New York City, the sales tax is so graded that when a worker buys a pair of socks for 15 cents he pays a sales tax of one cent, *i.e.*, nearly 7% additional. But when his employer buys a pair of socks for 60 cents, he also pays one cent tax, or less than 2% additional.

AMOUNT VARIOUS RETAIL TAXES TAKE FROM DIFFERENT
INCOME GROUPS

Income	Proportion of income affected	Approximate amount per year per \$1,000 of income			
		Excluding Food		Including Food	
		2%	3%	2%	3%
\$1,000 and under	60.9	\$5.48	\$8.22	\$12.18	\$18.27
\$1,000 under \$2,000	58.6	5.28	7.92	11.72	17.58
\$2,000 under \$3,000	49.4	5.74	8.61	9.88	14.82
\$3,000 under \$5,000	42.9	5.62	8.43	8.58	12.87
\$5,000 under \$10,000	39.3	5.78	8.67	7.86	11.79
\$10,000 under \$25,000	31.7	4.82	7.23	6.34	9.51
\$25,000 under \$50,000	22.2	3.62	5.43	4.44	6.66
\$50,000 under \$100,000	18.4	3.24	4.86	3.68	5.52
\$100,000 under \$150,000	15.5	2.74	4.11	3.10	4.65
\$150,000 under \$300,000	12.1	2.08	3.12	2.42	3.63
\$300,000 under \$500,000	4.2	.72	1.08	.84	1.26
\$500,000 under \$1,000,000	2.5	.42	.63	.50	.75
\$1,000,000 and over	1.0	.16	.24	.20	.30

Finally, experience has proven that when sales taxes are adopted at a low rate they are rapidly increased to higher rates. Once the opening wedge is made by adoption of the sales tax principle it becomes relatively easy to boost the rate.

"New Deal" Housing Program

Housing Conditions: In 1934 a survey of housing conditions was made under the direction of the U. S. Bureau of Foreign and Domestic Commerce. (For earlier data see *Labor Fact Book II*, p. 85.) The results of this survey were published in the fall of 1934, in a report known as the *Real Property Inventory*. This survey covered 64 cities in 48 states (not including such large cities as New York, Detroit, etc., whose populations exceeded the 750,000 figure of the survey's maximum), 2,633,135 dwelling units in 1,931,055 buildings, and 9,074,781 people living in these units.

The report gives the following facts on housing conditions in the United States, in percentages of the total units investigated:¹

17.1% are overcrowded	24.5% have no tubs or showers
60.0% need repairs	17.3% have no private indoor toilet
49.4% have no furnace or boiler	9.4% have no electricity
30.4% have no gas (for cooking)	

This survey also revealed facts about rents. Of the approxi-

¹ *Housing Under Capitalism*, by Sidney Hill, International Pamphlets, No. 46.

mately 3 million urban families investigated, 78% pay for such unsafe and insanitary quarters less than \$30 a month for rent and 40% pay less than \$15 a month.

Housing conditions on farms are equally bad. PWA report on housing, according to *New York Times*, June 13, 1935, stated that 6 million non-farm and 5 million farm homes are "definitely sub-standard, the two constituting over 36% of our total housing."

Public Works Housing: Roosevelt administration has talked a great deal about taking "the initiative in slum clearance and low-cost housing projects in the interest of unemployment relief and recovery." (Public Works Bulletin, 7395.) A brief recently presented to Roosevelt by the National Public Housing Conference and prepared by Evans Clark, economic adviser to the New York Housing Authority, points out that expenditures or commitments of the major federal agencies nominally concerned with housing, total more than \$6.5 billion. Yet less than one per cent of this sum, or \$61 million, spent or pledged by the housing division of PWA, has been in aid of genuine low-rental housing. (*New Republic*, February 19, 1936). Part of this one per cent is represented by seven private projects to which PWA allotted \$12 million. When these projects are completed they will provide *new accommodations for only 3,285 families*. Since all of these projects are built and owned by private corporations to whom PWA loaned the money, the rents are above what most employed workers can manage, let alone what slum dwellers can afford.

A total of only \$150 million was set aside for housing under PWA. But even if the entire \$150 million originally allocated for "low-cost" housing, had been spent, it would still have constructed only about 50,000 homes in the whole country. A better concept of the inadequacy of this sum is obtained by comparing it with the sum needed for one large city alone. The New York City Housing Authority recently estimated that in that city there are 516,000 slum-dwelling families and it would cost at least \$1,500 million to provide decent housing for them—ten times the amount appropriated for the entire country.

Home Owners Loan Corporation:¹ This organization was allotted funds totalling \$4,750 million ostensibly to save the "distressed urban homeowner, whose property is mortgaged, from losing it through foreclosure." HOLC gave the mortgage holder

¹For origin and earlier activities, see *Labor Fact Book II*, p. 69.

(the bank, insurance company, etc.) its good 4% negotiable bonds in exchange for the defaulted mortgage. The old mortgage was then replaced by a new one which was usually larger because it included the back taxes and interest which the homeowner had not been able to pay. As a result, the homeowner was then indebted to the HOLC instead of the bank.

HOLC "relief" went mainly to financial institutions and real estate owners. According to HOLC President John H. Fahey, of the \$3 billion paid out to take over the mortgages on nearly one million small homes, "more than 90% of this money has gone to the commercial banks, savings banks, insurance companies, building and loan associations and mortgage companies and has had the effect of strengthening their resources in a very important way." On July 12, 1934, he pointed to a further HOLC benefit to real estate financiers: "Since the Home Owners Loan Act was amended, real estate values through the country have stopped their downward trend."

Home owners, however, were subjected to excessive charges and ruthless foreclosures. Mathew Napear, Chairman of the Consolidated Home and Farm Owners Mortgage Committee, sent a statement to President Roosevelt, December 3, 1934, stating that "An investigation would show that 70% of the home loans already granted were likely to default due to *excessive charges*." (Emphasis ours—*Ed.*) He explained that 5% interest and 15-year amortization, impose an insufferable burden on many homeowners. His prediction was borne out, for on November 27, 1935, the *New York Times* reported: "The Federal Government is coming into possession of 2,963 homes as a result of foreclosure proceedings of the HOLC." At the same time President John H. Fahey stated: "The HOLC has become the largest single holder of urban home mortgages in the world." In other words, the federal government is today the largest real-estate interest in the country. As such, it carries out just as ruthless a foreclosure policy as the former "private" real estate interests. An article in the December, 1935, *Federal Home Loan Bank Review*, official publication of the Federal Home Loan Bank Board, members of which are HOLC directors, stated that HOLC would adopt a "more severe policy. . . . Consequently, the volume of foreclosures must eventually increase."

Federal Housing Administration: This organization was cre-

ated under the National Housing Act, passed in June, 1934. It has three functions. First, it lends money to home owners induced to make repairs. This phase of FHA's program has not been much of a success since loans were made only to home owners who were good "economic" risks and who were consequently in a position to make the repairs without the help of FHA and its high interest charges of $8\frac{1}{2}\%$ to 9% .

The second function of FHA, its so-called "long-term activity," relates to the refinancing and insuring of "economic" mortgages. While the HOLC takes the "uneconomic," the defaulted mortgages, off the hands of the lending institutions, the FHA guarantees its member banks and mortgage companies against loss on the "economic" or profitable mortgages.

Finally, the FHA provides "insurance for loans up to \$10 million each to private, limited-dividend corporations planning low-rent housing projects." Like the housing projects under PWA, rents in FHA-financed houses range much above the amount an average employed worker can afford to pay.

Essentially, then, despite its misleading name, FHA is not a housing agency at all. It serves primarily to insure the mortgage investments of the very real estate interests who have been receiving such generous aid from the HOLC.

Present Trends: The Roosevelt slum clearance and low rental housing program starting in 1933 fulfilled none of its rosy promises. Actually, this "program" produced dwellings for only a few thousand families and in practically every case the rents were too high for the great majority of the population. On the other hand, the administration rescued the mortgage banks and other real estate institutions from bankruptcy by giving them \$3 to \$4 billion through the HOLC and the Reconstruction Finance Corporation in exchange for more than a million worthless mortgages.

Present plans are, according to *New York Times*, January 21, 1936, that "the government will turn its back upon further federally subsidized slum clearance and low-cost housing, either eliminating it or reducing it to a relatively negligible quantity." And Roosevelt, according to *New York Times*, February 15, 1936, "intimated that the administration had no purpose to initiate a program at this time calling for expenditure of several hundred million dollars annually." He would be "unwilling to approve any appropriation of much more than \$10,000,000 for such a program

this year" for his "advisers" have developed one fundamental as to low-cost housing and slum clearance, "namely, that it is not essentially a Federal job." The President's "advisers" moreover, are convinced that "private industry should be encouraged to continue the acceleration in building... and that it should be protected in every reasonable way from federal competition."

Tennessee Valley Authority

The Tennessee Valley Authority, one of the pets of the Roosevelt liberals, was created by an act of Congress passed May 18, 1933. As outlined by the Act, TVA has three main objectives: (1) to improve the Tennessee River in respect to navigation and flood control; (2) to develop and improve the agriculture and industries of the Tennessee Valley; (3) to keep in "stand-by" condition for national defense government properties at Muscle Shoals, Alabama, built during the World War and including two nitrogen fixation plants and Wilson Dam. According to the Act, TVA may sell its surplus power—the power generated over and above requirements for national defense, navigation and flood control. TVA is not an isolated project. It is part of a larger program including nine major enterprises that are either under way or in contemplation. It is expected to be the "proving-ground" for other proposed valley authorities—for the Mississippi, the Missouri, the Colorado, and the Columbia Rivers. More than this, it is considered an example of "how planning can promote the well-being of every citizen in the land." (Director H. A. Morgan, radio speech, September 26, 1934.)

TVA "Planning": The planning under TVA is and can be only of the most superficial, opportunistic type. It has no control over the major industries of the region involved. These means of production are in the hands of private owners who watch carefully that no TVA projects will in any way interfere with their own profits. When the construction of the dams, reservoirs, etc., including workers' living accommodations, is finished, few TVA workers will have a place to work. Neither TVA nor any other governmental agency has any definite plan or provision either for the tenant farmers and sharecroppers forced to move from the lands submerged for reservoirs. These people have neither the money to move far nor the money to buy land, and their chance of finding new landlords has been knifed by the AAA

reduction program which encourages landlords to evict their tenants. TVA has "washed its hands of these people" states Farm Research, Inc.¹ TVA "claims that the Act is not broad enough to allow resettlement of its rural refugees though it can build the model town of Norris and Wheeler for housing its workers during the dam construction period."

TVA "planning" has further failed to recognize the need for raising the living standards of the 2,000 Negroes in this area whose economic position is particularly low. It has rather adopted a deliberate policy of segregation and discrimination against them. "The fact of segregation has led here as elsewhere, not only to the separation of Negroes, but as well to the separation of Negroes in such a way that Negroes are given far inferior and inequitable accommodations." ("The Negro and TVA," report of John P. Davis, Secretary of Joint Committee on National Recovery.)

Finally, in its "industrial planning" TVA has reached the major obstacle faced by all attempts at "planning" under capitalism. It can solve neither the problem of non-competition with private industry nor that of obtaining markets for its rural and industrial coöperatives. Decentralization of industry, on which it bases its "plans," can only lead to labor conditions similar to those in small villages or company towns where workers may toil in only one or two small factories and buy at company stores. And if they happen to till small plots of ground on the side, this fact is used by the employers as a further argument to keep wages and labor standards low.

TVA Soil Conservation: The only land that can benefit by TVA's soil conservation program is that owned by well-to-do farmers who are not dependent upon one crop and who have the money to venture into the developing of pastures and the raising of livestock. For poor farmers the expense involved in such a step is prohibitive. Their inability to change the type of farming or to buy fertilizer at any price is indicated by the per capita farm cash income of \$137 for Tennessee and \$141 for Alabama in the peak year 1929. With the crisis, these meager cash incomes have dwindled away to almost nothing.

Erosion is a menace that demands a complete change in our agricultural system, but it cannot be controlled by the farmer. It

¹ "TVA—Power in a Strait-Jacket," *Facts for Farmers*, November, 1935. Other data in this section from same source.

is a responsibility of the national government calling for the immediate expenditure of millions of dollars. To throw the burden of control upon individual farmers is a travesty on economic planning.

The fertilizer program is the heart of the soil conservation program. Nitrate Plant No. 2 at Muscle Shoals has been remodeled and is being operated by TVA as an experimental plant for the processing of lower-priced, high grade fertilizer. It is now turning out a concentrated product, generous in plant food (48% phosphate) and comparatively inexpensive to freight. "The whole fertilizer program," declares *Facts for Farmers*, "is the most conspicuous illustration of TVA's surrender to private industry. Not only can TVA research and experiment, preach and demonstrate the dire necessity of a wide use of high-grade fertilizer, but TVA has the *legal right* actually to sell it *and give it away* to any and all of the region's 239,662 farms. [Of these farms, 98,300 or 41% are tenant farms.—*Ed.*] Instead, it chooses to give it away to 2,000 farms owned by men who are best fitted to buy their own fertilizer." (Emphasis in original.)

Electrification: TVA announced that this phase of its program aimed (1) to determine the "legitimate" cost of producing and distributing power, thus arriving at a fair rate structure—a "yardstick" by which every one could judge the fairness of his electricity bill; and (2) to electrify demonstration areas in the valley on the basis of this yardstick rate.

The TVA yardstick is lower than any private power company rates in the valley. TVA rates, are, however, a compromise; so are the TVA wholesale rates. The yardstick is forced to serve two masters, the private companies and the consumer. Figures show that while TVA's lower rates have increased the number of families that can afford electricity, much of the increase consists in the use of more facilities by those that already have electricity.

TVA's rural electrification policy provides that if a group of farmers, located within a mile of a transmission line, can show TVA that they can consume electricity at the rate of 662 kilowatt hours per month, per mile of transmission line, TVA will sell them electricity. Eight houses on a mile of road, using electricity for lighting, for an electric pump and for a few other small appliances, could use this amount of power. Yet the Valley's low income farmers cannot pay for even these very modest comforts. With an average yearly gross cash income of less than \$200 they cannot afford

the \$15 installation charge, the \$100 membership fee in a co-operative distribution system, nor the appliances necessary to use up all the power allowed them for the \$1 monthly minimum bill.

The middle and upper income groups are and will continue to be the consumers of TVA power. TVA's electrification policy has had the following results: "It has lowered the bars to include 23% more middle and high income families. Though it has definitely helped those who manufacture and sell appliances, it has not brought any marked reductions in the prices of appliances. In other words, TVA has drawn its yardstick to suit the private power companies rather than the public."

"New Deal" in the U. S. Supreme Court

Judicial Review: This powerful device, by which the United States Supreme Court passes on the constitutional validity of legislative and executive acts, is nowhere expressly granted to the Court in the Constitution of the United States. Prior to 1803, proposals to give to the Supreme Court even a small part of this power which it now wields, were consistently defeated. In 1803, however, Chief Justice Marshall in his decision in the *Marbury v. Madison* case, established a precedent. Even as set forth by Marshall, however, "the Court was concerned only with its own independence, and the Court declared that Congress could not invade the constitutional independence of the courts by dictating unconstitutional jurisdiction." (International Juridical Association, *Monthly Bulletin*, January, 1936.) But since that time, the power of judicial review has been written into the Constitution by court interpretations and has become commonly accepted as if it were granted in the Constitution. It has become a device whereby the judiciary is supreme in legislative and executive powers, restricted only by the limitations of judicial procedure. This is particularly dangerous in view of the fact that while the legislature and the executive are elected by the people for a specific term, the Supreme Court judges are *appointed for life*.

The power of judicial review, is a most effective weapon in the hands of the capitalist class to maintain control over all legislation, to protect its private property interests and to defeat legislation passed in the interests of the broad masses of workers and farmers.

We give briefly the major laws of the Roosevelt administration

which have to date passed under the judicial review of the U. S. Supreme Court.

Railroad Retirement Act: In a 5-4 decision, the Supreme Court voided the Railroad Retirement Act of June 27, 1934, and thus set aside legislation designed to secure a compulsory retirement and pension system to employees of railroads in interstate commerce. (*Railroad Retirement Act v. Alton Railroad Co.* 295 U.S. 330 May 6, 1935.)

Under this Act an employee who had worked for 30 continuous years and had received an average monthly wage of \$300 per month, could retire at the age of 65 and receive an annual pension of \$1,440. The amount was reduced proportionately by fewer years of service and lower average monthly wages.

The Court held that the Act imposed an excessive cost upon railroads that was not justified by any power given to Congress by the Constitution, despite its full powers over interstate commerce. Even without the specific parts of the Act which were held especially objectionable, the Court held that any system of retirement pensions is unconstitutional because such pensions have nothing to do with the safety or efficiency of the railroads, but merely provide for the social welfare and economic security of workers.

The opinion represents one of the most outspoken statements of the Court that social desirability has nothing to do with constitutionality. In effect, it practically eliminates the power of the federal government to enact social legislation in the field of interstate commerce, where, by express language, the Constitution has made it supreme.

The dissenting judges argued that the law was not different in principle from workmen's compensation; that the costs of inevitable accidents were the same as the costs of inevitable old age and both should be made a cost of the industry. In denying this similarity, the Court flatly stated that Congress could compel railroads to discharge workers whose old age impaired safe and efficient work, but it could not require that those discharged workers be assured of at least a minimum security. Thus, according to the decision, governmental policy can be no better than the practices of private employers who are free to discharge aged workers, leaving them to their own resources, private charity or the poorhouse.

A new railroad pension law has been enacted which does not contain all of the "illegal" special features of this Act. It remains to be seen whether the majority of the Court will persist in its reactionary attitude.

National Industrial Recovery Act, passed in June, 1933, was declared unconstitutional on May 27, 1935, by unanimous decision of the Supreme Court, in a case brought before it by the A. L. A. Schechter Poultry Corporation. (*Schechter Corp. v. United States*, 295 U.S. 495.) The Supreme Court held the NIRA unconstitutional on the grounds that: (1) The Congress cannot delegate legislative power to the President without setting limitations to the exercise of his discretion; and

(2) Congress by empowering the federal government to determine wages and hours of employment in internal commerce of a state, overstepped the powers conferred upon it by the commerce clause and attempted to "destroy the distinction, which the commerce clause itself establishes, between commerce 'among the several states' and the internal concerns of a State."

The Supreme Court declared: "We are of the opinion that the attempt through provisions of the code to fix the hours and wages of employees of defendants in their intrastate business was not a valid exercise of Federal power."

This decision, in its denunciation of federal legislation dealing with working conditions of the masses of people in the United States, implies that the states are the only source of this kind of social legislation. In the history of Supreme Court decisions on state statutes attempting to regulate hours and/or wages we find, however, that what actually happens is that neither the states nor the federal government are generally upheld in passing such legislation in the interests of the workers.

Agricultural Adjustment Act: In the case of *United States v. Butler*, (80 L. Ed. [Adv.] 287) the Supreme Court by a vote of six to three held this Act unconstitutional and therefore void, January 16, 1936. The case arose when the receivers for the Hoosac Mills refused to pay processing taxes the government sought to collect.

The government argued that the AAA was merely an appropriation in aid of agriculture for the general welfare of the United States, and that the method of benefit payments did not constitute federal regulation of agriculture because the crop restriction agreements were purely voluntary.

But the majority opinion of the Supreme Court declared: "The Act invades the reserved rights of the states. It is a statutory plan to regulate and control agricultural production, as a matter beyond the powers delegated to the federal government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but means to an unconstitutional end."

While the majority opinion conceded that the general welfare clause permits Congress to make appropriations, it contended that Congress has no right to impose conditions or authorize the terms upon which these monies are spent, even though the terms and conditions are imposed in order to relieve the situation that justified or necessitated the appropriation.

In support of its contention of the great dangers involved in such legislation the Supreme Court pointed out that if the AAA were sustained, Congress would have the power to regulate wages and hours of local business and grant subsidies to special industries.

The dissenting opinion, signed by three Supreme Court judges, pointed out that when the majority conceded that the general welfare clause in itself authorized Congress to make independent appropria-

tions it should have been logically compelled to declare the AAA constitutional. It declared further that: "For the removal of unwise laws from the statute books, appeal lies not to the court but to the ballot and to the processes of democratic government." (International Juridical Association, *Monthly Bulletin*, January, 1936.)

The AAA decision is of extreme importance for it establishes further precedent on the basis of which not only other "New Deal" legislation but also any social legislation may be declared unconstitutional. It might be held, under this decision, that the federal government may not appropriate funds to the States in aid of programs of social welfare conforming to federal standards unless the Court approves of the standards set.

Tennessee Valley Authority, created by Act of Congress passed May 18, 1933, was brought before the Supreme Court in a "friendly" suit by the preferred stockholders of the Alabama Power Company. (*Ashwander v. TVA* 80 L. Ed. [Adv.] 427, February 16, 1936.) They claimed that the sale by TVA to the Alabama Power Co. of the surplus power generated at Wilson Dam was "beyond the powers of the Federal government," despite the fact that since 1925 the company had been purchasing this surplus power from the government at a low price and reselling it very profitably at a much higher price to electricity consumers in its territory. They sought to have a contract entered into by the Alabama Power Company and TVA in January, 1934, declared invalid as well as to obtain a decree regarding the rights of the Authority in various relations.

Supreme Court's decision in this case was limited solely to the contract and its related questions, such as the government's right to construct and operate Wilson Dam and sell the surplus power generated there. This decision can, therefore, not be considered as upholding the constitutionality of the TVA itself.

Within the narrow scope of the issue as defined, the Supreme Court by a vote of 8 to 1 held TVA's activity constitutional on the ground that; (1) "...Wilson Dam and its auxiliary plants, including the hydroelectric power plant, are, and were intended to be, adapted to the purposes of national defense"—a constitutional exercise of Congressional power authorized in Section 124 of the National Defense Act of June 3, 1916; and (2) "Authority to dispose of property constitutionally acquired by the United States is expressly granted to the Congress by Section 3 of Article 4 of the Constitution. ..."

The decision expressly stated that "the question of the constitutional right of the government to acquire or operate local or urban distribution systems is not involved." In other words, the Court did not hold that Congress could develop the natural resources of the country in order to promote the social welfare of the people.

III

WORKERS' CONDITIONS

Extent of Unemployment

NEARLY 17 million men, women and young workers were still unemployed in the United States in November, 1935, according to the latest estimate made by Labor Research Association. This number still represents well over 30% of the "gainfully occupied" persons counted in the last census. It does not include as employed those who had temporary employment under WPA, PWA, CWA, FERA, CCC or other relief projects.

We present below not only our latest estimate for November 1935, but also our revised estimates for the three preceding years. Since the method and the indices used for all four years are now the same, the trend from year to year may be considered as a reliable indication of the actual changes in unemployment during this period.

A detailed description of the method used in arriving at this rough estimate of the number unemployed is being prepared and will be available upon request soon after the publication of this volume. Briefly the method has been to take the probable labor supply and to subtract from it the probable number employed, government data being used in every case where available. The U. S. Census figures for gainfully occupied persons (those desiring work regardless of whether they are at work or not) give the labor supply as of April, 1930. To this is added the increase in such persons in each subsequent year. No deduction has been made from the labor supply to account for persons who have moved to farms to live with relatives during the crisis. Nor are they counted as employed. This seems logical since these persons most probably desire work.

We may mention also that the correction for the increase in labor supply is made for the total only; the figures by industry or group are not corrected with this increase. Another point that

should be noted in connection with the industry or group totals, is that the method of estimate does not allow for the fact that a person unemployed in one industry may obtain work in another. Hence some industries may actually have more and others less than the estimate shows. This interchange between industries, however, does not affect the total.

Employment is estimated mainly from the U. S. Bureau of Labor Statistics indexes, applied to 1930 U. S. Census employment totals. This method does not allow for the separation of part-time employment from other employment.

The total estimated unemployed and the total on federal relief projects of various types in the four years, as of November in each year, were as follows:

	Unemployed	On Federal Relief Work	Unemployed, excluding those on Federal Relief Work
1932	16,783,000	.....	16,783,000
1933	16,138,000	599,000	15,539,000
1934	16,824,000	3,007,000	13,817,000
1935	16,658,000	2,486,000	14,172,000

Among the various groups into which the following table is divided some gain in employment is noticeable between November 1934 and November 1935 in trade, manufacturing, domestic and personal service and public service. But the increases in these groups decreased the total number of unemployed during this 12-month "recovery" period by less than 1%.

Criticisms of other estimates of unemployment, such as those of the American Federation of Labor and the National Industrial Conference Board, have been given in our monthly service, *Economic Notes*, and in *Labor Fact Book II*.

LABOR RESEARCH ASSOCIATION ESTIMATE OF UNEMPLOYMENT IN NOVEMBER, 1932, 1933, 1934, 1935

Industry Group	1932	1933	1934	1935
Agriculture	869,000	1,144,000	1,417,000	1,451,000
Hired labor (wage earners)	509,000	621,000	761,000	734,000
Family labor	76,000	110,000	138,000	151,000
Farmers (owners and tenants)	276,000	403,000	505,000	553,000
Others (managers and foremen)	8,000	10,000	13,000	13,000

LABOR FACT BOOK III

LABOR RESEARCH ASSOCIATION ESTIMATE OF UNEMPLOYMENT—Continued

<i>Industry Group</i>	1932	1933	1934	1935
Forestry and fishing.....	124,000	88,000	93,000	84,000
Forestry	107,000	83,000	91,000	76,000
Wage earners	104,000	80,000	88,000	73,000
Salaried employees	2,000	2,000	2,000	2,000
Owners, etc.	1,000	1,000	1,000	1,000
Fishing	17,000	5,000	2,000	8,000
Extraction of minerals.....	447,000	380,000	342,000	384,000
Coal	220,000	195,000	170,000	213,000
Wage earners	214,000	189,000	164,000	207,000
Salaried employees	5,000	5,000	5,000	5,000
Owners, etc.	1,000	1,000	1,000	1,000
Metal mining, quarries and non-metallic mining..	152,000	138,000	136,000	125,000
Wage earners	146,000	132,000	130,000	119,000
Metal mining	101,000	88,000	85,000	71,000
Quarries and non-metal- lic mining	45,000	44,000	45,000	48,000
Salaried employees	5,000	5,000	5,000	5,000
Owners, etc.	1,000	1,000	1,000	1,000
Oil and gas wells	75,000	47,000	36,000	46,000
Wage earners	68,000	41,000	30,000	40,000
Salaried employees	5,000	4,000	4,000	4,000
Owners, etc.	2,000	2,000	2,000	2,000
Manufacturing and mechanical	6,428,000	5,280,000	5,224,000	4,465,000
Wage earners	5,708,000	4,575,000	4,584,000	3,879,000
Salaried employees	667,000	653,000	588,000	535,000
Owners, etc.	53,000	52,000	52,000	51,000
Building	1,872,000	1,914,000	1,994,000	2,021,000
Wage earners	1,825,000	1,866,000	1,946,000	1,973,000
Salaried employees	18,000	19,000	19,000	19,000
Owners, etc.	29,000	29,000	29,000	29,000
Manufacturing *	4,556,000	3,366,000	3,230,000	2,444,000
Wage earners	3,883,000	2,709,000	2,638,000	1,906,000
Salaried employees	649,000	634,000	569,000	516,000
Owners, etc.	24,000	23,000	23,000	22,000
Transportation and communi- cation	1,477,000	1,544,000	1,549,000	1,550,000
Railroads (steam)	634,000	650,000	659,000	650,000
Wage earners	509,000	510,000	520,000	510,000
Salaried employees	125,000	140,000	139,000	140,000
Owners, etc. ....	.....	.....	.....	.....
Telephone and telegraph ...	151,000	188,000	182,000	183,000
Postal service	37,000	33,000	39,000	44,000
All other	655,000	673,000	669,000	673,000
Wage earners	612,000	628,000	624,000	628,000
Salaried employees	31,000	33,000	33,000	33,000
Owners, etc.	12,000	12,000	12,000	12,000
Trade	1,688,000	1,301,000	1,268,000	1,193,000

WORKERS' CONDITIONS

51

LABOR RESEARCH ASSOCIATION ESTIMATE OF UNEMPLOYMENT—Continued

Industry Group	1932	1933	1934	1935
Wage earners, salaried employees	1,403,000	1,071,000	1,045,000	983,000
Owners, firm members, etc.	285,000	230,000	223,000	210,000
Wholesale and retail ^b	1,319,000	957,000	914,000	862,000
Wage earners, salaried employees	1,067,000	758,000	727,000	684,000
Owners, firm members, etc.	252,000	199,000	187,000	178,000
All other	369,000	344,000	354,000	331,000
Wage earners and salaried employees	336,000	313,000	318,000	299,000
Owners, etc.	33,000	31,000	36,000	32,000
Professional service ^c	586,000	741,000	809,000	822,000
Domestic and personal service	1,612,000	1,430,000	1,201,000	1,109,000
Laundries, cleaning and dyeing, etc.	74,000	54,000	59,000	48,000
Wage earners, salaried employees	70,000	51,000	56,000	45,000
Owners	4,000	3,000	3,000	3,000
Hotels, restaurants, etc. ...	381,000	363,000	274,000	265,000
Wage earners, salaried employees	313,000	298,000	222,000	214,000
Owners, etc.	68,000	65,000	52,000	51,000
All other	1,157,000	1,013,000	868,000	796,000
Public service	102,000	105,000	92,000	86,000
Industry not specified	632,000	603,000	603,000	584,000
Increase in number of gainful workers since April, 1930	1,818,000	2,522,000	3,226,000	3,930,000
Deficiency in unemployment census of 1930	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL	16,783,000	16,138,000	16,824,000	16,658,000

^a Includes auto repair shops, railroad repair shops and independent hand trades. ^b Includes automotive agencies. ^c Data for professional service, as for other groups in table, are based on an industrial and not on an occupational break-down.

Unemployment Relief

Total number of persons dependent on public relief in the United States was estimated by Works Progress Administration as 24,000,000 on March 1, 1936, compared with 20,669,647 in January, 1935.

With 3,817,781 men and women employed on the work relief program on March 1, 1936, it was estimated that, including their families, about 14,200,000 persons were dependent on this form of relief. From 10 to 12 million more were said to be receiving some local aid under the 1936 program which shifted the unem-

ployed from federal to state and local agencies or left them to starve without any relief at all.

Total relief expenditures for 1935 were \$1,826,806,008 as compared with \$1,476,567,941 in 1934. Federal expenditures increased from 72.1% of the total to 74.2%. The federal share was \$1,360,330,185 in 1935, or about \$300,000,000 more than the previous year.

The fact that relief rolls increased in size during a year of so-called "recovery" was "attributed officially in good part to the fact that an increasing number of unemployed were running out of resources." (*New York Times*, March 3, 1936.)

Average monthly benefits actually paid to families on relief were miserably small, as may be seen in the section below on relief budgets. (For rural relief, see Ch. VII.)

Negroes and Relief: Discrimination against Negro families is frankly admitted in reports on rural relief as administered by FERA. Here are figures on the *average value per family* of relief received for the whole month of June, 1934, in two selected areas:

	Western Cotton		Eastern Cotton	
	White	Negro	White	Negro
Total	\$ 9	\$ 5	\$13	\$ 6
Direct only	7	4	9	5
Work only	11	5	17	12
Both direct and work.....	16	13	19	12

(Federal Emergency Relief Administration, Division of Research, Statistics and Finance, *Six Rural Problem Areas: Relief, Resources, Rehabilitation*, p. 116.)

Explaining this discrimination, the report declares :

Negroes not only received work relief in fewer instances but also received smaller average benefits than whites in the same area regardless of whether they were receiving work relief, direct relief or both work and direct relief. . . The lower work relief benefits. . . were obviously evidence of the lower scale of living of the Negro accepted by relief officials as the basis for determining budgetary deficiencies. (*Ibid.*, pp. 36-37.)

Relief Cut Off: When all direct federal relief was cut off in the autumn of 1935, many families were left literally at the point of starvation. *Federated Press* (November 15, 1935) summarized a survey by FERA: "(1) The suspension of relief was not needed to induce relief clients to accept employment. (2) The closing of relief offices was unnecessarily extreme. (3) The sudden suspen-

sion of relief tended to undermine existing wage conditions. (4) The suspension of relief was used to crush strikes."

Three studies by FERA, dealing with Georgia cases removed from relief rolls, showed that no proper provision had been made for these workers and that they were left to starve. The third study, covering 17 rural counties, revealed that: "More than two-thirds of the cases removed from the rolls were seriously in need of continued assistance. . . . It was evident that in a majority of the cases other agencies or individuals were not providing for the needs of the families deprived of ERA assistance."

"Shocking examples of suffering and hardships in relief families ineligible for WPA assignment throughout the country" were described by the American Association of Social Workers in a report made public February 4, 1936. Among the examples cited was the following:

Families of five and six members are required to exist on relief allowances of \$2.25 for a 2-week period in one southern city, while all able-bodied applicants for relief ineligible for WPA assignment are being refused any relief in Texas cities.

The report concluded:

Federal grants to states for direct relief to underpin the work program is the only method of alleviating the *pitiful and horrible situations* revealed by the survey. (Our emphasis.—Ed.)

Federal Relief Bill: Asking that Congress appropriate \$6,000,000,000 for relief, Congressman Vito Marcantonio (Republican, New York) introduced, in February, 1936, a Federal Relief and Works Project Standards Act. Bill provides for appropriation of \$2 billion to be granted states for direct relief; \$2 billion to WPA for state works projects; and \$2 billion for continuation of federal work projects of WPA.

Relief standards fixed by this bill provide that minimum relief must include sufficient food, adequate shelter, appropriate clothing, medical and dental care, and amounts necessary to buy essential household goods.

Work Relief (WPA)

Works Progress division (WPA) of FERA was set up in April, 1935, following passage of Public Resolution No. 11 by the 74th Congress. This resolution appropriated \$4 billion in a new

sum, together with \$880 million in existing balances of the Reconstruction Finance Corporation and Public Works Administration, to be used "in the discretion and under the direction of the President," to provide "relief, work relief, and to increase employment by providing for useful projects."

Congress thus sanctioned the announced purpose of Roosevelt to transfer "employables" from relief rolls to payrolls and return "unemployables" as rapidly as possible to the care of states, counties or local municipalities. In January, 1935, Roosevelt declared: "The Federal Government must and shall quit this business of relief." In an effort to minimize the whole problem of unemployment, he announced that only 3,500,000 "employables" were then on relief.

It was later revealed that in order to back up the President's statement and arrive at this figure of only 3½ million "employables," relief officials were required to subtract half of those who were really on lists as employable. By decreeing that only one in a family should have the privilege of working, and by still further delimiting the definition of "employability," the original estimate of over seven million employable workers on relief was reduced to "support" Roosevelt's figure of 3½ million "employables."

Wage Scales: A wage differential was recognized in the Act: "The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States." Wage scales for the \$4 billion work relief program were officially made public May 20, 1935. Ironically called "security" wages, they set a new low rate far below industrial scales and also far below rates for work relief previously paid by FERA. WPA rates, as announced, ranged from \$19 a month or about \$4.42 a week for unskilled workers in the far South to \$95 a month, about \$21.86 a week, for professional services in New York City.

These monthly rates for 120 hours of work meant an hourly scale of less than 16c in the South, and less than 70c an hour for highest professional skill in largest northern cities.

With the attempt in August, 1935, to put this low "security" scale into effect came widespread strikes of WPA workers. After nearly two months' struggle, New York City workers on WPA projects won a substantial victory, thus establishing for other workers in other centers the right to receive prevailing or union

rate of pay. Union rates for skilled workers were achieved by reducing working hours from 120 to 60 a month. For unskilled labor in New York City the WPA wage remained at \$60.50 for a month of 120 hours.

Earnings: Reports of FERA show how low actual earnings have been on the emergency work relief program. In October, 1935, average monthly earnings for the entire country were only \$27.35. Since only one member of a family is permitted to work, this means that whole families are subsisting on an average of \$6.36 a week.

But even this low average does not tell the story. For there were 25 states where monthly earnings in October, 1935, were less than the general average. They were:

<i>State</i>	<i>Average Monthly Earnings</i>	<i>State</i>	<i>Average Monthly Earnings</i>
Alabama	\$18.03	Nevada	\$26.01
Arkansas	22.32	New Mexico	14.40
Colorado	17.42	North Carolina	13.86
Georgia	20.32	Oklahoma	9.80
Idaho	19.59	South Carolina	9.18
Indiana	23.40	South Dakota	22.04
Iowa	21.92	Tennessee	8.34
Kentucky	10.91	Texas	7.57
Louisiana	17.79	Utah	16.35
Michigan	14.61	Virginia	16.77
Mississippi	13.61	West Virginia	17.11
Missouri	15.50	Wisconsin	26.14
Nebraska	24.37		

Numbers Employed: By December 1, 1935, Relief Administrator Harry L. Hopkins announced that federal relief, called "the dole," had ended in all 48 states, and that 3,500,000 unemployed had been put "on public jobs at subsistence wages." (*New York Times*, December 1, 1935.) But over half a million of these workers on WPA jobs were in the Civilian Conservation Corps, a quasi-military institution. Of the total work relief appropriation, voted in April, 1935, \$600,000,000 was allotted for the CCC.

On March 4, 1936, WPA Administrator Hopkins sent out orders to all state directors to reduce the number on work relief jobs. With 3,817,781 on WPA at beginning of March, numbers were to be cut to "about 3,000,000" by July 1, 1936.

A substantial part of WPA money has been spent for military purposes. (See Ch. X.)

Relief Budgets

For those on public relief under FERA, average monthly benefits were so low as to be at a near-starvation level. Taking month of September, 1935, before the majority of "employables" were transferred to work relief, we find average monthly benefit per family in continental United States was only \$25.87 or almost exactly \$6 a week.

But in 32 states, according to FERA figures, benefits were below this low average. Here are monthly and weekly average relief benefits per family in certain states in September, 1935:

	<i>Monthly</i>	<i>Weekly</i>
West Virginia	\$12.11	\$2.82
Kentucky	9.39	2.18
Tennessee	10.45	2.43
North Carolina	12.85	2.99
South Carolina	8.79	2.04
Florida	10.36	2.41
Mississippi	11.87	2.76
Arkansas	12.06	2.81
Oklahoma	7.36	1.71
Texas	10.54	2.45
New Mexico	12.25	2.84

In *New York City*, where relief has been higher than in most cities, and much higher than in rural areas, the Mayor's Committee on Unemployment Relief reported in March, 1935, the following weekly budget for home relief (public) *for a family of five*: food, \$7.25; rent, \$3.25; coal, 60c, gas, 40c; electricity, 35c; clothing, "emergency and occasional"; cleaning, 25c; household, carfare, health and other expenses, *nothing*; total, \$12.10. This public relief budget of \$12.10 was compared with private relief budgets averaging over \$20 a week for a family of five.

In making this comparison, the Mayor's Committee reported that *"the majority of the 341,451 families on relief are being forced to live on a standard of life 40% below the minimum fixed by the experts in welfare work."*

Following publication of this report, three dietitians, including a supervisor of nutrition service for New York City's Emergency Relief Bureau, declared that \$8 a week, representing about *23c a day for each person*, would provide enough food for a family of five. Their report was based on experience in keeping those on

the relief rolls and other low income groups just above the starvation level.

Food Budgets: Special "low cost diets," created by nutrition experts for families of the unemployed, have been in use during the past four years of economic depression. A folder entitled *Family Food Budgets for the Use of Relief Agencies*, prepared by U. S. Children's Bureau, in common use among social workers, includes two budgets for the weekly market order, one called *Adequate Diets at Minimum Cost* and the other, *Restricted Diets for Emergency Use*.

Restricted diets are marked: "for emergency use only. They are a guide when funds are insufficient to provide a fully adequate diet. The 'irreducible amounts' represent quantities below which no diet should ever fall." Yet even this restricted emergency diet is more generous than the diet advised by the Nutrition Advisory Service of the New York City Department of Health in *Nutrition Leaflet No. 1*, circulated in the autumn of 1935. Under the heading, "Here is a \$6 Food Order for One Week for a Family of Five," the city's nutrition consultants list two pounds of meat at 15¢ a pound for the entire family for a whole week. Allowing seven quarts of fresh milk for two adults and three children under nine years old, in place of the Children's Bureau emergency allowance of at least 14 quarts, the leaflet nevertheless advises "one quart daily for every child, if possible."

Malnutrition: Low relief budgets of New York City, relatively "high" as compared with other cities and with rural areas, were described by the Mayor's Committee on Unemployment Relief in March, 1935, as responsible for the increase of undernourishment among children:

An analysis made by the Department of Health of the increase of malnutrition among school children further indicates the inadequacy of the relief budget. . . . Beginning in 1930 there was a steady and marked increase until 1933. . . . The Department of Health attributes the increasing prevalence of malnutrition among children from 1930 through 1932 to the rise in unemployment.

Not only children but adults suffered from malnutrition as a direct result of inadequate relief budgets, according to official admissions. Edward Corsi, Director of the Home Relief Bureau, stated before an investigating committee on April 24, 1935, that

home relief allowances were on a "forced subsistence level," made necessary by the inadequacy of relief appropriations:

Rent allowances were often spent for food, and food money was applied to rent, he said, adding that the latter introduced an element of malnutrition among relief clients. . . . "The average allowance for the home relief family or adult in the family is predicated upon a condition of inactivity. If that man moves about the city looking for a job, and does any amount of work in looking for a job, then *he has not got enough food to feed him.*" (*New York Times*, April 25, 1935. Our emphasis.—Ed.)

Increased Production Per Man-Hour

Output per man-hour worked in the manufacturing industries of the United States is increasing rapidly. Technological advances, giving rise not only to entirely new processes but to the development of labor-saving machinery on every hand, new methods of rationalization, scientifically worked out, and increased speed-up in every industry are the cornerstones of this advance.

The data available to indicate the increase in productivity are scanty but sufficient to indicate in general the trend since the beginning of the present century:

PRODUCTION PER MAN-HOUR IN U. S. *

	Hours Worked per Week	Average Number of Wage Earners	Man Hours per Year	Physical Volume of Production	Production per Man Hour
1899	100	100	100	100	100
1904	98	114	112	122	109
1909	96	137	131	159	121
1914	95	146	139	169	122
1919	89	191	170	214	126
1921	88	147	129	170	132
1923	88	186	164	261	159
1925	87	178	155	269	174
1927	86	177	152	272	179
1929	84	188	158	295	187
1931	73	139	102	198	194
1933	66	124	82	186	227
1935 Est.	64	147	94	224	239

* All figures are indexes based upon 1899 as 100%. Sources: Census of Manufactures, Vol. 1, 1929, General Report, page 15; P. H. Douglas, *Real Wages in the United States*, 1930; National Industrial Conference Board, monthly bulletins.

During 1935, the average work week was about two-thirds of that at the end of the century (about 37 hours per week as compared with 58 hours per week then). The average number of workers in manufacturing was about 47% greater in 1935 than in 1899. But the number of man-hours worked during the year 1935 was actually less than in 1899. On the other hand, the physical volume of production was 124% greater than in 1899 and the *production per man-hour had increased 139%*.

During this period there was an increase in population of 52 million, or 41%. In other words, during 1935, fewer man-hours were required to supply more than twice the quantity of goods to 52 million more people than in 1899. In 1899, the manufacturing industries gave approximately 14 billion man-hours of employment. But in 1935, during the heralded "recovery" in American business, these industries furnished only about 13 billion man-hours of employment.

The peak of employment in manufacturing, in terms of number of workers as well as man-hours, was in 1919. During 1933, the number of man-hours was less than one-half of that in 1919 and in 1935 just over one-half.

The increase in output per man-hour is accelerating. Between 1914 and 1923 it increased 8%, or just under 1% a year; during the period of rapid rationalization from 1923 to 1929, the increase was 18%, or about 3% per year. But during the crisis years, the tremendous speed-up and increased use of labor-saving machinery drove it to new high levels. In the last six years the increase was no less than 28%, or almost 5% a year.

Wages

Weekly earnings of factory workers in the United States averaged \$21.70 in November, 1935. Even if workers in manufacturing industries had regular work for 52 weeks in the year, they would average on this basis only \$1,128 in annual earnings.

Average weekly earnings in 1935 were considerably below the pre-crisis level of 1929. In two important industrial states, New York and Illinois, which issue comparable monthly reports, the following figures for a number of industries indicate the drop. In these two states wages are above the average for these industries as a whole.

LABOR FACT BOOK III

FACTORY WORKERS IN NEW YORK STATE

	Average Weekly Earnings			
	Men		Women	
	Oct. 1929	Oct. 1935	Oct. 1929	Oct. 1935
Total	\$34.14	\$27.82	\$19.10	\$15.90
Metals and machinery	33.28	26.20	17.68	16.14
Furs and fur goods.....	45.81	35.91	40.74	31.74
Shoes	29.33	19.27	18.67	12.71
Chemicals, etc.	33.31	28.58	17.30	16.00
Printing and paper goods...	42.26	35.61	17.81	16.07
Textiles	26.58	21.05	16.97	13.67
Clothing and millinery	38.58	31.76	21.39	17.28
Canning and preserving	25.46	17.22	10.41	7.64
Candy	29.84	24.17	16.03	14.35
Tobacco	26.34	21.06	20.26	17.60

(Source: New York State Department of Labor, *Industrial Bulletin*, November, 1929, November, 1935.)

WAGE EARNERS IN ILLINOIS

	Average Weekly Earnings			
	Men		Women	
	Oct. 1929	Oct. 1935	Oct. 1929	Oct. 1935
All industries	\$32.58	\$25.93	\$18.74	\$15.81
All manufacturing industries.	31.84	25.26	17.41	15.11
Metals—machinery	32.35	24.99	16.40	16.70
Leather—allied products ...	25.49	22.75	15.86	14.20
Boots—shoes	21.06	18.47	15.38	12.65
Chemicals—allied products ..	29.00	23.45	14.33	14.28
Paper goods—printing, etc. ..	38.92	32.26	18.79	14.82
Textiles	29.21	21.35	14.75	14.76
Clothing—millinery	30.95	25.06	16.90	14.65
Food, etc.—tobacco	29.79	25.71	17.01	14.61
Fruit—vegetable canning ..	21.39	18.15	11.86	10.57
Slaughtering—meat packing	28.01	26.05	18.50	16.18
Confectionery	29.80	23.07	15.06	14.00
Tobacco products	27.51	22.65	23.14	15.65
Trade—wholesale—retail	33.66	28.01	20.25	14.40
Hotels and restaurants	20.97	16.40	14.77	12.22
Laundering, etc.	27.03	27.37	16.05	11.96
Coal mining	29.18	27.33	....	....
Building construction	43.60	27.61	....	....

(Source: Illinois Labor Department, *Labor Bulletin*, November, 1929; *Release*, November 22, 1935.)

Average weekly earnings of *clerical workers* in various industries in New York State in July, 1935, ranged from a low of \$21.63 for typists to a high of \$52.10 for accountants, according to a survey made by the Industrial Bureau of the Merchants' Association of New York. A comparison with amounts paid in

1932 showed that in most occupations salaries were lower in 1935 than three years before.

Annual Earnings: Irregularity of work, periods of unemployment and part-time work, mean that average weekly wages are no guide to the amount actually earned in a year.

Harvey O'Connor, author of *Steel-Dictator*, was able to get the 1934 year's earnings of 134 *steel workers* employed by Carnegie Steel Co. in Duquesne, Pa. Each year the company gives its employees slips showing their year's earnings, "for income tax purposes." They averaged \$422.87 for 1934, or \$8.13 a week. An investigator questioned 84 men in the union hall and found their 1934 income averaged \$377.60, or \$7.26 a week. Small as it was, that was \$55 more than their 1933 income and \$70 more than 1932. Those who remembered their 1929 income had then earned an average of \$1,348.

Dressmakers in New York City average only \$700 a year, according to a statement of Julius Hochman, manager of the Joint Board of the Dressmakers Union (International Ladies Garment Workers Union), on January 27, 1936.

In a special study on *Regularization of Employment and Improvement of Labor Conditions in the Automobile Industry*, Leon Henderson, director of NRA Research and Planning Division, reported that half the automobile workers in 1934 earned less than \$1,050. One-fifth of the workers earned less than \$600. In plant "D," three-fifths of the workers received less than \$800 and about one-third received less than \$400.

Chiseling Wages: Wholesale wage reductions, following end of NRA codes, were reported by NRA and by other government agencies. Nearly half of 3,500 firms holding government contracts scrapped NRA minimum wage and maximum hour provisions as soon as the U. S. Supreme Court ruled against the codes in May, 1935. Officials of the government contracts' division, reporting this fact in February, 1936, stated that the survey represented "an accurate cross-section of the attitude industry generally holds toward the New Deal's recovery program."

A committee appointed by the President to survey the changes in labor and trade practices as a result of the end of NRA, studied labor practices in 44 industries. It found that in five industries surveyed—cotton garments, retail trade, electrical manufacturing, shipbuilding and repairs (other than government contract work)

and wood cased lead pencils—more than three-quarters of the establishments had departed from the minimum wage or maximum hour provisions established in the codes. Conditions were somewhat better in the other industries studied but the report stated that “In numerous industries there has been a tendency to increase hours without a compensatory increase in weekly pay, thus resulting in a decrease in hourly earnings.”

A special study of *Hours and Earnings in Connecticut Laundries* in the fall of 1935, by Connecticut Department of Labor, brought out important facts on decrease in weekly earnings. For all employees, median weekly earnings were \$11.85 in the autumn of 1935, as compared with \$12.22 in June, 1934, a drop of 3%. More than half the workers earned less than \$12 a week.

For women, median weekly earnings declined from \$11.34 to \$11.04, or 2.6%. The number of women receiving extremely low wages increased substantially. Three times as many women were receiving less than 27¢ an hour in 1935 as in 1934. The number receiving less than 25¢ an hour doubled. The state labor department concluded: “Wages of women in laundries remain extremely low and a tendency toward a further decline in wages has appeared.”

Tobacco factories, employing large numbers of Negro women workers, have in recent years paid lower wages than any other *manufacturing* industry. On the basis of questionnaires sent to workers in five plants in North Carolina, John P. Davis, of the Joint Committee on National Recovery, reported on the wages of tobacco workers under the President's Reemployment Agreement in 1934. Average weekly earnings for the five plants during an average week, were \$8.84, 15.8% below even the lowest supposed to be allowed under the PRA—30¢ an hour for a 35-hour week. (See Labor Research Association, *NRA Notes*, February, 1935.)

As a result of these low wages, tobacco workers' families could not even subsist without relief. This was proved by a survey of the FERA in a report issued February 1, based on a study of relief administered to workers in the tobacco industry in Winston-Salem, Durham and Richmond during November, 1934. “Whatever the size of the family,” it declared, “earnings are insufficient for minimum subsistence. . . .” Median earnings for the 290 households were \$23.66 a month; median relief, \$11.79. In every case

Negro families received less than white families. In one branch of the industry, Negro tobacco workers averaged only \$24.62 *monthly* earnings, where white workers averaged \$36.14. Total income, including earnings and relief, averaged only \$40.33 for Negro households, as compared with \$50.81 for white households.

Real Wages: Cost of living as a whole was nearly 19% higher at beginning of 1936 than in April, 1933, Roosevelt's second month in office. (Retail *food prices* were up 41%, *department store prices*, 27%, *rents* over 17%, in the same period.) As a result real wages—cash earnings in relation to retail prices—have shown little improvement in the last three years. An index of real wages prepared by *The Nation* and based on government and employers' agency figures, shows a rise of only 3% between 1932 and January, 1936. The index dropped from 118 in 1929 to 100 in 1932 and continued to fall to 96 in 1933, rising to 98 in 1934 and returning to 1932 level again in early 1935. In July, 1935, it was down to 98.5, but in January, 1936, stood at 103. Workers who have no jobs are, of course, not covered by these figures. Their wages—cash and "real"—in millions of cases have been cut 100%. (See *Economic Notes*, December, 1935.)

Hours of Work

Average hours worked per week in manufacturing industries show the continued prevalence of part-time work. Working hours averaged 36½ a week during the first 11 months of 1935, as compared with 35½ in the year, 1934. In nonmanufacturing industries, working hours in November, 1935, ranged from the short-time average of only 27.5 a week in bituminous coal up to 48 in hotels.

But these general averages conceal a wide range of actual hours worked. Long hours still prevail in many industries. In others workers can obtain only irregular part-time employment.

A 12-hour day and 7-day week are not unusual in restaurants, trucking service, gas filling stations and retail stores, according to reports made to the NRA in July, 1935, following the ending of NRA codes. (*New York Times*, July 12, 1935.) A large chain store in Atlanta, Georgia, was requiring employees to work from 63 to 70 hours a week (July, 1935), and similar reports came from stores in other industrial centers. A knitting mill company in Long Island City, N. Y., lengthened its working week to 60 to 72 hours

when no longer bound by the NRA code. Almost one-third of women employed in New York State hotels were working more than 48 hours a week in the summer of 1934, despite NRA code which called for a 48-hour week.

Operators of motor busses on long runs must often drive 12 to 14 hours a day or night. Such long hours are so tiring that drivers are often sleepy, thus endangering lives of passengers. Truck drivers are similarly required to drive long runs without stopping for sleep.

President M. J. McDonough of the Association of State Civil Service Employees reported in 1934 that more than 12,000 employees of the State of New York were working 12 hours a day.

Unions Gain Shorter Hours: At 1935 A. F. of L. convention it was reported that 2,035,794 workers had secured a work week of 40 hours or less by union agreements. Of these 603,909 had work hours of less than 40 a week (chiefly 35 and 36 hours) and 13,806 had won the 30-hour week by agreement. Union coal miners are now under an agreement limiting the work week to 35 hours—on the 7-hour day, 5-day week basis, but many mines are open less than five days a week.

Movement for the 40-hour, 5-day week has gained headway in recent years. In 1926, only about 40,500 union members were working a 40-hour week, while in 1931, there were 601,400.

A 5-day week has been adopted by companies employing about 4,500,000 workers, according to a survey by National Industrial Conference Board, made public in February, 1936. This report indicates that the shorter week is more common in large than in small concerns, and that it applies more frequently to factory than to clerical workers.

Wage earners in 1,404 companies with 2,767,000 employees are on the 5-day week, this survey states. These companies constituted 57% of the total number covered by the survey. A 5-day week for clerical employees is reported by 1,110 companies, or 45% of the total.

30-Hour Week Bill: A. F. of L. at its 1935 convention went on record again in favor of the Black-Connery Thirty-Hour Week Bill and declared that its major objective was to secure the 30-hour week. Unions and workers' organizations when passing resolutions in support of this bill should insist that it include a clause declaring *against any reduction of weekly wages.*

Occupational Diseases

Building of a water-diversion tunnel by the *New Kanawha Power Co.* at Gauley Bridge, W. Va., during the years 1930 to 1932, exposed about 2,000 men to the incurable rock-dust disease, silicosis.

At special hearings before members of the Labor Committee of the House of Representatives, in January, 1936, it was charged by Congressman Vito Marcantonio that 476 men had died of silicosis and 1,500 more were ill with the incurable disease.

Dr. Emery R. Hayhurst, international expert on pulmonary diseases and member of a medical commission investigating these deaths, stated that he had examined 306 workers exposed to silicosis and found 152 were suffering from the disease. He was of the opinion that more than 200 deaths of those on the project were caused *directly* by the disease, and that silica dust might have collected in the lungs and contributed to deaths from pneumonia and tuberculosis. (*New York Times*, February 2, 1936.)

About 2,000 white and Negro workers were employed to build the tunnel by Rinehart & Dennis, contracting company. The New Kanawha Power Co., which instituted the project, is a holding company created by the Electro-Metallurgical Co., which in turn is a subsidiary of Union Carbide & Carbon Co. The tunnel was dug through rock that was 99% pure silicate; but drilling silicate rock is a health hazard even when the silicate content is only 25%.

No masks were provided for the workers or for the 26 foremen. Such safety devices as were used were totally inadequate to remove silica dust. According to testimony at the hearings, guards were posted at the tunnel entrances to warn of the approach of mine inspectors, so that the illegal dry drilling equipment could then be hidden. Engineers, however, were given masks to protect them from the silica dust. Laborers, most of them Negroes, were driven back into the tunnel directly after a dynamite charge had been set off instead of waiting the 30 minutes required by state law. Silica dust was so thick in the tunnel that men could see only 10 or 15 feet in front of them.

In 1930 the wage rate for these tunnel workers was 50¢ an hour, but as workers became plentiful, the company cut pay to 40¢, then to 30¢ and finally to only 25¢ an hour for a 10-hour day.

When the men began to die in great numbers, more than a year after completion of the tunnel, company officials tried to conceal the fact by burying the victims' bodies before they were cold.

When damage suits were brought against the company, the West Virginia Supreme Court threw out 200 of them in May, 1935, because actions for damages were not filed within a year after the work was finished. But the disease is very slow in developing, and workers said they brought action as soon as they "learned or had cause to suspect" they were suffering from silicosis.

Gauley Bridge is only one example of workers' exposure to this industrial disease. "Yet silicosis is not included in the compensation acts of most of the states of the United States," as the U. S. Bureau of Mines points out in special studies of this occupational hazard. In more than 20 industries workers are exposed to this danger. (See also *Dangerous Jobs*, by Grace Burnham, International Pamphlets, No. 34.)

A more unusual industrial disease results from the use of halowax, recently revealed as causing the death of workers in a plant of the *General Electric Co.*, York, Pa. Two workers had died and more than 100 were ill from halowax poisoning, according to investigators reporting on February 9, 1936.

Halowax is a preparation for insulating wires and cables. It produces a corrosive dermatitis (skin disease) that may cause death and can be transferred from person to person merely by contact with the worker's clothes. Of 124 electrical workers examined in York, Pa., 102 were found to have this poisoning. After many complaints, the plant was temporarily closed down by Governor Earle.

Compensation for Industrial Disease: There are still 33 states that provide no compensation whatsoever for any occupational disease. (See Chart on "Occupational Disease Coverage in the Compensation Acts of the United States," U. S. Department of Labor, Division of Labor Standards, November 1, 1935.)

Only seven states now provide workmen's compensation for all "personal injuries" arising out of and in the course of employment, thus including—at least on the statute books—compensation for all occupational diseases. Following the silicosis tragedy, West Virginia passed a law in 1935, to provide compensation to silicosis victims only.

A worker unable to work because of occupational disease is just as much in need of compensation as the one who suffers an accident. It is estimated by the American Association of Labor Legislation that "the cost of workmen's compensation would be increased by only about 1% if all the victims of occupational diseases were protected on the widest possible basis."

Child Labor

With the death of the NIRA in May, 1935, all child labor provisions in NRA industrial codes ended. About 100,000 children under 16 had been removed from industry under NRA, the National Child Labor Committee estimated. (See *Labor Fact Book II*, page 84.)

"So far as national safeguards for children are concerned we are back to where we were three years ago," according to 1935 annual report of Courtenay Dinwiddie, general secretary, National Child Labor Committee. During the seven months following end of NIRA, as compared with the whole year 1934, there was a 58% increase in number of employment certificates (work permits) granted to boys and girls 14 and 15 years old in 129 cities. In New York City employment certificates issued in last four months of 1935 showed a rise of almost 400% compared with the like period in 1934.

National Child Labor Committee investigated reports that in *Paterson, N. J.*, silk mills were employing children 14 years old at \$4 to \$7 a week. In four of the five mills visited, children 13, 14 and 15 years of age were found working. "Three child workers not over 12 years of age were seen. . . . *In some cases the younger children were sent scrambling down the fire escapes when the visitors appeared.*" (*American Child*, September, 1935.)

In *Massachusetts*, Consumers' League found that after the NIRA was declared unconstitutional, "ridiculously low wages are being offered to youngsters bearing work certificates." It cites instance of one girl who "was offered \$5 a week on a sewing job, working seven hours a day, *provided she worked free for one week as an apprentice.*" Massachusetts State Federation of Labor reported that firms "closed by the NRA are reopening with the new opportunity of exploiting child labor." It gave as an example a slipper firm in Fitchburg, charged with reopening on a \$4-a-week basis, using child operatives.

In *North Carolina*, the Cannon Mills Co., cotton manufacturers, ordered 200 blank employment certificates in July, 1935. "Since work permits are issued in North Carolina only to minors under 16 years, it is hard to say why these blanks were needed unless the mill either intended to hire children on a large scale or had already done so." (*American Child*, October, 1935.)

In *California*, the state Assembly passed a resolution in the summer of 1935, stating: "Whereas many thousands of school children are employed in violation of said provisions of the school code; and whereas child labor in this state exists at an appalling rate," state and local boards of education and California citizens are directed to "enforce with the utmost diligence the provisions of the school code."

In *agriculture*, about half a million children under 16 were counted as working in 1930, according to census figures. This is clearly an understatement of the number, since the census was taken in April, before most of the seasonal agricultural work had begun. From *Michigan*, National Child Labor Committee received word that 40 children, from 10 years of age up, were working on a single onion farm in the summer of 1935, *10 hours a day and 6 days a week at 10 cents an hour*. Families of "pulp-peelers" were living under deplorable conditions in tents and shacks in upper Michigan.

In *industrial home work*, the committee reported children's earnings to be "extremely low and hours inhumanly long." In *Rhode Island*, in the jewelry industry, for example, home work is on the increase. "One of the chief evils comes from the fact that the employer requires the work to be completed in an unreasonably short time as a condition that the worker obtain more, so that the mother of the family and her children and any one whom she can secure to help, have sometimes to sit up far into the night to finish the work on time. There is of course no control over the wages to be paid and they are usually lower than the rates provided for similar work done in the factory." (*American Child*, December, 1935.)

Summing up the situation, National Child Labor Committee comments: "*For every case of child exploitation that comes to light, there are doubtless many others which are never reported. . . . That children are working at ages and under conditions which*

were not tolerated during the two-year period of federal control under the codes is clear." (Our emphasis.—*Ed.*)

To combat increasing tendency to exploit children, the committee urges prompt ratification of the federal Child Labor Amendment. This amendment to U. S. Constitution would give Congress "power to limit, regulate, and prohibit the labor of persons under 18 years of age." In order to pass this amendment, two-thirds of the states must ratify it. By March, 1936, 24 of the necessary 36 states had taken this action.

Youth and Unemployment

Exact figures on extent of unemployment among youth in the United States do not exist. One estimate of numbers employed and unemployed among the youth population of the United States, based on school records, was given in *School Life* (December, 1935). Of the 20,100,000 young people in the United States, 16 to 24 years of age, inclusive, there are:

In full-time schools and colleges	4,000,000
Taking part-time school work	500,000
Young married women, not employed and not in school	2,800,000
Employed in full-time or part-time non-relief jobs	7,800,000
Out of school and unemployed, but not seeking employment	300,000
Out of school, unemployed and seeking employment	4,700,000

The unemployed youth group (of about 5,000,000) had, according to this estimate, increased 150% over 1930. A survey of *high school* graduate placement indicated that of *all graduates*, 46% continue their education, 24% find remunerative employment, while 28% are unemployed.

Aubrey Williams, director of National Youth Administration, in a speech before the Welfare Council of New York City said, "It is estimated that from five million to eight million young people between the ages of 16 and 25 are wholly unoccupied. They are neither working nor attending schools. Almost three million young people are on relief." (NYA Release, Nov. 16, 1935.)

Williams has admitted the permanency of unemployment as affecting youth. He said:

Millions of those now out of jobs will never find jobs again. Thousands of young men and women leaving our schools each year are destined never to become self-supporting and independent in the sense

that your and my generation were led to believe was our due. (WPA Release, January 16, 1936.)

Studies of unemployment among youth in particular cities indicate that "the depression has cut off work opportunities for youth to a greater extent than for the working population as a whole," according to a report of U. S. Department of Labor. (*Labor Information Bulletin*, May, 1935.) A survey of unemployment in Pennsylvania in 1934 by the State Emergency Relief Board showed that 42 out of every 100 employables between the ages of 18 and 24 were out of work, as against 28 for all ages. In Massachusetts in 1934, over 35% were unemployed within the age group, 18 to 24, as against 25% for all ages.

In three representative industrial cities in the spring of 1934, out of every 100 employable persons between the ages of 16 and 24, 34 were unemployed, as compared with an average of 21 for all age groups. According to this survey, more than one-third of young workers were jobless, but only a little more than one-fifth of all workers.

Findings in a youth survey made public January 21, 1936, by the Welfare Council (New York), revealed that there were about 390,000 young persons in New York City "willing and able to work but unable to find jobs." These youths represented about one-third of the city's population between the ages of 16 and 25. (*New York Times*, January 22, 1936.)

American Youth Act

The American Youth Congress, an organization representing about 1,250,000 young people in political, social, religious and educational groups, has sponsored the American Youth Act, a bill introduced in Congress, January 13, 1936, by Representative Thomas Amlie (Progressive, Wisconsin), and Senator Elmer Benson (Farmer-Labor, Minnesota).

Bill aims "to provide vocational training and employment for youth between the ages of 16 and 25; to provide for full educational opportunities for high school, college and post-graduate students; and for other purposes." It is intended to supplement the National Youth Administration by following provisions, briefly summarized here:

1. For immediate establishment of a system of vocational training and employment on public enterprises for youth of 16 and 25. Wages

on such employment to be at prevailing union rate for the work performed; in no case less than \$15 a week, plus \$3 for each dependent.

2. For full payments of fees plus average weekly living expenses of needy students in high schools and vocational schools. Such compensation, exclusive of fees, to be not less than \$15 a month.

3. For regular employment on college projects for needy students. Wages on such employment to be at prevailing union rate for the work performed; in no case less than \$25 a month.

4. Minimum compensation guaranteed by terms of act to be increased with the rise in the cost of living.

5. Act to be administered and controlled by decisions made by Youth Commissions. One-third of commission membership to be elected representatives of youth organizations, one-third representatives of organized labor; and the others representatives of local social service, educational and consumers' organizations.

6. Projects under this act to be actually beneficial to the community. No projects shall be directly or indirectly of a military character or designed to subsidize any private profit-making enterprise.

7. Benefits to be extended to *all youth* without discrimination because of nativity, sex, race, color, religious or political opinion or affiliation. No youth to be disqualified for past or present participation in strikes or because of refusal to work as strike-breaker, or for refusal to work at less than union wages; or under unsafe, insanitary conditions; or at longer than union hours; or at apprenticeship employment where young workers do not receive equal wages for work equal to adults' work.

8. Funds for purposes of act are made a charge on the treasury of the federal government. Further taxation necessary to provide funds for its purposes to be levied on inheritances, gifts, and individual and corporation incomes of \$5,000 a year or over.

William Hinckley of the American Youth Congress described the act, as "the hope not only for the youth of America but, in a sense, for America itself. For a generation with poor standards of living, inadequate health care and undernourished, will leave a tragic imprint upon America for many, many years. Only the American Youth Act can adequately solve youth's employment and education problems." (Quoted in *Social Work Today*, February, 1936.)

IV

STRIKES AND LABOR BOARDS

Strikes, 1931-1935

A CONSIDERABLE increase in strikes since 1931 is noted in the conservative figures of the U. S. Department of Labor. (See *Labor Fact Book I* and *II*.) Here are the figures as reported by this government agency:

Year	Number of Disputes ^b	Number of Workers Involved ^b	Number of Man-Days Lost	Average Number of Workers per Dispute
1931	894 ^c	279,299	6,386,183	312
1932	808 ^a	242,826	6,462,973	301
1933	1,562	812,137	14,818,846	513
1934	1,856	1,466,695	19,591,949	797
1935 ^a	1,898	1,141,363	15,641,320	601

^a *Monthly Labor Review*, March, 1936.

^b These figures cover numbers as of the beginning of each month.

^c *Labor Fact Book II* erroneously gave this figure as 312.

^a *Labor Fact Book II* erroneously gave this figure as 301.

Notable Strikes of 1934-1935

Here is a list of what we regard as the more important strikes of 1934 and 1935. Significance of a particular strike is not always based on the *number* involved. The table contains the same headings as do the strike tables in *Labor Fact Book I* and *II*, which give similar information for leading strikes of earlier years as far back as 1872.

The first column usually gives at least the date the strike began and in some cases its duration. "Number involved" in some instances includes both the number classified as "strikers" and those indirectly involved. (For fuller L.R.A. strike lists and comments, see *Economic Notes*, June and December, 1934, May and August, 1935, and *Labor Notes*, since November, 1935. Lists for special industries appear monthly in our *Textile Notes*, *Mining Notes* and *Steel & Metal Notes*.)

STRIKES AND LABOR BOARDS

73

IMPORTANT STRIKES OF 1934-1935 ¹

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1934			
1/2-5	Washington, D. C.	Painters	3,200
1/4-26	Boston and vicinity	Fishing boat workers..	700
1/15-2/12	Wilkes-Barre, Pa. and vcty.	Coal miners	40-50,000
1/26-2/28	New York City	Hotel and restaurant..	3-4,000
2	Brooklyn, N. Y.	Laundry	2,500
2	Alabama	Coal miners	10,000
2	Birmingham, Ala.	Laundry	1,400
2/2	Centralia, Ill.	General strike	1,200
2/2-8	New York City	Taxi	30,000
2/8-3/23	Racine, Wisc.	J. I. Case Co. (tractor)	1,200
2/8	Detroit, Mich.	Buick Motor (auto)..	12,000
2/13	Calipatria, Cal.	Pea pickers	3,500
2/15-21	Kenosha, Wisc.	Simmons Co. (beds)..	1,852
2/23-28	Toledo, Ohio	Metal (four firms)..	3,000
2/23-4/3	Shelby, N. C.	Cleveland Cloth Mills	1,700
2/27-4/20	Milwaukee	Seaman Body Corp. (auto)	1,520
ended 8/19	Alabama	Coal miners	11,000
3	Haverhill, Mass.	Boot and shoe (80 firms)	7,500
3/1-4/18	Kenosha, Wisc.	Nash Motors Co.....	2,200
3/2-11	New Kensington, Pa.	Aluminum Co. of Am.	3,400
3/12	Philadelphia, Pa.	SKF Industries (ball bearings)	900
3/12	Kankakee, Naperville, Ill.	Kroehler Mfg. Co. furniture	1,100
3/27-5/6	Cleveland, Ohio	Cleveland Worsted Mills	2,300
3/27	Camden, N. J.	New York Shipbuilding Corp.	3,000
3/27-May	Buffalo, N. Y.	Aircraft (two firms).	1,900
3/31-5/5	Camden, N. J.	Campbell Soup Co. ..	2,276
4	Iowa	Coal miners	6,000
4	Ohio	Relief workers	3,300
4	Illinois	Coal miners	10,000
4	Alabama	Coal miners	21,000
4/1-8	Cleveland, Ohio	Addressograph-Multi-graph Corp.	1,200
4/1	Logan, W. Va.	Coal miners	6,000
4/2-5/28	Kansas, Mo., Ark., Okla.	Coal miners	7,500
4/5-9	Detroit, Mich.	Motor Products Corp. (auto)	5,000
4/6-26	Hartford, Conn.	Arrow-Hart & Hege-man Electric Co. ...	1,200
4/6-5/25	Indianapolis, Ind.	Real Silk Hosiery Mills	1,000
4/7-11	Muskegon, Mich.	Foundry	1,850
4/10	Hartford, Conn.	Aircraft	1,500
4/12	Fall River, Mass.	Cotton textile	3,400

¹ All footnotes are at end of table.

LABOR FACT BOOK III

IMPORTANT STRIKES OF 1934-1935

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1934			
4/13-June	Toledo, Ohio	Electric Auto-Lite Co.	1,500
4/13-5/2	Lewistown, Marcus Hook, Pa.	Viscose Co. (rayon).	8,200
4/17-27	Cleveland, Ohio	Gasoline drivers, etc...	2,000
4/23-30	Cleveland, Ohio	Fisher Body (auto)..	7,600
4/23-5/5	St. Louis, Mo.	Fisher Body (Chevrolet)	2,100
4/30-5/7	Leeds, Mo.	Fisher Body (Chevrolet)	1,500
5	Belleville, Ill.	General strike	4,000
5	Brooklyn, N. Y.	Barbers	1,000
5	Wichita, Kans.	Relief workers	500
5	Mansfield, Ohio	Rubber workers	1,000
5/1-6/19	Washington, D. C.	Carpenters	1,200
5/1-5	Massachusetts	Leather (30 firms)...	7,500
5/4	Pittsburgh, Kans.	Coal miners	3,000
5/4-July	Alabama	Iron ore miners.....	5,000
5/6	Cedar Rapids, Des Moines, Iowa	Meat packing	2,000
5/7-10	Manchester, N. H.	Amoskeag Mfg. (textile)	10,000
5/8-9/17	Butte, Anaconda, Mont.	Anaconda Copper Mining Co.	6,000
5/9	West Coast, Texas, New Orleans	Longshoremen	15,000
5/10-16	Flint, Mich.	Fisher Body	5,000
5/13	St. Louis, Mo.	Meat packing	1,000
5/9	Syracuse, Iilon, N. Y.*	Remington-Rand	7,100
5-8/8	Cedar Rapids, Iowa	Wilson & Co. (meat)	1,400
5/14-16	Philadelphia, Pa.	Painters	1,800
5/17-26	Minneapolis, Minn.	Teamsters	1,800
6	Iowa	Relief workers	400
6/2-8	St. Louis, Mo.	Gasoline stations	1,500
ended 6/25	Columbus, Ga.	Eagle & Phenix Mills (textile)	1,200
6/11	Great Lakes	Tugmen, stewards	1,700
6/20-9	Hardin County, Ohio	Onion fields	800
6/20	Akron, Ohio	General Tire & Rubber Co.	1,100
6/25-7/10	Seabrook, N. J.	Seabrook Farms	1,000
6/26	Milwaukee, Wisc.	Milwaukee Electric R'way & Light Co.	150
6/29	Hopewell, Va.	Tabize Chatillon Corp. (rayon)	1,800
7/2-12	Detroit, Mich.	Burroughs Adding Machine	4,250
7/2-8/8	York County, Pa.	Cigar makers	5,000
7/14-18	Birmingham, Ala.	Thomas Furnace Co...	5,000
7/16-19	San Francisco, Cal.	General strike	127,000
7/16	Kohler, Wisc.	Kohler Mfg. Co.....	2,300

STRIKES AND LABOR BOARDS

75

IMPORTANT STRIKES OF 1934-1935

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1934			
7/17	Alabama	28 textile mills.....	22,000
7/17	Minneapolis, Minn.	Truck drivers	6,000
7/20-12/28	Rome, Ga.	Foundry workers ...	600
7/26-8/4	Chicago, Ill.	Stockyards	1,200
8/1-28	New York City	Painters	10,000
8/11-9/6	New Kensington, Pa. ^b	Aluminum Co. of America	8,600
8/16-12/6	Chicago, Ill.	Chicago Motor Coach	150
8/16-23	Lynn, Mass.	Shoe workers	5,000
9/3-22	General strike	Textiles	475,000
10	New York City	Restaurant workers ..	1,100
10/8-11/6	Boston, Mass.	Fishermen	1,500
10/25-12/3	Paterson, N. J.	Silk dye workers....	25,000
11/1-3	New York City	Elevator operators ..	7,000
11/4-3/29'35	Newark, N. J.	Newark Ledger (news-paper)	46
11/14-1/22'35	Southbridge, Mass.	Hamilton Woolen Co.	1,000
11/17-2/2'35	New York City	S. Klein (department store)	70
11/24	Los Angeles, Cal.	Street railway	500
11/30-1/11'35	Milwaukee, Wisc.	Boston Store (department store)	600
12/15 3/7'35	New York City	Ohrbach's (apparel) .	137
1935			
1	Rossville, Ga.	Richmond Hosiery Mills	1,500
1/8-5/2	New York City*	National Biscuit Co..	6,000
1/8-24	Minneapolis and St. Paul	Motor repair and garage men	2,400
1/7-13	North Baton Rouge, La.	Solvay Process Co. (chemicals)	1,490
1/14-16	Cleveland, Ohio	Truscon Steel Co....	150
1/21	South Bend, Ind.	Oliver Equipment Co. (tractors)	1,400
1/21-28	Huntsville, Ala.	Merrimack Mfg. Co. (textiles)	1,400
1/26-2/5	Ford City, Creighton, Pa.	Pittsburgh Plate Glass	4,100
1/28	New York City	Truckers and teamsters	22,000
1/31	Detroit, Mich.	Murray Corp. of America (auto bodies)...	200
2	Willoughby, Ohio	Ohio Rubber Co.....	500
2/4-6/6	Luzerne County, Pa.	Anthracite miners ...	6,000
2/8-4/29	Cleveland, Ohio	National Screw & Mfg.	1,200
2/9-14	Baltimore, Md.	Tow boatmen	500
2/12-28	El Centro, Calif.	Fruit and vegetable workers	1,500
2/13	New York City	Building service	2,000
2/16-26	California	Japanese growers ...	1,500

LABOR FACT BOOK III

IMPORTANT STRIKES OF 1934-1935

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1935			
2/18	Lowell, Mass.	Shoe workers	1,500
2/19	Western Pennsylvania	Vesta Coal Co.	3,000
2/20	Chicago, Ill.	Coal delivery men....	3,500
2/20	Chicago, Ill.	Ladies' garments	10,000
2/20	Toledo, Ohio	Building trades	1,500
2/23	New York City area	James Butler (grocery chain)	400
2/28	Interstate, Texas	El Paso Electric Co..	150
2/28	Lagrange, Manchester, Ga.	Callaway Mills (textile)	2,000
3/7	New York City	Building service	6,000
3/9-6/17	West Coast	Seamen on oil tankers	900
3/1-27	Cleveland, Ohio	Furniture handlers ...	1,500
3/10-13	Sioux Falls, S. D.	John Morrell & Co. (meat packers)	700
3/13	Hartford, Conn.	Colt Patent Fire Arms	1,000
3/13-6/1	Racine, Wisc.	J. I. Case Co.....	2,100
3/18-20	Dayton, Ohio	Dayton Power & Light	160
3/20-4/16	Pennsylvania	Lehigh Coal & Navigation Co.	5,200
3/23-7/15	St. Louis, Mo.	Laclede Gas Light Co.	550
3/25-4/3	Cincinnati, Ohio	Crosley Radio Corp... Schuster-Hayward Mills (textile)	2,500
3/27	Massachusetts ^a		
4-6/9	Ohio and western Pa.	Clay workers	2,500
4/4	Illinois (16 cities)	Illinois Power & Light	250
4/5-11	Detroit, Mich.	Hupp Motor Car Corp.	700
4/10	N. Y., N. J., Pa., Conn.	General dressmakers' strike	17,000
4/10-16	Laredo, Texas	Onion field workers..	2,000
4/12-14	Pennsylvania	Susquehanna Collieries (coal)	1,800
4/20-6/20	Omaha, Neb.	Street car workers....	268
4/22-5/9	Conn. and Mass.	Truck drivers	1,500
4/22	Cleveland, Ohio	Electric Vacuum Cleaner Co.	1,000
4/23	New York City	Cleaners and dyers...	7,000
4/23-5/15	Ohio ^b	Auto workers ^c	33,000
5	Racine, Wisc.	General strike (1 day)	6,000
5/3	Boston, Mass.	Garment workers	2,500
5/6	Wash. and Ore.	General lumber strike	32,000
5/7	Danbury, Conn.	McLachlan Hat Co... Stover Mfg. & Engine	500 700
5/7-6/18	Freeport, Ill.	General strike (1 day)	3,000
5/8	Belleville, Ill.	Lead and zinc miners.	3,300
5/8-6	Okla., Mo., Kans.	Pratt & Whitney Aircraft ^d	1,200
5/9	E. Hartford, Conn.		
5/10	Cleveland, Ohio	Willard Battery	900
5/13-8/29	Camden, N. J.	New York Shipbuilding Corp.	3,385

STRIKES AND LABOR BOARDS

77

IMPORTANT STRIKES OF 1934-1935

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1935			
5/16-22	Detroit, Mich.	Packard Motor Car..	400
5/20	Philadelphia, Pa.	Produce truck drivers	800
5/20	Cleveland, Ohio	Industrial Rayon Corp. (textile)	1,200
5/21-28	Cleveland, Ohio	White Motor (auto) ..	2,500
5/22	Cleveland, Ohio	Addressograph-Multi- graph Corp.	1,000
5/23	Cleveland, Ohio	National Carbon Co..	1,200
5/27-6/1	Canton, Ohio	Republic Steel Corp...	3,500
5/28	E. Rochester, N. H.	Cocheco Woolen	400
6/5-8/7	Los Angeles, Calif.	Cabinet makers (76 firms)	1,000
6/5	Oklahoma City, Okla.	Wilson & Co. (meat).	470
6/10	Washington, D. C.	Taxicab drivers	3,500
6/13-17	Toledo, Ohio	Toledo Edison Co. ...	700
6/18-24	Union, S. C.	Textile workers	700
6/18	Fort Wayne, Ind.	Wayne Knitting Mills	850
6/19	Pittsburgh district	Miners	2,000
6/22	Cleveland, Ohio	Bakery workers	1,750
6/24	Mass., R. I., Conn.	Uxbridge Worsted ...	3,250
6/25-8/6	Huntsville, Ala.	Textile workers	1,202
6/28	West Coast	Marine workers	1,000
7	Paterson, N. J.	Silk workers	1,000
7/5-16	Sumter, S. C.	Furniture workers ...	800
7/10-9/21	Minneapolis	Ornamental iron work- ers	315
7/13-26	Las Vegas, Nevada	Boulder Dam workers	4,000
7/15-9/8	Pelzer, S. C.	Textile workers	450
7/18	New York City	Jewelry workers	1,800
7/18-30	Sioux Falls, S. D.	John Morrell & Co. (meat packers) ...	1,100
7/22-23	Terre Haute, Ind.	General strike	26,000
7/26	New York City	General Instrument Co.	525
8/2 ^h	Jackson, Calif.	Mother Lode gold mine	650
8/5-29	Potosi, Mo.	Tiff miners	2,600
8/6	Millville, N. J.	Textile workers	1,000
8/8-9/2	Gainesville, Ga.	Textile workers	750
8/9	Crossett, Ark.	Crossett Lumber Co...	725
8/13	Salem and Peabody, Mass.	Textile workers	2,000
8/14-15	Driggs, Idaho	Pea pickers	1,500
8/16	Minneapolis	Strutwear Knitting Co. (hosiery)	1,100
8/17	Milwaukee	Lindeman & Hoverson stove workers	700
8/19	Alabama	Cotton pickers	3,000
8/19	New York City	Plasterers' helpers....	400
8/21-9/2	Selby, Calif.	American Smelting & Refining Co.	500
8/26-9/2	Shenandoah, Pa.	Anthracite miners ...	6,000
8/27	New York City	Shipping clerks	8,000

LABOR FACT BOOK III

IMPORTANT STRIKES OF 1934-1935

<i>Date</i>	<i>Location</i>	<i>Company and/or Occupation</i>	<i>Number Involved</i>
1935			
8/28	Brooklyn, N. Y.	Painters	2,000
9/4	Washington, N. J.	Consumers' Research.	43
9/12	New York City	Radio telegraphists ...	300
9/17	Hartford, Conn.	Aircraft workers	1,800
9/17-12/22	Barberton, Ohio	Ohio Insulator Co....	300
9/22-26	National	Bituminous coal	400,000
9/24	Eastern Arkansas	Cotton pickers	4,000
10/1-12/10	Gulf ports	Longshoremen	3,000
10/1-16	Ill., Wis., Ind., Ia.	Milk farmers	15,000
10/9-12/24	New York City	Amsterdam <i>News</i> ...	15
10/16	New York City	Window cleaners	1,000
10/21	Brooklyn, N. Y.	May's Specialty Store.	90
10/23-1/27 ^a 36	New York City	Cushman's Sons, Purity Bakeries	1,000
11/2	New York City	Longshoremen	3,000
11/4	Cloquet, Minn.	Match workers	800
11/15	Detroit, Mich.	Motor Products Co...	3,200
11/22	New York City	United Fruit Co. docks	500-700
11/23	New York City	John Wanamaker, tailors	35
11/28	Vermont ¹	Vermont Marble Co...	650
11/29	Philadelphia, Pa.	Truck drivers	3,000
12/1-16	Ironton, Ohio	Selby Shoe Co.	700
12/14-17	Philadelphia	Leather workers	600
12/16-21	St. Louis	Longshoremen	207

^a Also Middletown, Conn., Norwood, Ohio.

^b Also Logans Ferry, Pa., Alocu, Tenn., and Massena, N. Y.

^c Also Philadelphia and York, Pa., Newark, N. J., and Atlanta, Ga.

^d East Douglas, Franklin, Manchaug and Millbury.

^e Also seven other cities in six states.

^f Mostly in plants of Chevrolet and Fisher Body, General Motors subsidiaries.

^g Half-hour stoppage.

^h Continuation of strike which began in October, 1934.

¹ In West and Center Rutland and three other towns.

Recent General Strikes

Two significant general and two industry-wide strikes took place in this country in 1934 and 1935. The general strikes were the first since the five-day general strike of some 50,000 workers in Seattle, February 6-11, 1919.

San Francisco General Strike: This strike was called in support of striking longshoremen and other maritime workers of San Francisco and the West Coast. Here is a chronology of important events in 1934 leading up to and during this strike.

May 9: Demanding union control of hiring halls—the principal demand—an increase from 85¢ an hour to \$1 an hour as basic wage, the five-day, 30-hour week and recognition of the union, 12,000 West Coast longshoremen struck under leadership of the I.L.A.

May 14: One union striker in San Pedro and a strike sympathizer were killed and 50 wounded in a vicious police attack upon pickets.

May 27: Eight other maritime unions had joined strike, swelling strikers' ranks to 25,000.

June 16: International President Joseph Ryan of the I.L.A. signed an agreement with the Waterfront Employers' Assn. through efforts of Mayor Angelo Rossi of San Francisco. Striking longshoremen rejected Ryan's agreement the next day, asserting that it was substantially the same as one they refused on May 28. It did not provide the closed (union) shop and failed to provide for firing of strikebreakers, reinstatement of strikers, and for grievances of other maritime unions.

June 19: Not a single ship entered San Francisco harbor for the first time in 45 years. West Coast shipping was at a standstill.

June 25: President Roosevelt named National Longshoremen's Board of three to investigate strike and mediate.

July 3: Industrial Association of San Francisco—"an organization of employers having for one of its purposes the breaking of strikes," according to *Associated Press* (July 16)—attempted to open the port with strikebreakers and police assistance. In the resultant clash with pickets, 26 were injured.

July 5: Another union striker and one sympathizer were killed by police and at least 115 wounded. Acting-Governor Merriam called out 1,700 National Guardsmen to take command of waterfront.

July 7: At least 15,000 workers took part in mass funeral for the two workers slain on "Bloody Thursday."

July 12: 3,700 teamsters in San Francisco and Oakland struck in sympathy.

July 13: 12 other unions, 32,000 workers in all, were out in support of the maritime strikers. Many unions voted for a general strike.

July 14: Strike strategy committee called general strike for following Monday. Edward Vandeleur, president of San Francisco Central Labor Council and chairman of executive committee of the general strike committee of 25, and other conservative labor leaders were opposed to the strike. They entered the strike committee and took charge of it, along with other top union officers, in order to defeat it.

July 16: Backed by some 160 unions, 127,000 workers struck the San Francisco Bay region, tying up the area. Mayor Rossi assigned 5,000 special police to strike duty and 4,500 National Guardsmen were on hand.

July 17: Charles Wheeler, vice-president of the McCormick Steamship Lines, in an address before the Rotary Club, said that "raids would start soon." (*New York Times*, July 18, 1934.) Same day, Gen. Hugh S. Johnson, supposedly acting as federal mediator, in a lynch-

inciting address at University of California in Berkeley, called on "responsible labor organizations" to "run these subversive influences from its ranks like rats." William Green declared, July 18, that the A. F. of L. "neither ordered the strike nor authorized it." Vigilantes then proceeded to raid and wreck workers' halls and meeting places, offices of the *Western Worker*, and labor organizations. They were conveniently followed by police who arrested victims of the raids. Over "400 men and several women were arrested and thrown into a jail so crowded that most of them had to sleep on the floor," reported *New York Times* correspondent, July 29, 1934. Led by Hearst newspapers, the press was vicious in its opposition to the strike. (See, for example, *Editor & Publisher*, July 28, 1934.)

July 19: By a vote of 191 to 174, the general strike was called off. One immediate effect of the general strike was that some 10,000 new members joined the labor movement in the San Francisco area.

July 31: 12,000 longshoremen and 13,000 other maritime workers returned after being out nearly three months, agreeing to submit their demands to arbitration.

On October 10, 1934, the National Longshoremen's Board announced its award for the longshoremen: 95¢ an hour for straight time and \$1.40 for overtime, retroactive to July 31; 30-hour week and joint control of hiring halls. "This award failed to satisfy a number of the longshoremen's demands, but it was generally recognized along the waterfront that, if properly enforced, it would eliminate some of the worst abuses," states Local 38-79 of the I.L.A. in San Francisco, in its pamphlet *The Truth About the Waterfront*.

Terre Haute General Strike: Authorized by 48 A. F. of L. unions, a 48-hour general strike began July 22, 1935, in the Indiana birthplace of Eugene Debs. The strike was in support of the nearly 600 Columbian Enameling & Stamping Co. strikers, who walked out March 23, 1935, for a 10% wage increase and the closed (union) shop. On June 15, the company sent in seven newly deputized guards to supplement watchmen, an act which strikers considered a provocation. On July 18, 58 professional strikebreakers were brought in by the company. They were escorted by four police cars with the approval of Mayor Sam Beecher of Terre Haute.

Terre Haute is a strongly unionized city and spokesmen for 48 of its A. F. of L. unions delivered an ultimatum that unless the strikebreakers were removed, a general strike would be called in sympathy with the Columbian workers. Officials took this warn-

ing lightly, whereupon some 26,000 workers took part in the two-day general strike which was "virtually 100% effective," in the words of *New York Times* (July 28, 1935). The strike was not officially authorized by the Vigo County Central Labor Union and was called off by T. N. Taylor, a representative of William Green.

Governor Paul McNutt, a former national commander of the American Legion, ordered some 2,000 National Guardsmen to Terre Haute. Martial law was declared, 750 militia marched into the plant, and picketing was forbidden. Early on July 23, troops tear-gassed 1,800 pickets, beating many. Some 180 strikers were arrested by military authorities during the next few days, some subjected to third degree. Two Socialists were arrested and when Powers Hapgood, Socialist leader, went to protest the arrests he was himself arrested, August 26, by the military and held incommunicado for two days. Martial law continued until February, 1936. There was complete denial of the most elementary civil rights, whereupon a mass meeting with Norman Thomas as chief speaker was held in defiance of military rule. National Guard terror was partially broken and picketing was resumed at the Columbian plant despite the ruling of Major E. E. Weimar, in command of the troops.

Nation-Wide Textile Strike: The textile strike of September 3-22, 1934, was the largest single strike ever to take place in this country. Authorized by the annual convention of the United Textile Workers of America (August 16, 1934), the strike was a result of workers' conditions which had been aggravated under NRA. Francis J. Gorman, union vice-president and chairman of the general strike committee, on August 24 rejected the Cotton Textile National Industrial Relations Board's offer to mediate.

The union's chief demands were: (1) 30-hour week; (2) minimum weekly wages of \$13 for unskilled and proportionately higher wages for workers of varying degrees of skill; (3) elimination of stretch-out or speed-up; (4) reinstatement of workers fired for union activity; (5) recognition of the U.T.W.; and (6) establishment of an arbitration tribunal satisfactory to both sides to settle disputes, all decisions to be final.

Workers in 22 states answered the strike call and a union estimate, September 6, placed the number involved at 475,000. The "flying squadron" technique was a feature of the strike. Strikers met with extreme terror on the part of police, strikebreakers and

militia. During the course of the struggle, 13 strikers, two sympathizers and two spectators were killed. By September 16, more than 15,000 National Guardsmen in seven states had been mobilized against the strikers, at a cost of "about \$37,000 a day, in later stages of the walkout," according to *New York Times*, September 24, 1934.

All the forces of the government and the employers were mobilized to call off the strike. A board of inquiry known as the Winant Board was appointed by President Roosevelt on September 5, and 15 days later made public its findings. It urged the union to call off the strike, suggested that workers be taken back without discrimination, and recommended appointment of another textile labor relations board and a survey of the industry. Roosevelt hailed the report and appealed to the workers to give up the strike. Conservative U.T.W. leaders spoke of the strike as a "complete victory" and called off the strike, although none of the basic demands had been granted.

One aftermath of the strike was that many mills, particularly in the South, blacklisted unionists and strikers. By October 19, a partial report to the U.T.W. showed discriminations in 363 mills, involving at least 25,000 workers.

National Coal Strike: The largest bituminous coal strike in the nation's history, lasted from September 23 through September 28, 1935. It involved over 400,000 miners in 22 states. It was also the shortest strike in the industry's history—six working days. It was 100% effective in union mines, organized under the United Mine Workers of America. Members of the Progressive Miners of America—in Illinois—came out on the second day of the strike.

Except for four southern districts, involving about 23,000 miners, the strikers returned to work October 1, with wage gains averaging about 10%. Strike gains included the following: (1) increase of 50 cents a day for day workers, the original demand, providing a \$5.50 basic rate in the Appalachian area; (2) increase of nine cents a ton for tonnage men who dig and load coal, as against the 15 cents demand; (3) increase of 10% for "yardage" or dead work; (4) increase of nine cents a ton for pick mining (hand work) similar to increase for the combined cutting and loading operators using machines.

The agreement, in effect from October 1, 1935, runs to March 31, 1937. In relation to mines of the H. C. Frick Coke Co. (U. S.

Steel subsidiary) and other captive mines, however, this agreement does not carry with it recognition of the U.M.W.A. as a union.

Miners in three southern districts returned to work in October with same wage increases as gained by other miners. A few operators in eastern Kentucky still refused to settle with the union. Alabama coal miners, numbering about 17,000, continued on strike till November 16, 1935, returning to work with a partial victory. They gained about half the wage increases secured by miners in other fields. Two union miners were killed in October during this Alabama strike.

Labor Boards

Various kinds of labor boards have been set up during the last two years for the main general purposes of preventing and/or breaking strikes through processes involving long postponement of militant action by workers to right grievances concerning wages, hours, speed-up and working conditions. In this objective they have been eminently successful. Under the NIRA they were set up *allegedly* to assure workers their right of collective bargaining through representatives of their own choosing as promised in Section 7a of that law.

The history of all labor boards thus created clearly indicates that they served rather to deprive workers of their one effective weapon to enforce collective bargaining on their own terms, *i.e.*, the strike weapon. Strikes were called off; strikers were discriminated against; union members were fired on all sorts of pretexts; scabs were not fired; trade unions were weakened and sometimes practically destroyed by the anti-union tactics of employers during the long-drawn-out "mediation" procedure; company unions were maintained and strengthened; and the promised "collective bargaining" was in general ignored by employers and rendered unenforceable even where labor boards made pro-labor decisions. Only strongly organized unions and/or militant strike struggles succeeded in achieving a semblance of "collective bargaining" through representatives chosen by the workers.

National Labor Board:¹ By March, 1934, the long extended "mediation" of the Weirton and Budd cases—so-called "test cases"—had taught workers generally not to depend upon the National

¹ For its origin and early history, see *Labor Fact Book II*.

Labor Board as a means of securing collective bargaining. Moreover, the defiance of the Weirton and Budd companies had strengthened employers' resistance to any form of collective bargaining except through their own company union mechanisms.

Early in March, 1934, a general strike threatened in the *automobile industry* as a result of the automobile employers' refusal to recognize the United Automobile Workers (A. F. of L.) and their insistence on maintaining the established company union systems. The National Labor Board intervened and held hearings. Then Roosevelt, General Hugh S. Johnson and the manufacturers reached an agreement which involved the creation of a separate Automobile Labor Board and set forth a plan of collective bargaining on the basis of "proportional" representation. The settlement was heralded by employers. *New York Times* declared, March 27, 1934: "The 'company union' stands completely validated by the President's statement . . ."

This automobile settlement reversed an earlier decision made by the National Labor Board in the case of the *Denver Tramway Co.* upholding the right of representatives elected by a *majority* of the workers to bargain collectively on behalf of *all* employees. Thereafter the NLB merely went through the motions of "mediation and arbitration." Then on May 29, 1934, Federal Judge Nields in the Delaware District Court handed down a decision rejecting the government's request for an injunction against *Weirton Steel Co.* This decision upheld the steel employers' defiance of Section 7a of the NIRA. As Weirton had been one of the "test cases" on which the NLB had staked its interpretation and enforcement of Section 7a, this decision exposed completely the general strike-breaking character of the federal machinery for "dealing" with labor.

National Labor Relations Board—1934: A new wave of militant strike struggles and widespread strike threats came in the spring and early summer of 1934. Workers were more and more unwilling to submit their disputes to the National Labor Board. In an effort to save the NLB and put it on a permanent basis, Senator Robert F. Wagner had introduced his Labor Disputes Bill in Congress, March 1, 1934. Hearings had been held on the bill, but it was put aside and a stopgap measure, Joint Resolution No. 44, was passed by Congress, June 16, 1934, and approved by Roosevelt June 19, 1934. This resolution gave Roosevelt authority

to appoint a board or boards to investigate disputes arising under Section 7a of the NIRA, or any controversies "obstructing, or threatening to burden or obstruct the free flow of interstate commerce." Under this resolution Roosevelt appointed three boards, one of which was the National Labor Relations Board. This board, successor to the National Labor Board, was established by executive order of the President, No. 6763, "in connection with the Department of Labor."

The powers of the National Labor Relations Board of 1934 varied little from those of the NLB. It could investigate any and all labor disputes arising under Section 7a of NIRA or which affected interstate commerce. It could call witnesses, take testimony and issue orders only in regard to labor elections and such orders were enforceable by federal courts in the same manner as orders of the Federal Trade Commission. On all other matters enforcement rested with the NRA and the Department of Justice.

The original order creating it gave the NLRB discretionary power to intervene or not intervene in any case that came before any NRA code labor board or any board set up under Joint Resolution No. 44. However, when the NLRB intervened in the Jennings case and handed down a pro-labor decision against the findings of the newspaper industrial relations board, Roosevelt promptly issued an order forbidding the NLRB to intervene in cases arising under codes equipped with a board given power to make "final adjudication."

History of the NLRB differs little from that of the NLB. It succeeded for a brief time in maintaining the illusion that workers could expect its help in achieving collective bargaining through representatives of their own choosing. But after only six months' operation, it was forced to admit in a report (March 2, 1935) "a virtual suspension of enforcement" of 7a.

Descriptions of notable cases handled by the NLRB such as that of the *Houde Engineering Corp.*, are given in issues of Labor Research Association's *Labor Notes*, formerly *N.R.A. Notes*, for 1934 and 1935.

Automobile Labor Board

By early March, 1934, experience under the automobile code with its vicious "merit clause" (see *Labor Fact Book II*, p. 47), the widespread institution of company union schemes in the in-

dustry, combined with speed-up, discrimination against union members and generally intolerable working conditions aroused the workers to threaten a general strike for recognition of their unions, collective bargaining through representatives of their own choice and other important demands.

National Labor Board intervened to avert the strike and arranged a hearing in Washington. On March 14, 1934, representatives from the federal labor unions constituting the United Automobile Workers' Union (A. F. of L.) presented their demands. Hearings reached a deadlock when William S. Knudsen, vice-president of General Motors Corp., declared his company would neither recognize any A. F. of L. union nor commit itself to holding elections.

Roosevelt then intervened and on March 25, 1935, announced a "settlement" had been reached on the basis of an agreement drafted by General Johnson and automobile employers. This "settlement," accepted by the A. F. of L. leaders, declared that (1) each bargaining committee should have a total membership pro-rata to the number of men each group represents; (2) NRA should set up a board of three members, responsible to the President, to pass on all questions of representation, discharge and discrimination; (3) unless lists of employees claiming to be represented by unions were given to employer, no basis for discrimination charges could be held.

In his statement interpreting the "settlement," Roosevelt hoped this system would "develop into a kind of works council in industry in which all groups of employees . . . may participate in joint conference with their employers." In other words, "representatives of their own choosing" by this interpretation meant "proportional representation." Through the institution of "works councils" employers could evade recognizing any union even when the union had a majority of the workers. Employers throughout the United States hailed this "settlement" as proof that the government definitely recognized company unions.

Under this agreement, Roosevelt appointed the Automobile Labor Board on March 29, 1934, with Dr. Leo Wolman as "neutral" chairman, Nicholas Kelley, counsel to the Chrysler Corporation as employers' representative, and Richard F. Byrd of the United Automobile Workers' Union as employee representative.

This board surpassed all other industrial boards in its anti-union

activities. During April, 1934, when workers struck in several plants demanding increased wages, shorter hours and union recognition, the board with the help of Richard Byrd, A. F. of L. representative, called off the strikes and sent the workers back to work without winning one of their demands.

May 14, the board announced rules regarding lay-offs by seniority, which contained the typical "merit clause": "Employees whose work, in the judgment of the management is essential to the operation of the plant . . . may be hired, retained or returned to work notwithstanding the provisions of the three specific groups."

In the meantime, several unions had presented to the board their lists of members, showing that they represented the majority in the individual plants and requesting certification by the board of their right to act as representative of the workers. But the board took no action. It concerned itself with holding endless hearings on cases of "improper discharge" and "erroneous" lay-offs. In cases involving "erroneous discharge" the board ruled in favor of the employer claiming, among other reasons, that the worker had been justly laid off for lack of "individual efficiency or skill" and for lack of "discipline based on work record."

Not once, in all of its decisions, did the Automobile Labor Board "expressly declare that the employer had engaged in "discrimination," and in 29 out of 84 decisions unfavorable to the workers, the "Board did expressly declare that the employer was not animated by discriminatory intent." (*Labor Relations Boards*, Lorwin and Wubnig, page 367.)

Not until December 7, 1934, did the board announce any rules for elections, and at that they were clearly designed to favor the companies. They prescribed a plan to set up in each unit of the industry a works council on the basis of proportional representation. A week after the announcement the United Automobile Workers officially withdrew from the agreement and on January 24, 1935, the entire group of A. F. of L. unions formally withdrew from coöperation with the board, under the impression that by this maneuver they destroyed its legal existence since it was established by the March 25, 1934, agreement.

However, on January 31, 1935, Roosevelt extended the automobile code against the opposition of the majority of the workers in the industry. He incorporated the Automobile Labor Board, not under Joint Resolution No. 44 but as an NRA code industrial

relations board. This meant that the Automobile Labor Board was to be free from supervision of the National Labor Relations Board and could continue with its program of establishing works councils on the basis of proportional representation in opposition to the NLRB's formula of majority rule and of a choice between the trade union and company union.

As a result of the activities of the ALB, the company union system was upheld in the plants. The trade unions were weakened and in many cases destroyed partly as a result of the policies of the top leadership of the A. F. of L. in (1) accepting the March 24, 1934, "settlement" instead of going through with the general strike at that time; and (2) submitting the strikes in individual plants to arbitration by this obviously anti-union board. But the main factor in the temporary defeat of real unionism in the industry was the terrorism, espionage and union-destroying policies of the automobile companies supported by this Roosevelt-appointed board.

National Steel Labor Relations Board

The National Steel Labor Relations Board was established June 28, 1934, to avert a threatened strike in the steel industry for recognition of the trade unions. Strike threat developed out of the Pittsburgh convention of the Amalgamated Association of Iron, Steel and Tin Workers (A. F. of L.), which, under the leadership of a militant rank and file committee, had gone on record to undertake an aggressive campaign for union recognition, to be backed up, if necessary, by a general strike in the industry. Late in May, 1934, over 200 locals of the Amalgamated presented steel companies with demands for union recognition. These demands were either refused or ignored. June 15 was set as the strike date.

On June 1, 1934, the NRA suggested establishment of a board similar to the Automobile Labor Board. This was rejected by the rank and file leaders. Then Gen. Hugh S. Johnson and Donald R. Richberg announced a plan for a "Steel Industrial Relations Board" to which the American Iron & Steel Institute agreed—a board whose activities would have been confined solely to regulation and supervision of company union schemes already set up. Even the top officials of the A. F. of L. and the Amalgamated Association could not accept this proposal. After a bitter

dispute with Johnson, the union leaders left Washington to prepare for a convention beginning June 14, 1934, ostensibly to call a general strike.

To avert this strike, Congress enacted Public Resolution No. 44 referred to above. At the convention William Green insisted that the steel workers rely on Roosevelt's program and call off the strike. The strike was called off. By executive order No. 6751, June 28, 1934, Roosevelt then set up the National Steel Labor Relations Board in connection with the Department of Labor.

Like the other boards, it was empowered to investigate and hear complaints of discrimination, to mediate and arbitrate disputes, and to order and conduct elections. While the order specifically stated that "the choice of the majority of those voting shall be accepted as the representative or representatives of said employees for the purpose of collective bargaining," it contained the typical company union wedge—"without thereby denying to any individual employee or group of employees the right" to organize and bargain collectively with the employer.

During its 11 months of life, it held only one election to determine collective bargaining representatives. In three other cases the board announced adjustments without elections after companies agreed to meet with committees of the Amalgamated. Such "adjustments" were in line with the consistent policy of steel companies under the NRA. They were willing to meet with representatives as "individuals," but this could in no sense be construed as union recognition.

By December, 1934, the stalling activities of the board had increased the disillusionment of the steel workers and again there was a threat of strike. The board had been unsuccessfully conducting negotiations for a "truce" between the Amalgamated Association and the steel magnates. Roosevelt and Secretary of Labor Perkins intervened and on December 18, 1934, in conference, proposed a settlement that even the top officials of the A. F. of L. and A.A. dared not accept; so the board resumed its activities and began to issue a few election orders. But practically every such order was soon tied up in the federal courts. Companies either refused to produce their payrolls or as in the Carnegie Steel Co. case resorted to other action in the courts directly or by using their company unions as dummy complainants. These cases were still being smothered in the courts when the

Supreme Court rendered its anti-NRA decision in May, 1935, and were shortly thereafter dismissed by Attorney General Cummings.

In cases where discrimination against the trade union members was charged as in the Jones & Laughlin case, the board often dragged out the hearings, giving the companies a long time to abate somewhat their terroristic activities. Then the board would declare that since these practices no longer existed, there was no basis for the charges against the company. Or in cases where evidence of "discrimination" or "interference" were found, the board would whitewash the company declaring, as in the Gulf States Steel case, that there was no evidence to support the charge that the company had refused to engage in collective bargaining.

This board thus prevented a general strike in the steel industry, and broke several smaller strikes. It in no way furthered the establishment of real collective bargaining or the introduction of majority rule in elections for collective bargaining representatives.

National Textile Labor Relations Board

This board, set up by Roosevelt, September 26, 1934, under Public Resolution No. 44, was composed of three "impartial special commissioners." It was empowered to (1) handle all charges of discrimination arising out of employers' failure to rehire workers who participated in the general textile strike of September, 1934; (2) exercise for the entire textile industry all the powers conferred on such boards by Joint Resolution No. 44; and (3) handle complaints against the application of the three principal textile codes, cotton, wool, and silk.

Activities of this board differed little from those of other labor boards discussed above in greater detail. Two of its anti-labor decisions should, however, be noted. In the case of the Ninety-Six Cotton Mills, South Carolina, the board ruled that since the employer had hired a new labor force to break a strike not caused by violation of Section 7a, and since the complainants' strike was "unsuccessful," the employer was not obliged to reinstate the strikers. In the case of Callaway Mills, Lagrange, Ga., where the workers had struck against wage-cuts and terrific speed-up (supposedly outlawed by the strike settlement), the board upheld the company's maintenance of scabs and its refusal

to rehire strikers on the ground that there had been no violation of Section 7a.

National Labor Relations Act

The National Labor Relations Act was signed by Roosevelt, July 5, 1935. It is considered an extension of the so-called "collective bargaining" provision, Section 7a of the defunct NIRA. Like similar measures creating the former National Labor Board (see *Labor Fact Book II*) and industrial labor relations boards in various industries, its primary purpose is to prevent strikes through delay and postponement. In the meantime, the corporations are given time to bring in police, troops and scabs and other strike-breaking machinery, to weaken workers' unions through firing union members and to strengthen their own company union machinery.

The postponement procedure decreed by the Act is most elaborate. It sets up a new National Labor Relations Board, composed of three members appointed by the President. Only after every other "means of prevention provided for by agreement, code, law or otherwise" has been utilized may complaints be brought to this body. Then follows a long series of hearings, rehearings and appeals to circuit courts or courts of appeal. When all of these appeals are exhausted, final settlement is in the hands of the U. S. Supreme Court.

The National Labor Relations Act in no way destroys or eliminates company unions. Section 2 (5) of the Act formally legalizes them. It defines a labor organization as "any kind or any agency or employee representation committee or plan," thus giving full legal standing to company unions. Two other sections contain typical company-union wedges. Section 9 (a) purporting to enforce "majority rule" states that "any individual employee or group of employees shall have the right at any time to present grievances to their employer," thus leaving a wide opening for company unions. Section 9 (c) also gives to the new NLRB the power to decide whether "the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof." The board may, then, put the weight of its approval upon a company union by selecting as the "unit appropriate" for collective bargaining, that plant, department or craft unit where the company union is strong.

Under the Automobile Labor Board, which had similar powers, company unions were effectively selected as the workers' representatives. The NLRB, moreover, on its own authority and *without conducting an election by the workers* may determine the representatives, for Section 9 (c) provides that the board may "take a secret ballot of employees, or utilize any other suitable method to ascertain such representatives."

Although the NLRA sets forth a series of "unfair labor practices" such as "coercion," direct financial subsidies to company unions and certain acts of "discrimination," there is nothing in the Act which prevents such anti-labor practices as firing trade union workers for violation of minor factory rules, laying-off of "agitators" first when business declines, black-listing strikers, using spies, police troops, tear gas, militia, etc., against striking workers, or discriminating against workers because of sex, race, color or political convictions. (See "The Wagner Anti-Labor Law" by Robert W. Dunn in *Current Controversy*, March, 1936.)

Experience with other labor boards under the NIRA as well as in other countries shows that such tribunals inevitably result in compulsory arbitration. The board's general practice will be to call off a strike and then to insist that workers follow the endless legal procedure outlined in the Act. It thus deprives the workers of their only effective weapon while at the same time it does not in any way prevent corporations from intensifying their terrorism and anti-labor activities.

National Labor Relations Board—1935: This present board was created under the terms of the National Labor Relations Act. Since it was set up employers' "unfair labor practices" supposedly curtailed by NLRA have become even more widespread than previously. Up to February 1, 1936, more than 575 cases have been appealed to the National Labor Relations Board and its various regional boards. They have involved not only requests for elections to determine workers' representatives. They have also revealed the employers as engaged in almost every type of anti-trade union activity, firing of union members, discrimination against unionists, coercive tactics in instituting new company union schemes, terrorism and spying.

V

TRENDS IN THE LABOR MOVEMENT

A. F. of L. Membership

MEMBERSHIP of the American Federation of Labor for year ending August 31, 1935, was 3,045,347, compared with 2,608,011 in 1934, 2,126,796 in 1933 and the peak of 4,078,740 in 1920. (Membership figures are based on paid up per capita tax. Thus unemployed members are not included in these figures.)

The A. F. of L. to-day consists of 31,291 local unions in 109 national and international unions and 1,354 directly affiliated local trade and federal labor unions—making a grand total of 32,645 local unions. Average paid up membership of the national and international unions for year ended August 31, 1935, was 2,933,858 and the average paid membership of the directly affiliated unions was 111,489.

Largest unions in 1935 in the order of their paid per capita tax and hence voting strength in the federation were:

United Mine Workers	400,000
Carpenters and Joiners	200,000
Ladies Garment Workers	160,000
Teamsters and Chauffeurs	137,000
Electrical Workers	130,000
Amalgamated Clothing Workers	100,000
Musicians	100,000

(Membership of these and other unions is given in official *Proceedings* of 55th Annual Convention.)

Fifty-fifth Convention

The 1935 convention of the A. F. of L., held at Atlantic City, N. J., October 7, 1935, was one of most important conventions ever held by that organization. Most of the delegates were old-line, generally conservative, officials from the craft unions, but there was also a large progressive bloc in the convention which supported measures of vital interest to the whole of American labor.

The main issues discussed and actions taken by this epoch-making convention are briefly summarized in the following sections together with certain later developments.

Industrial Unionism: This was the most bitterly contested issue in the convention and involved the vital question of the A. F. of L.'s ability to organize the millions of unorganized workers in basic industries. It cropped up repeatedly in the debate. Out of approximately 250 resolutions, over 30 favored industrial unionism in general, or in particular industries. All of these resolutions were rejected by the Resolutions Committee under the chairmanship of Matthew Woll, but Charles P. Howard, president of the typographical union, prepared a vigorous minority report signed by six committee members. Vote on the main industrial unionism resolution was 18,025 for the craft unions, dominated by the administration, to 10,924 for industrial unionism.

In the next most important resolution on this subject, involving the conflict between craft unions in the metal mining industry and the Mine, Mill and Smelter Workers Union, the vote was about the same, 18,464 for the craft unions and 10,897 for the industrials. The progressive forces in the convention were thus able to muster well over a third of the votes, representing about a million and a quarter members. About 90% of the delegates from city central bodies and state federations voted in favor of the industrial form. It was the first time for decades that a serious challenge had been flung at the old guard craft union leadership of the A. F. of L.

The sharpest debate came on the last day over the question of granting complete industrial jurisdiction, unhampered by craft union claims, to the newly-formed automobile workers' international union. After several hours of debate this resolution was defeated by a hand vote of 104 to 125.

The battle for industrial unionism which continued after the convention has included the following major moves:

1. A special "Committee for Industrial Organization" was founded in November, 1935, with headquarters in Washington, having John L. Lewis of the United Mine Workers of America as chairman and Charles P. Howard of the International Typographical Union as secretary. Other members of the committee are Sidney Hillman of Amalgamated Clothing Workers, David Dubinsky of International Ladies Garment Workers, Thomas F. McMahon of United Textile Workers, Harvey C. Fremming of Oil Field, Gas Well & Refinery Workers,

M. Zaritsky of United Hatters, Cap & Millinery Workers, and Thomas H. Brown of International Union of Mine, Mill & Smelter Workers. Announced purpose of the committee is "to encourage and promote organization of the workers in the mass production and unorganized industries of the nation and affiliation with the American Federation of Labor." Membership of A. F. of L. unions represented by the committee totals about 1.1 million workers.

2. John L. Lewis resigned on November 23 as a vice-president of the A. F. of L., and thereby as a member of its Executive Council.

3. By a vote of 11 to 6, January 22, Executive Council of the A. F. of L., meeting at Miami, Florida, condemned Committee for Industrial Organization and requested its dissolution.

4. On February 20, President Green warned all affiliated unions which are directly chartered by the A. F. of L. that the latter would not tolerate any organization that allied itself with the C.I.O.

5. On February 21, the C.I.O., in a letter to Mr. Green, formally refused his request to dissolve, stating that the committee was "trying to remove the roots of dualism by making it possible for the millions of mass-production workers now outside the A. F. of L. to enter on the only basis they will accept—industrial unionism." At the same time the committee proposed to Mr. Green a \$1,500,000 fund for an immediate broad campaign to organize the steel workers along industrial lines. It stated that the eight international unions supporting the Committee would pledge \$500,000 of this amount in addition to trained organizers to help in the campaign.

New International Charters: Although the Executive Council of A. F. of L., in compliance with the orders of the 1934 convention, set up international unions, limited in scope and restricted in function, in the automobile industry—International Union United Automobile Workers of America—and in the rubber industry—United Rubber Workers of America—it refused to grant international charters to the hundreds of local unions in the aluminum, radio, cement, oil, public utility, gas and by-product coke, and other industries where such charters had been requested by groups of federal labor unions.

Radio workers at the 1935 convention pleaded for an international union charter. One delegate, representing a Chicago local, with over 7,750 radio workers, said that although there were some 46 federal local unions in the radio field they had been denied an international charter since they had first applied for one in January, 1934. In January, 1936, the A. F. of L. executive council rejected the application of the National Radio and Allied Trades for an industrial charter and its 30,000 workers were ordered to join the Brotherhood of Electrical Workers. This they refused to do, and in

March, 1936, joined with several independent unions to form the United Electrical and Radio Workers Union.

The demoralizing effect of not permitting the federal labor locals a free hand to unite into industrial internationals was shown in the report of the Executive Council itself which stated that 620 of these local unions had either disbanded or been suspended in the course of the year while only 272 such unions had been added during the year, thus showing a net loss for the year of 348 such unions. Unionists from new federal locals in the mass production industries complained also that the craft organizations had raided them, carrying off all members they could find who belonged to their special crafts, thus weakening and demoralizing the newly-formed federal locals. High A. F. of L. officials have permitted these raids, while refusing to charter new international unions with full jurisdiction over all workers in a given industry.

Labor Party: Although 13 resolutions favoring the formation of a Labor Party were presented to the convention, they were all rejected by the Resolutions Committee and the convention without a record vote continued the ancient "non-partisan" policy of the A. F. of L. of "rewarding friends and punishing enemies." However, 104 delegates, representing approximately 5,000 votes in the convention, voted for a Labor Party.

In previous conventions similar pro-Labor Party resolutions had been smothered in a flow of anti-Red oratory. This year many international unions such as the textile workers, ladies' garment workers, hat and cap makers, hotel and restaurant workers, fur workers, auto workers, dyers and cleaners, and mine, mill and smelter workers, in addition to scores of federal locals and city central bodies and state federations, supported the Labor Party. The Red issue was not raised in the Labor Party discussion.

Anti-Red Action: The convention adopted the following amendment to Article IV, Section 5, of the A. F. of L. constitution:

No organization officered or controlled by Communists, or any person espousing Communism or advocating the violent overthrow of our institutions shall be allowed representation or recognition in any Central Body or State Federation of Labor.

This was less drastic than the original proposal of the Executive Council to the convention which would have barred all "Reds"

from any A. F. of L. unions. The modification of this amendment constituted a real retreat by the Green-Woll forces and was due largely to the strength of the progressive and militant bloc in the convention.

In the debate on this amendment Delegate Howard Lawrence of Chicago reported that he had appeared with about 20 other delegates before the Committee on Law when it was considering this measure, "and I asked this question of the committee:

Can you give any evidence of any trade union organization, officered or controlled by the Communists, where the wages were lowered, where the hours were increased, where the working conditions were in worse shape and the membership was reduced because the Communists secured control?

And the answer in the presence of these twenty odd people and the whole committee was that they had no such information. The members of any union are interested in union conditions, they judge their leaders by results and not by their color. And on this question, I would say, let the American Federation of Labor quit giving assistance to the National Civic Federation and William Hitler Hearst."

There were no resolutions against the Soviet Union at this convention. There was much less Red-baiting at this convention than in any A. F. of L. convention in recent years.

National Civic Federation: John L. Lewis read the following resolution introduced by delegates of the United Mine Workers of America: "Resolved that no officer of the American Federation of Labor shall act as an officer of the National Civic Federation, or be a member thereof."

The same day Matthew Woll sent a wire to the Chairman of the Executive Board of the National Civic Federation, resigning from that reactionary, Red-baiting organization. Woll stated: "In disassociating myself from the National Civic Federation, may I express my sincere appreciation for the cordial associations heretofore had with the National Civic Federation."

Open Shop Advertisements: Another resolution introduced by delegates of the United Mine Workers of America and read by John L. Lewis was as follows:

Resolved, that the *American Federationist* is hereby prohibited from the acceptance of advertisements or paid printing of any character from concerns which do not generally recognize and practice collective bargaining with legitimate organizations of labor.

Negro Discrimination: At the 1934 Convention, a special committee of five had been appointed to study this question "and report to the next convention." They held a few hearings and four members of the committee signed a report recommending a change in A. F. of L. policy. But no mention of this report came at the 1935 convention until the issue was raised on the last night by A. Philip Randolph of the Brotherhood of Sleeping Car Porters. In a bitter speech he pointed out that 20 or more unions have clauses in their constitutions discriminating against Negroes (see *Labor Fact Book I*, p. 132) and that many more use devious methods of barring Negroes from membership or from equal rights in the union. He declared that there was no justification for federal unions along color lines such as have been encouraged by the A. F. of L. Executive Council. He stated that where such locals do exist they are isolated bodies without power to negotiate agreements or protect workers' interests.

Even after this speech the findings of the special committee were not submitted to the convention and Randolph's motion to adopt the committee report "as the spirit of this convention" was lost. The resolution passed merely called for more "education" of the membership with a view to preventing discrimination.

Soon after the convention John Brophy of the United Mine Workers, secretary of the special committee, handed in his resignation to Pres. Green, declaring that the committee's work had been sabotaged by the Executive Council and its recommendations suppressed. He declared that "The maneuvering on the part of the Executive Council plainly indicated" that it wanted the special committee "to be merely a face-saving device for the American Federation of Labor, rather than an honest attempt to find a solution of the Negro problem in the American labor movement."

Other Resolutions: Other resolutions introduced (and many of them passed) at the 1935 convention of the Federation reflected the awakening of the rank and file to the most important issues facing the American masses to-day. They opposed Mussolini's fascist war against Ethiopia, the growing danger of fascism in this country, the use of the militia in strikes. They dwelt on the importance of organizing the youth. They were concerned with the anti-labor position of the Hearst press, the 30-hour week without reduction in pay, the anti-union activities of Father Coughlin, the

Supreme Court's relation to labor legislation and the organization of workers on relief projects.

The strong resolution passed against fascism referred to the Nazis and Fascists as operating "a system of glorified and gory gangsterism. . . . Their coming to power invariably and inevitably signalized the abolition of all civic and political rights and complete annihilation of everything that organized labor has gained during decades of struggle."

A resolution was passed instructing the Executive Council to open negotiations for the affiliation of the A. F. of L. to the International Federation of Trade Unions.

Progressive Tendencies in A. F. of L. Unions

The progressive tendencies which asserted themselves at the 1935 A. F. of L. convention did not come out of a clear sky. To a considerable extent they were foreshadowed by progressive actions locally and in conventions held before the A. F. of L. convention by various state federations of labor and national and international unions.

This is seen in a survey of 15 State Federation of Labor conventions which met during 1935. In 12 of them, for example, Labor Party resolutions were introduced and in five of them some form of favorable action was taken. Resolutions against war and fascism were introduced and passed at the Wisconsin, Minnesota, Connecticut, New York, Indiana and Utah conventions. Resolutions favoring industrial unions were introduced in five conventions but passed only in Massachusetts, Utah and Indiana. The Wisconsin, South Dakota and Indiana conventions passed resolutions against the use of the National Guard and martial law in strikes. Roosevelt's low WPA wages were opposed by resolutions in ten state federation meetings and Wisconsin, Oregon, New Jersey, South Dakota, North Dakota, Indiana and Ohio passed them. Eight state conventions had introduced resolutions favoring the Workers' Unemployment, Old Age and Social Insurance Bill, known as H.R. 2827 in first session of 74th U. S. Congress. The Oregon and South Dakota conventions gave it unqualified endorsement while the New York and Wisconsin conventions referred it to their executive boards.

Conventions of the Mine, Mill & Smelter Workers Union, the Brotherhood of Railway Carmen and the Brotherhood of Rail-

road Trainmen endorsed the Workers' Bill. Resolutions against war and fascism were adopted by the teachers', railway carmen's and rubber workers' conventions. Both the rubber and the mine, mill and smelter workers' conventions endorsed industrial unionism. The latter also endorsed a Labor Party, while the former referred a Labor Party resolution to its executive board.

Trade Union Unity

The *Trade Union Unity League* was the leader of the most militant union forces in the country during its existence from September 1, 1929, to March 17, 1935. (See *Labor Fact Book II*.) With its last convention in New York City, the T.U.U.L. was dissolved, in line with the policy which had been carried out in preceding months, *i.e.*, for unions affiliated with it to merge with or enter their corresponding national and international unions in the A. F. of L.

By the time of its dissolution, a number of T.U.U.L. unions already had entered the A. F. of L. Remaining former affiliates thus became independent unions. Former T.U.U.L. unions which have entered the A. F. of L. to date include:

Auto Workers Union, Building Maintenance Workers' Union,¹ Cannery & Agricultural Workers Union,² Doll and Toy Workers Union, Food Workers Industrial Union,³ Jewelry Workers Industrial Union, Laundry Workers Industrial Union, Marine Workers Industrial Union, National Furniture Workers Industrial Union,⁴ National Lumber Workers Industrial Union, National Miners Union, National Textile Workers Union, Needle Trades Workers Industrial Union,⁵ Novelty Leather Workers Union, Office Workers Union, Packinghouse Workers Industrial Union, Photograph Workers Industrial Union, Steel and Metal Workers Industrial Union,⁶ Tobacco Workers Industrial Union, Wholesale and Dry Goods Workers Union.

¹ Later the Independent Building Service Employees Union.

² With the exception of several beet workers' locals in Colorado.

³ Some locals have not yet succeeded in joining the A. F. of L.

⁴ Certain locals outside of New York City are not yet in A. F. of L.

⁵ Its various sections joined with their respective A. F. of L. Unions. The sections covered fur workers, fur dyers, custom tailors, bathrobe workers, dressmakers, cloak and suit operators and knit goods workers. (See *The Clothing Workers* by Jack Hardy, International Publishers.)

⁶ The steel section joined the Amalgamated Association of Iron, Steel and Tin Workers. Some of the metal locals such as the metal fixtures and bronze and iron workers, entered the A. F. of L. There remained the Metal Workers Industrial Union which joined the independent Federation of Metal and Allied Unions. The latter, in turn, joined the International Association of Machinists (A. F. of L.) in February, 1936.

In New York City the Trade Union Unity Council, made up of T.U.U.L. unions and others following its leadership (see *Labor Fact Book II*), likewise dissolved. Those of its former affiliates which had not yet entered the A. F. of L. joined with certain independent unions to form the Joint Unity Committee of Independent Trade Unions after a conference in May, 1935. The conference defined its object as "the immediate merging of all existing independent local unions into the American Federation of Labor on honorable terms." Subsequently most of the independent unions represented at the conference did enter the A. F. of L.

Among the *independent unions* (mostly in New York City) that have entered the A. F. of L. during the past year and a half are:

Alteration Painters Union, Amalgamated Food Workers of America, Association of Workers in Public Relief Agencies,¹ Independent Celluloid Novelty Workers Union, Dental Technicians Equity, Federation of Metal and Allied Unions, General Structural Steel and Iron Painters Union, Hat Block Makers Union, Independent Smoking Pipe Makers Union, Machine Tool & Foundry Workers, Novelty Mirror Workers Union, Nurses and Hospital Workers League, Radio and Metal Workers Industrial Union,² Table Makers Union, Taxi Cab Drivers Union of Greater New York, Textile Trimming Workers Union, Transport Workers Union (New York City), United Anthracite Miners of Pennsylvania, United Beauticians and Hairdressers Union, United Chemical Workers Union, United Telegraphers of America (with its constituent Telegraph Messengers Union).

In New York City, several independent bakery workers' unions likewise joined the A. F. of L. The New York City local of the independent United Shoe & Leather Workers Union merged with the Boot and Shoe Workers' Union, late in 1935.

Some of the independent trade unions, not including the "Big Four" railroad brotherhoods (see *Labor Fact Book II*), which are still outside the A. F. of L. are the following. (Some are only local unions) :

American Federation of Textile Operatives, American Newspaper Guild, American Radio Telegraphists Assn.,³ Association of Federation

¹ Provisional charter in American Federation of Government Employees granted April 1, 1936.

² The metal workers' section joined the Mechanics Educational Society of America.

³ The second national convention of this union in December, 1935, voted for merger with the Commercial Telegraphers Union of the A. F. of L. It was to be ratified by the membership in April, 1936.

Workers (social workers), Brotherhood of Utility Employees of America, Cafeteria Workers Union, China Glass Decorators Industrial Union, Empire State Motion Picture Operators Union, Empire State Stage Hands Union, Federation of Architects, Engineers, Chemists and Technicians, Fishermen and Cannery Workers Industrial Union, Hotel and Restaurant Workers Union, Independent Sheet Metal Workers of America (Salem and Peabody, Mass.), Independent Textile Union (Woonsocket, R. I.), Independent Union of All Workers (Austin, Minn.), Industrial Automobile and Metal Workers Union,¹ Industrial Packinghouse Workers (St. Paul, Minn.), Industrial Union of Marine and Shipbuilding Workers (Camden, N. J.), Metal and Machinery Workers Industrial Union (I.W.W.), National Association of Post Office Employees, National Federation of Federal Employees, Organization of Independent Printing Employees, Pharmacists Union of Greater New York, Progressive Miners of America, United Shoe and Leather Workers Union,² United Sound Projectionists, Wisconsin Industrial Union (Racine).

Railroad Union Developments

Organization: The past two years have witnessed a considerable growth in the membership of the 21 standard railroad unions, particularly in the shop crafts and clerical forces. Although company unions have been forced out of existence on road after road the big open shop roads have tried to evade the issue of company unions by reorganizing them and giving them a national apparatus and character.

Outstanding achievements of this period are the recognition of locals of the Dining Car Employees Union (Negro and white), affiliated to the Hotel and Restaurant Employees (A. F. of L.), and the certification of the Brotherhood of Sleeping Car Porters to represent porters and maids in Pullman service.

Conventions: International conventions of the clerks, trainmen and carmen during the past year reflected growing progressive tendencies. All three took a militant stand against war and fascism. The carmen went on record for one federated agreement for the railroad industry.

¹ This is a result of a decision to amalgamate three independent unions representing some 30,000 workers (some estimates placed it at only 15,000 to 20,000), at a delegates' conference in Detroit on November 3, 1935. Unions involved were the Mechanics Educational Society of America, Automotive Workers Industrial Assn., and Associated Automobile Workers of America (See *Steel & Metal Notes*, November, 1935.) The amalgamation was later ratified by membership of two of the unions, only two locals of the Automotive Workers Industrial Assn. joining the merger, however.

² For action of New York City local, see above.

Both the trainmen and carmen pledged the economic power of their organizations to the fight for the six-hour day without reduction in present earnings and for joint action against lay-offs through consolidation of railroad facilities. The trainmen voted to start demands for a 20% increase in wages.

Amalgamation: The most significant organization move was the reiteration of the stand of previous convention of the train service unions for amalgamation. Following the convention, and in spite of the most bitter jurisdictional disputes which threaten the effectiveness of the conductors', switchmen's and trainmen's brotherhoods, the board of directors of the trainmen (B. of R. T.) issued a statement addressed to members of its own lodges and to lodges of the switchmen and conductors, declaring that the question of amalgamation of these three unions is of immediate and paramount importance. Moves to amalgamate the engine service brotherhoods, the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Engineers, broke down with failure of the accredited committees of the two organizations to find a basis of agreement. However, the stimulus to amalgamation set in motion by the trainmen, finds an echo in efforts of the firemen and engineers to take up the question again. Amalgamation moves are also being considered by the telegraphers and signalmen whose last convention endorsed such procedure.

Mediation and Arbitration: Strike ballots against accumulated grievances which marked the years 1933 and 1934, continued through 1935, in spite of the supposed strengthening of the strike curb in the Railway Labor Act in June, 1934.

Kansas City Southern withdrew its decision to put into effect the abolition of the mileage basis of pay for train and engine service brotherhood members in the spring of 1934 when the unions determined to stick to their strike date. Previously the Delaware & Hudson had been forced to withdraw a similar demand. Both roads are owned by the same interests.

Strike ballots on Southern Pacific (Atlantic & Pacific Lines) to enforce settlement of several thousand accumulated grievances won certain concessions after the dispute went into mediation.

Other disputes which went into mediation during this period involved the Denver & Rio Grande Western, the Pacific Electric in Los Angeles, and the Louisiana & Arkansas. The L. & A. cut wages below the scale set by national agreement, refused to recog-

nize certain of the brotherhoods in negotiation, abolished the mileage basis of pay and rode roughshod over rules on hours and overtime.

The two most recent controversies where the strike date was set and emergency mediation brought a compromise were those on the Wabash, July, 1935, and the Burlington, December, 1935. The Wabash management refused to abide by decisions of the Board of Adjustment on claims for overtime pay accumulated since 1928. The road assumed the right to abolish working rules without submitting its decisions to union procedure. Most of the claims of the men were conceded by the road.

The Burlington controversy centered around the reduction of engine crews on diesel and gasoline engines. The strike was called off when the road agreed to man zephyr high speed trains with full crews (four jobs), while the men gave up their claim for two men on 55 switch engines and gas cars, with the right to reopen this issue "without prejudice."

Determination to strike February 8, 1936, led to a compromise on the Mobile & Ohio, where wages had been cut as much as 47½%. The first 10% was restored piecemeal up to April, 1935. The second 10% will not be fully restored to the skilled sections of the industry until October, 1936. For the unskilled the restoration is drawn out until December, 1936. No back wages were restored.

Seven crafts on the Gulf, Mobile & Northern, on February 13, 1936, received gradual restoration of a 7½% deduction still in effect after workers on other roads had had full deductions restored. Full returns will not accrue until December 1, 1936.

Railroad Strikes: Several small railroad strikes took place during the past two years in spite of the restrictive provisions of the Railway Labor Act. Two of them occurred in the track departments. One on the Milwaukee in Bellingham, Wash., where extra crews at non-union rates took place of regulars, was settled in favor of the regulars. The other was on the Burlington at Tippen, Wis. The strikers were isolated and were not supported by other lodges of the Brotherhood of Maintenance of Way Employees.

The strike of engineers, conductors and trainmen of the Washington, Baltimore & Annapolis Railway (electric line) won a 5% wage increase in September, 1934.

A small strike of train crews (involving 28 men) on the Fairport, Painsville and Eastern Railroad, owned by the Diamond Alkali Co. of Pittsburgh, was called for the payment of time and a half for overtime and the enforcement of standard rates of pay and working rules.

Company Union Survey

U. S. Bureau of Labor Statistics made a survey of company unions in April, 1935. It reached 14,725 establishments chiefly in the manufacturing, mining and public-utility industries. Company unions existed at the time in 593 plants, covering 530,388, or 20% of all workers included in the survey. (*Monthly Labor Review*, October, 1935.)

Almost 14% of the company unions covered in the study were set up during the World War period. And 64% of them, with nearly 58% of all workers covered by company unions, were established since 1933 when the NRA was set up.

Only ten company unions possessed at the same time such common trade union attributes as dues, regular membership meetings, written agreements, contacts with other workers' organizations and the right to demand arbitration of differences whereby the management relinquished its absolute veto power. The total number of workers in these ten establishments was only 6,515, or only 1.2% of all workers in the establishments with company unions. Of the 593 establishments, which dealt with their workers in whole or in part through company unions, only 13%, covering only 10% of the workers in the 593 plants, had written agreements of any kind.

Company Union Revolts

Students of company unions have frequently predicted that revolt from within, under certain circumstances, would transform them into bodies independent of company control, or even possibly turn them into genuine trade unions. A tendency in this direction has been noted recently, especially in the steel, rubber and electrical industries. Typical of this development in the steel industry was the action of workers of the *American Sheet & Tin Plate Co.*, subsidiary of *U. S. Steel Corp.* Thirty-three representatives of workers in 12 plants of the company held a three-day convention in New Castle, Pa., late in September, 1935. A committee of three, representing the convention, carried demands to the company for a 15% increase in wages, two weeks' vacation with pay, increase in pension payments, readjustment of seniority rules and important changes in company union constitution. All demands were flatly refused by the company except a minor one dealing with the averaging of the minimum wage over the pay period.

Similar demands were raised in the fall of 1935 by "employee representatives" in several plants of the *Carnegie-Illinois Steel Co.*, another U. S. Steel subsidiary, of *Jones & Laughlin Steel Corp.* and of *Republic Steel Corp.* (For details see *Steel and Metal Notes*, November and December, 1935.)

Railroad Workers Beat Company Unions: Revolt within the company unions has been accompanied by a strong movement to beat these dummy organizations in those industries where special laws or the operation of labor boards have permitted votes to decide which type of organization should represent the workers.

This has been particularly in evidence on the railroads. Bona fide trade unions ousted competing company unions on 77 railroads between June, 1933, and November, 1935. Not only the shop craft unions of the A. F. of L., but regular unions of railway clerks, telegraphers, maintenance-of-way men and other unions have succeeded in supplanting the company unions on all but a few roads. Leading strongholds of company unionism remaining are the Pennsylvania Railroad and the Santa Fe. (See "Company Unions on the Railroads" by B. L. McKillips, *Nation*, January 8, 1936; also Robert W. Dunn, *Company Unions Today*, International Pamphlets, No. 43.)

VI

PROFESSIONAL WORKERS¹

THIS chapter is limited to those occupations generally recognized by the public to-day as professions, as reflected in the listing of the U. S. Census of Occupations under "professional service." New professions are being recognized every day. The group recognized as professional workers may be a very much larger one to-morrow.

A professional worker must possess, besides training in his craft, enough general education to enable him to apply it to many different situations, which may be unlike each other. The skilled mechanic possesses training in a given craft. The engineer, on the other hand, possesses a background of scientific knowledge sufficient to enable him to design the production process.

More than half of all professional workers to-day are salaried employees of public or semi-public institutions—schools, hospitals, libraries, churches, research foundations and government bureaus. Self-employed practitioners such as doctors, dentists, private-duty nurses, with the exception of those who cater to a well-to-do clientele, depend for their existence upon the ability of workers to earn wages above mere subsistence. The remainder of the professional workers are those serving profit-making business directly either on a salary or on a fee basis, such as engineers, accountants and lawyers. In this group there is a minority that has become actively identified with the capitalist class.

Number of Professional Workers

Professional workers in the United States numbered slightly over three million in 1930. Applying the same rate of increase as occurred between 1920 and 1930, an assumption which appears to be valid in view of the continuation of the rate of graduation from institutions of higher learning, we may estimate that there

¹ This chapter was prepared by the research section of the Inter-Professional Association.

were 3,700,000 persons prepared to engage in professional pursuits in 1935, whether or not they succeeded in doing so.

The numbers of some professional workers have increased more rapidly than others. This is shown in Table I. The most outstanding growth has been among teachers, especially college teachers (not shown separately), trained nurses, engineers and chemists, social, religious and welfare workers and librarians.

Women have been entering the professions at a faster rate than men. The number of women in professional service rose from 79% of the number of professional men in 1910 to 97% in 1930. Women have been largely absorbed in the low-paid occupations, such as teaching, social work, nursing and library service, which are also among the fastest growing occupations.

TABLE I. NUMBER OF PROFESSIONAL WORKERS IN THE UNITED STATES, 1910-1930^a

<i>Professional group</i>	<i>Number (thousands)</i>		<i>Percent Increase</i>
	1910	1930	1910-1930
Teachers	615	1,125	83
Physicians, surgeons and dentists:			
Physicians and surgeons	151	154	2
Dentists	40	71	78
All physicians, surgeons and dentists	191	225	18
Technical professions:			
Technical engineers	89	226	155
Chemists, assayers, metallurgists	16	47	189
Designers, draftsmen, inventors	47	103	116
All technical professions	152	376	147
Musicians and teachers of music	139	165	19
Clergymen	118	149	26
Lawyers, judges and justices	115	161	40
Trained nurses	82	294	257
Actors and showmen	48	75	56
Authors, editors and reporters	39	64	66
Artists, sculptors and teachers of art	34	57	68
Social, religious and welfare workers	25	82 ^b	234
Architects	17	22	32
Librarians	7	30	299
Other professional workers	83	203	...
All professional workers	1,665	3,028	82.
Male	920	1,535	65
Female	735	1,493	103

^a U. S. Census of Occupations, 1930.

^b Since 1930, according to *Social Work Today*, this number increased to 200,000 in the middle of 1935, due largely to the increased demand for relief investigators and other workers in public relief agencies.

Professional Workers in the Crisis

Professional workers are hit later than wage earners in times of crisis. As the crisis continues, however, the professional worker, if self-employed, begins to suffer from the inability of the mass of wage earners to hire his services. Many salaried professional workers suffer the same fate as wage earners: drastic salary reductions, part time work and unemployment.

The appearance of unemployment among professional workers is a signal of their proletarianization. The United States Department of Commerce, in its study, *National Income, 1929-32*, made the following estimates of the way the first years of the crisis affected salaried employees (including professional workers) and wage workers in selected industries:

TABLE 2. INDEX NUMBERS OF EMPLOYMENT AND EARNINGS IN SELECTED INDUSTRIES, 1929-1932 *

	<i>Salaried employees</i>		<i>Wage earners</i>	
	<i>Number employed</i>	<i>Per capita earnings</i>	<i>Number employed</i>	<i>Per capita earnings</i>
1929	100.0	100.0	100.0	100.0
1930	98.4	100.9	87.4	94.7
1931	86.2	96.4	72.8	84.4
1932	70.0	84.7	58.4	68.2

* U. S. Department of Commerce, *National Income, 1929-32*, pp. 18-19. Selected industries include mining, manufacturing, construction, steam railroads, Pullman, railway express, and water transportation.

Available estimates of unemployment among professional workers are not very reliable. The United States census of unemployment of April, 1930, is known to be an understatement. It indicates that at least 6.5% of all gainfully occupied persons were totally unemployed, while 90,500 persons in professional and recreational pursuits, or 2.8% of all engaged in such work, were unemployed. A separate study of unemployment in 19 cities made by the Census Bureau shows an increase in unemployment among professional workers in these cities from 33,000 in April, 1930, to 54,000 in January, 1931. Table 2 shows that unemployment did not hit the mass of salaried workers until after 1930.

A study made by the Federal Emergency Relief Administration of the occupations of employable workers in families on urban relief rolls in May, 1934, showed 91,200 workers in professional and recreational pursuits on relief. This is an understatement of

the extent of unemployment among professional workers. For example, the number of teachers on urban relief rolls was only 18,000 while close to 200,000 were unemployed in the country at large in 1932, according to the U. S. Office of Education. Moreover, professional workers often state their occupations as clerks in giving information to the Relief Administration, hoping thereby to facilitate employment on work projects.

A special census of unemployment for the State of Massachusetts, taken on January 2, 1934, showed 20,023 professional workers unemployed or working on government projects in that state alone.

A few estimates have been made for unemployment in specific professions in recent years. A careful study undertaken by the American Association of University Professors showed that academic unemployment did not become a factor until 1931, colleges and universities having reduced their teaching staffs by about 10% between the academic years 1930-31 and 1933-34 and that most of the staff reductions occurred among assistants and instructors, positions occupied by the younger men. The effect of academic unemployment upon younger men is best illustrated by the condition of recent recipients of the highest academic degree, the Ph.D. The American Association of University Professors found that 21 institutions had granted 576 Ph.D.'s in June, 1932, and that the following fall one-third of the recipients were without jobs. Of those fortunate enough to obtain positions the majority were in assistantships or instructorships, previously offered only to men still doing graduate work. Thus, new graduates of advanced courses in universities face the same uncertainties as laborers.

While no reliable data are available concerning unemployment among architects and architectural draftsmen, it is believed that the decline in building activity has almost eliminated present opportunities for architectural services except on PWA and WPA.

We have some information on the decline in income of professional workers, both salaried and self-employed. Declining rates of pay were noted in most employed professions. Full professors in colleges and universities suffered salary reductions averaging 14% up to the academic year, 1933-34, according to the American Association of University Professors. Public school teachers maintained 94.5% of their 1929 earnings on paper, according to the National Education Association, but these paper earnings were

above actual earnings. Pay cuts were put over as unrecorded temporary deductions. Besides, many public school teachers were not paid at all, for example, the teachers of Chicago who received salaries for the last three months of 1932 in the summer of 1933.

Among independent professional practitioners the decline in income has been very great. The National Education Association accumulated the following data, most of it from the United States Department of Commerce which circularized self-employed practitioners in selected occupations.

TABLE 3. AVERAGE ANNUAL EARNINGS IN CERTAIN PROFESSIONS, 1929-1933^a

Occupation	<i>Per capita income</i>				
	1929	1930	1931	1932	1933
Consulting engineers	\$10,412	\$8,523	\$7,220	\$4,377	\$3,940
Lawyers	5,560	5,219	5,114	4,170	3,879
Physicians and surgeons.....	5,389	5,105	4,371	3,311	3,079
Dentists	4,575	4,381	3,794	2,776	2,413
Clergymen	2,136	2,014	1,881	1,701	1,573
Public school teachers ^b	1,498	1,517	1,573	1,528	1,414

^a National Education Association, Research Bulletin, vol. XIII, No. 4. Data on teachers from U. S. Office of Education, Biennial Survey of Education, adjusted by the N.E.A. Other data from U. S. Department of Commerce.

^b Including principals and supervisors.

Professional workers, if unemployed, suffer not only lack of earnings, but also inability to put into practice the training which they have taken so long to acquire. Furthermore, they become increasingly unemployable at their chosen occupations, which demand for efficient performance not only a background of theoretical training but also practical experience in its application. The discontent on this score is greatest among recent graduates of schools and colleges who have never had the opportunity to apply their knowledge in practical fields. The Massachusetts survey of unemployment as of January 2, 1934, shows that 2,314 of the 20,023 unemployed professional workers were people trained for professional service who had never worked. The largest groups among those professionally trained who had never worked were 1,130 teachers and 414 engineers.

Professional Organizations To-day

Union organization among professional workers has been greatly stimulated during the economic crisis of the past six years.

Before the years 1929-1936 many workers in the professions believed themselves secure in their jobs, called "positions." They joined professional associations aiming to achieve an ever higher "status" and looked upon unemployment as the lot of the "laboring man." Whenever a self-employed professional worker was forced out of practice, he usually accepted his loss of status as a sign of his own inferiority and sought a job as a salaried worker. At the same time, however, the past forty years has witnessed the development of a marked change in the attitude of some groups in the professions, brought about largely by the trend, evident in most professions, toward a constantly increasing proportion of salaried workers.

Since 1929, dispossessed professional workers, who were formerly self-employed practitioners, have been rapidly adding their number to the ever-growing mass of professional workers seeking employment. Workers in the professions are learning from experience the facts of economic life. Trade unionism is becoming their method of economic protection.

In general, organization among professional workers has taken two distinct forms: (1) trade unions; and (2) associations which have made professional status their objective. In between are those professional associations, having status as their aim, which have more and more been pressed into protective action on questions of salary and tenure. The membership of those associations, which have failed to act in the economic interests of their members, has remained static or actually fallen off during the past five years. Organizations having protective aims have increased in number, while those already in existence are attracting an ever growing membership.

To-day finds approximately 250,000 professional workers in trade unions and organizations with acknowledged protective purposes. More than half of these belong to the American Federation of Musicians. Roughly four times as many, upwards of one million, belong to national professional associations, such as the American Medical Association, the National Education Association, the American Nurses Association, the American Association of University Professors, the American Dental Association, and various engineering associations.

Below is an incomplete list of the protective organizations in the professions, giving information as to their scope, size, date of

organization and other relevant material. A few professional associations also are mentioned for purposes of comparison with trade unions in the professions. The organizations are listed under broad occupational groups, those occupations having the largest number of members in trade unions being listed first.

Musicians: The *American Federation of Musicians*, A. F. of L., was formed in 1896 at a convention of representatives of 27 previously organized local unions of musicians and many branches of a professional society, the National League of Musicians. The officers of the latter objected strenuously to the formation of the A. F. of L. union and expelled many of its branches for affiliating. Musicians joined the trade union in growing numbers, however, and the old professional society disappeared, leaving the A. F. of M. the only organization in the field. Its growth was so rapid that by 1914 it embraced the majority of employed musicians throughout the country. Its membership in 1935 was 137,000. There were 165,000 musicians in the United States recorded in the 1930 census. Local 802 of New York City with a membership of 16,000 has organized over 90% of the musicians of the city.

Like other trade unions the A. F. of M. has used such weapons as the strike to achieve the closed shop and enforcement of the union contract on wages, hours and conditions of work. During the crisis it has taken up the problem of the unemployed musician, not only by giving relief to some of its members, but also by obtaining government projects for musicians. The union has extended its protective activities to benefit its members on WPA projects, having brought about union conditions on projects in New York City by threatening a strike of all WPA musicians.

Teachers: The *American Federation of Teachers*, A. F. of L., formed in 1916, has over 200 locals (including 16 college or university locals) with a national membership of about 25,000. In 1902 two local teacher organizations, one in San Antonio, Texas, and the other in Chicago, affiliated with the A. F. of L. Between 1902 and 1916, 20 teachers' organizations obtained A. F. of L. charters, although some had ceased to exist when the American Federation of Teachers was formed. Relying upon the very strong support of organized labor to back it up in its demands, this union has to date been committed to a no-strike policy. However, unorganized teachers have gone on strike on various occasions. During 1935 there were strikes in parts of Pennsylvania and Alabama. The striking teachers in Pennsylvania belonged to a state teachers' association affiliated with the National Education Association.

Eligibility for membership in the American Federation of Teachers is decided by each local. Local 5 in New York City admits to membership teachers, research workers, clerical workers and librarians in schools and colleges. Although a part of the membership of this local withdrew in September, 1935, the growth of the local has been greatly

accelerated since that time, averaging an increase of 100 per week. The Cleveland local has more than half of the teachers in that city. The Atlanta, Ga., local has over 90% of those eligible for membership. Although only 2% of American teachers are now members of the American Federation of Teachers, the rapid growth of the organization, together with its wide penetration in certain localities, indicates that it is fast becoming the dominant protective organization of teachers.

The *National Education Association*, a professional association dominated by school superintendents, has recently concerned itself with such vitally important issues as academic freedom. At the 1935 convention of its Division of Classroom Teachers, the Association appointed an academic freedom committee with powers to seek public support for the right of teachers to academic freedom and to investigate cases of alleged violation of this right. The Department of Superintendence of the N.E.A., at its 1936 convention, voted to support the campaign of the New York City school teachers for restitution of a pay cut imposed in 1932. The membership of the Association is close to 200,000. There are many state and local teachers' associations, some of which are affiliated with the National Education Association. The combined membership of state teachers' associations is more than 700,000.

The *American Association of University Professors*, with 12,000 members, has for years concerned itself with problems arising out of violation of academic freedom and tenure and has recently instituted a blacklist of offending institutions. Its provisions for membership are such that it is dominated by full professors. Voting membership is limited to those who have had three years' teaching or research experience in colleges or universities. The Association excludes administrative officers.

Government Employees: The *American Federation of Government Employees*, A. F. of L., which had 5,000 members when it was organized in 1932, has grown to over 22,000 federal employees alone, with lodges throughout the country. It is an "industrial" or "vertical" union, including clerical, professional and technical workers. In 1935 it was granted jurisdiction over state, county and municipal employees.

The *National Federation of Federal Employees*, formed in 1917 as an A. F. of L. affiliate, withdrew in 1931 over a question of alleged interference with its internal policy. The American Federation of Government Employees was formed by those members of the National Federation of Federal Employees who did not wish to withdraw from the organized labor movement. The National Federation of Federal Employees has more than 60,000 members.

There are many local unions of civil service employees of state, county and municipal governments throughout the country.

Social Workers: The formation of local rank-and-file groups in social work commenced in 1930 and has since been proceeding rapidly. There are now 15,000 members in about 50 such groups throughout

the country. Their work is correlated through the *National Coördinating Committee of Social Service Employees*, formed in 1935, with which 17 rank-and-file groups are formally affiliated. The formation of such groups represents a recognition on the part of social agency workers that their interests are identical with those of other workers. Some of these groups have held mass meetings and demonstrations in cooperation with organizations of the unemployed.

Rank-and-file groups in social work fall into three categories: (1) protective organizations of all workers in social agencies. Some protective organizations in public relief agencies have recently been chartered as lodges of the American Federation of Government Employees; (2) practitioner groups limiting their membership to professional social workers; and (3) discussion groups holding meetings on the economic problems of the profession and of its clients.

While the majority of rank-and-file groups are employees of public relief agencies, organization began among workers in private agencies. The first trade union organized was the *Association of Federation Workers* in New York City, formerly a professional association. The Association reorganized in 1931 and became a trade union for the entire staff of Jewish agencies in order to fight a wage cut. The largest single group to-day is the *Association of Workers in Public Relief Agencies* (AWPRA) in New York City, an industrial union including all agency workers in a membership of 7,000. Both the groups above during 1934 and 1935 have resorted to militant action in the form of work stoppages to enforce economic demands.

The "top" of the profession is organized in a professional association, the *American Association of Social Workers*, formed in 1921 and embracing to-day 9,500 members in 68 chapters. It is not in a position to represent social workers in economic action for it refuses membership not only to clerical workers in social agencies, but also to the majority of case workers, by closing its ranks to all but those with higher educational qualifications than are required by social agencies in the majority of their employees. Its aim is to raise the status of the profession, necessarily involving the salary issue. The position of the American Association of Social Workers is that as the social worker improves, his economic condition improves. Consequently its activities have centered around advocacy of professional training for social workers.

Actors and Entertainers: The *Associated Actors and Artistes of America*, A. F. of L. (the "4 A's") was chartered in 1919 and at present has a membership of about 8,000. It has no locals, but is made up of affiliated unions whose largest single unit is the *Actors Equity Association*. The 4 A's has independent affiliates among chorus dancers, opera chorus, opera singers, screen actors, vaudeville actors and other occupational categories. The combined membership of these unions, however, is less than that of Actors Equity Association.

In December, 1912, 80 actors of the legitimate stage met in New York and five months later formed the Actors Equity Association with

112 members. Actors Equity grew rapidly and applied for an A. F. of L. charter in 1916 but was refused on account of the jurisdiction of the White Rats, a vaudeville actors' union chartered in 1896. In 1919 the White Rats, due to the decline in its membership following the loss of a strike in 1917, surrendered its charter. The remaining membership came together with the Actors Equity and the combined group was chartered as the 4 A's, with various occupational affiliates. Actors Equity has fought for payment for rehearsal periods and for a uniform contract. During the present period of widespread unemployment among actors, Actors Equity has been instrumental in obtaining projects for actors under WPA.

Technical Workers (Architects, Draftsmen, Engineers, Chemists and Technicians): The *International Federation of Technical Engineers, Architects and Draftsmen's Unions*, A. F. of L., organized 1918, has been declining in membership. It claimed 1,800 members in 1929, but only 1,000 to-day. The *Federation of Architects, Engineers, Chemists and Technicians* (FAECT), is an independent union formed in 1933. The constitution of the FAECT reads, "the object . . . shall be to unite all employee and student technicians for the purpose of obtaining and preserving employment with adequate wages and proper hours and working conditions." The FAECT now has between 6,000 and 7,000 members in 17 chapters, consisting of workers on WPA projects, in private industry and on civil service, as well as unemployed workers. Militant action on the part of the FAECT has resulted in the creation of work projects for technical workers and in protection of these workers on the job.

A small group of architects withdrew from the FAECT in 1934 to form the *Architectural Guild of America*, which now has about 400 members in New York City and Washington. The Architectural Guild has concerned itself recently with the problem of the unemployed architect by carrying on joint action with the FAECT.

The various technical professions are organized into a large number of professional societies, some of which are dominated by the "top" of the profession, others by employers.

Authors, Editors and Reporters: The *American Newspaper Guild*, founded in 1933, is a trade union of 5,000 members in 65 chapters throughout the country. Through militant action, supported by the other organized labor groups, the Guild has won several strikes and instituted a closed shop in a number of newspapers.

The *Writers Union* has carried on a militant campaign for work for unemployed writers under WPA.

The *Authors League of America*, an association of writers formed in 1912, has 1,500 members in three affiliated bodies: the *Dramatists Guild*, formed in 1919-1920, with 500 members and 1,500 non-voting associate members; the *Authors Guild*, formed in 1921, with 675 members; and the *Screen Writers Guild*, now 12 years old, with 360 members and some associate members. The Authors League does not

consider itself a union because its membership does not consist entirely of employed writers.

The *Book and Magazine Guild of America*, formed in 1935, has a membership of about 200 representing a majority of the book and magazine houses of New York City. It is making efforts to spread its membership to other cities. Its object is "to promote economic welfare, to maintain and improve standards of workmanship, and to safeguard constitutional guarantees of civil liberties with particular reference to freedom of the press."¹

Artists: The oldest organization of artists is the *United Scenic Artists* of New York, organized about 1880 and chartered in 1918 as a local of the Brotherhood of Painters, Decorators and Paperhangers of America, A. F. of L., which has also two other locals of scenic artists, located in Chicago and Hollywood. The United Scenic Artists has a closed shop among theatrical scene painters and designers. The combined membership of the three locals is about 500.

The *Artists Union*, organized in New York City in 1933 around the issue of paid jobs for unemployed artists on work projects, has a membership of 1,600. It has one affiliate, located in Minneapolis, and is corresponding with two other artists' unions, located in Chicago and Boston. Its application for an A. F. of L. charter is pending (February 1, 1936). Through militant mass action the Artists Union has won many concessions in the form of federal jobs for unemployed artists and has protected its members holding these jobs. Its membership includes all categories of artists.¹

Medical Professions: Although self-employment is the rule among physicians, surgeons and dentists, the increase in the numbers employed by hospitals and clinics, insurance companies, public health services, boards of education and industrial firms has been rapid. There is a large number of local organizations of physicians and surgeons concerned with the economic problems of their membership. Internes, who constitute a large group of licensed physicians, have worked for board and keep with little or no remuneration. The *Interne Council of Greater New York*, with more than 1,000 members, has succeeded in obtaining payment of \$15 a month from city-operated hospitals, although it is demanding \$50.

The *American Medical Association* (AMA), with its constituent state and county societies, is dominated by the "top" of the profession and does not concern itself directly with protective action for the economic welfare of its members. Its influence in the past has been

¹ During 1935 and 1936 professional associations of artists and writers were organized at large congresses held in New York City. Their main purposes are to protect freedom of expression for writers and artists, and to prevent the annihilation of the professions by the economic crisis, the growth of fascism and preparations for war. The American Writers Congress, held in April, 1935, attracted over 200 delegates from 25 states and led to the formation of the League of American Writers. The American Artists Congress, held in February, 1936, was attended by 400 delegates and led to the establishment of a permanent organization.

reactionary in bringing wide pressure to bear against proposals for health insurance. The *Medical League for Socialized Medicine*, a national organization with branches in many cities, believes that all health service should be a public function.

The *American Dental Association*, although a conservative body, has made a study of compulsory health insurance in Europe. With its constituent state societies, it has over 30,000 members representing nearly half of the profession. Three thousand dentists in New York City are organized in the *Allied Dental Council* which has appointed an economics committee.

Trained nurses are divided between those employed in hospitals, institutions and industrial concerns, and those in private practice. The former have for years been growing in relative importance, although the great majority are in private practice. In 1935 the *Association of Hospital and Medical Professionals, Local 20094, A. F. of L.*, was formed in New York City by a merger of the Nurses and Hospital Workers League, an independent union, and the Association of Laboratory Technicians. The charter of the new union grants jurisdiction over 14 hospital professions including staff physicians. There are similar small organizations in other localities.

The *American Nurses Association* is a professional association with 120,000 members. It is carrying on a campaign for the eight-hour day for nurses.

Pharmacists: The largest organization in the field, the *Pharmacists Union of Greater New York*, with over 1,000 members, has carried on a number of strikes. This union is seeking affiliation with the Retail Clerks International Protective Association, A. F. of L., which has already chartered locals in other places whose membership consists exclusively of pharmacists.

There is a professional association, the *American Pharmaceutical Association*, with 3,000 members. In addition there are state and local associations of pharmacists.

Lawyers: The *Lawyers Security League* of New York City, a new professional association of lawyers, formed in 1935, has 1,200 members. It concerns itself primarily with economic problems of the profession. It has brought about the employment of lawyers on WPA projects in New York City.

The principal activities of the *American Bar Association*, dominated by the wealthiest and most conservative lawyers, are definition of professional status and enforcement of rigid requirements for admission to the profession. The New York City Bar Association, which is independent of the American Bar Association, appointed a committee to cooperate with the Lawyers Security League in securing WPA projects for lawyers.

Clergymen: The *Ministers Union of America*, organized in 1931, has applied for an A. F. of L. charter which has not yet been granted. Its purpose is twofold: (1) "to work for the recognition of the right and necessity of organization on the part of all those who labor with

hand or brain, and to render all possible assistance to the workers of all races, religions and nationalities who struggle against unjust economic conditions..." and (2) "to seek the improvement of the economic, ethical and professional standards of the ministry." Through its union label committee the Ministers Union has carried on an active campaign to win support for union labor from various organizations.

Psychologists: A new professional association, the *Psychologists League*, formed in New York City in 1935, has concerned itself with the economic problems of the profession. Its membership is 100. It has carried on a campaign for WPA projects for psychologists. Through a joint committee, the Psychologists League, the *American Psychological Association* (with 2,000 members) and the *Association of Consulting Psychologists* (with 300 members) have been pressing for the appointment of psychologists on WPA jobs.

Librarians: Unsuccessful efforts have been made from time to time to organize librarians. In New York City such an attempt several years ago ended with the creation of a "staff association," essentially a company union. Movements for real unionization are now under way among members of such staff associations throughout the country. Librarians in schools and colleges of Greater New York and Westchester are admitted to Local 5 of the American Federation of Teachers.

Miscellaneous: Some organizations cut across occupational lines. White-collar and professional relief workers of New York City formed an independent union in 1933, the Associated Office and Professional Emergency Employees. It has cooperated with other organizations of professional workers that counted relief workers among their members. It gave up its independent existence when the *City Projects Council*, an organization of white-collar and professional workers on WPA jobs, was formed in 1935. The latter is growing rapidly and now has over 9,000 members. Similar organizations exist in other cities, notably Philadelphia and Chicago. A Chicago union, the *Technical and Research Employees Union, Local 20049*, also includes workers in private industry. It has obtained an A. F. of L. charter.

Employees of Consumers' Research, Washington, N. J., formed a trade union, the *Technical, Editorial and Office Assistants Union, Local 20055*, A. F. of L., in 1935 and shortly went on strike in September over the issue of union recognition and the firing of union organizers.

Some professional workers, for example accountants, are found in various A. F. of L. locals of office workers throughout the country. There is one A. F. of L. local of optometrists in New York City.

Inter-Professional Association. The *Inter-Professional Association* (IPA), organized in January, 1934, has 21 chapters and organizing committees in such important centers as Seattle, San Francisco, Los Angeles, St. Louis, Minneapolis, Chicago, Cleveland and the large cities on the East Coast from Boston to Washington. Membership embraces both individuals and organizations, the Authors League of

America being the first national affiliate. Local units of national organizations such as the American Federation of Teachers, the Federation of Architects, Engineers, Chemists, and Technicians, artists' and writers' unions, social work groups, are affiliated with local IPA chapters.

The purpose of IPA is to unite individuals and organizations to promote interprofessional coöperation for the organization of professional workers in relationship with the labor movement and to develop support for a broad social-economic program for the professions, of which a part shall be an inclusive program of social insurance. In line with its purpose, the IPA joined with industrial workers and farmers in the campaign for the Lundeen Workers Social Insurance Bill. Recently the IPA has sponsored a new bill, formulated on the essential principles of the former bill, which has been introduced into both houses of Congress. Various chapters of the IPA have actively coöperated with local bodies of the A. F. of L. on problems of social insurance legislation and relief. Several chapters have been active in organizing professional workers to bring pressure for extension of the WPA program. In many centers IPA has organized support of the striking employees of Consumers' Research, an example of inter-professional coöperation.

The IPA has developed out of the realization on the part of professional workers, that individuals, even single organized groups, are unable to cope successfully with the general hazards to their social and economic welfare without coördination of their activities into a strong integrated nationwide organization which shall coöperate with the labor movement.

VII

FARMERS AND FARM WORKERS¹

IN the three years, 1933-1935, destruction of crops in the face of mass unemployment and destitution became the government's farm policy. While farm income increased over the low years, 1931 and 1932, over 800,000 American farmers lost their farms through foreclosure between 1933 and 1935. In February, 1935, over 700,000 farmers and their families together with 600,000 agricultural workers were on the federal relief rolls. In 1934 the greatest drought in American history hit the country. The government delayed action so long that millions of animals had to be killed for lack of feed. At the same time, in the face of tremendous shortages, it continued its reduction program.

Federal credit policies helped the bankers and insurance companies and were used to force more poor farmers out of commercial production. These policies aided in increasing the favorable position of big farmers. Meanwhile, the substitute AAA program, forced by the Supreme Court decision against the old AAA, provides new instruments for squeezing small farmers more rapidly out of commercial production.

Farm Income

Government estimates of gross farm income (including produce raised for home consumption) began to rise after 1932 but at the end of 1934 they were still only three-fifths of the 1929 figure. Gross income was \$1,069,000,000 higher in 1933 than in 1932, and \$894,000,000 higher in 1934 than in 1933. These estimates of increase for 1933 and 1934 include \$872,146,000 in rental and benefit payments of which only \$572,506,000 had been paid out by December 31, 1934. Twenty-nine per cent of the 1932-1933

¹ This chapter, with the exception of sections on farm workers and farm organizations, was prepared by Farm Research, Inc., Washington, D. C. (See also *Facts for Farmers*, monthly journal of this organization. It contains latest figures on tenancy, size of farms and other topics which, due to lack of space, had to be omitted from this chapter.)

LABOR FACT BOOK III

increase was accounted for by rental and benefit payments and returns from the AAA pig slaughter. Over three-fourths of the 1933-1934 increase consisted of rental and benefit payments and the AAA drought cattle and sheep purchases.

FARM INCOME, 1929, 1932-1934

	1929	1932 (in millions)	1933 (of dollars)	1934 ^a
Gross income	11,941	5,337	6,406	7,300
Cash income	10,417	4,377	5,409	6,267
Total deductions (production and capital expenditures)	6,272	3,845	3,723	3,832
Net cash income	4,145	532 (in dollars)	1,686	2,435
Net cash income per family ^b	659	80	251	357

^a Preliminary figures from U. S. Department of Agriculture, *Crops and Markets*, July, 1935.

^b Number of farm families obtained by interpolation; 6,288,648 farms given by Census of Agriculture, 1930, and 6,812,049 farms given as preliminary figure for January 1, 1935 by the Agricultural Division of the Census Bureau.

If we deduct from estimated cash income estimates of current expenditures for production, depreciation of buildings and equipment, expenditures for wages, interest and taxes payable by farm operators and rent to non-farmer landlords, we get the cash available for living expenses of the farmer and his family and for farm improvement. Average net cash income per farm family (allowing for increases in the number of farms between 1929 and 1934) in 1934 was only 54% of the average in 1929.

These lump sums do not show the distribution of the increased farm income among different classes of farmers. Thus over one-third of the total increase in cash income between 1932 and 1933 was accounted for by increased returns for cotton lint. There is incontestable evidence that plantation owners pocketed most of this increase while they evicted thousands of tenants and sharecroppers.

Nearly a third of the increase in cash income between 1933 and 1934 came from larger sales of cattle and sheep. The greater returns were no real gain to the livestock men whose breeding stock was being destroyed by the drought and would have to be replaced in later years at increased cost. Part of the increase in income from cattle came from the AAA emergency drought purchases. The AAA paid \$113,000,000 for more than 8 million head

of cattle which would have been worth a much larger sum if the government had acted quickly on the drought situation. A part of the \$188,000,000 increase in hog income came from the same causes. Figures of livestock on farms on January 1, 1935, show clearly the costs of the increased income. Hogs dropped more than 35% from January 1, 1934, to the lowest level in over 50 years. Cattle showed the greatest drop in any one year on record. There was a marked drop in the number of ewes in western states, pointing to a delay before numbers of sheep and lambs could return to the pre-drought level.

Farm returns from 7,000 to 12,000 farm *owners* with larger than average farms show "net results" of the different income classes in the sample. "The 'net result' is not an income figure according to many of the common ideas of income." (*Crops and Markets*, July, 1935.) It is not a true net figure. In 1934 over 18% of the farm owners covered had a "net result" of increased indebtedness. About 40% had net results of \$0 to \$499. In 1933 a somewhat smaller sample showed 17% of the farmer owners in the red but 48% in the \$0-\$499 class.

For the country as a whole we have no net income figures. But from the 1930 Census of Agriculture we can get a picture of gross income distribution. In 1929 nearly 50% of the farmers in the United States had a gross income, including food consumed at home or traded, of under \$1,000. These farmers produced 14.2% of the total value of agricultural products in 1929. Another 42.5% of the farmers had a gross income of \$1,000-\$3,999 and accounted for 46.4% of the total production. The 8.7% of the farmers with a gross income of \$4,000 and over produced nearly 40% of the value of products.

These figures are really a considerable understatement of income stratification among farmers. The Census calls a share-cropper a farmer and considers the value of the cotton or tobacco he raises as *his* value of production though he never gets the money for most of his crops. Similarly, several tracts of land, each operated as a unit but all belonging to the same landowner are called so many farms. The managers running these farms for a salary are called farmers and the value of production of each of these farms is attributed to the separate managers rather than to the single owner who pockets the money.

Standard of Living

The great majority of American farmers are still living below the minimum for bare necessities. In many regions they are still unable to raise enough food for proper nourishment of themselves and their families.

The "adequate diet at minimum cost" worked out by the Bureau of Home Economics of the U. S. Department of Agriculture cost \$393 at 1931-1932 prices for a family composed of a very active man, a moderately active woman and three children under 10. This same diet cost \$528 at 1934 prices.

In 1934, when all the benefits that the AAA claims to have given the farmers were in full force, farm families grew an average of \$152 worth of products for home consumption and had an average net cash income of \$357. If they spent all their cash on food alone, they would still fall \$19 short of buying the minimum adequate diet and would also be without clothing and other necessities. Yet the experts describe only the "liberal diet" as "fully adequate." A "fully adequate" diet would have cost the above described farm family \$900 in 1934, or nearly \$400 more than the average farmer derived from his products grown for home consumption plus his net cash income. And note that neither of the 1934 diet cost figures includes such items as salt, baking powder, cocoa, tea, coffee and seasonings.

Forced Sales

While the number of farms foreclosed since March 15, 1933 has declined, it is still at a very high level. In the two years ending March 15, 1935, nearly half a million farmers were sold out.

FORCED AND VOLUNTARY FARM SALES *

	1933	1934	1935
Total forced sales ^b	357,000	262,000	193,000
Farm bankruptcies ^c	5,917	4,716	(not available)
Forced sales per 1,000 farms ^d			
Total	54.1	39.1	28.3
For delinquent taxes	15.1	11.1	7.3
Voluntary sales per 1,000 farms ^d ...	16.8	17.8	19.4

* *Farm Real Estate Situation*, April, 1935, and December, 1935, issued by U. S. Department of Agriculture.

^b Year ended March 15. Estimated from "forced sales per 1,000 farms" and Census figures on the number of farms in the United States.

^c Fiscal year ending June 30.

^d Year ending March 15.

The estimated number of farm bankruptcies jumped to 5,917 in the fiscal year 1933 and in 1934 had dropped only slightly below the 1933 figure.

Who Buys the Farms

The proportion of farms bought by active farmers in voluntary sales and trades rose to 58% in 1934 and to 63% in 1935 (years ending March 15). But the proportion of farms bought for operation in voluntary sales and trades has been declining steadily throughout the depression from 84% in 1928 to 74% in 1935 (years ending March 15).

Due to the heavy foreclosures of the past years, estimated farm mortgage debt had dropped from \$9,469,000,000 on January 1, 1928, to "less than \$8,000,000,000" on January 1, 1935. There has been a considerable shift in mortgage holdings. The proportions have changed as follows: At the beginning of 1935 insurance companies held 16% of all mortgages instead of 23% at the beginning of 1928. Commercial banks had dropped from 11% to 6% of the total; mortgage loan companies, joint stock land banks and others also held a smaller percentage than in 1928. On the other hand, the Federal Land Banks and the Land Bank Commissioner held in 1935 about one-third of the total farm mortgage debt instead of the 12% they had at the beginning of 1928. These figures clearly reflect the government's course in bailing out the mortgage holders. (Release of Farm Credit Administration, November 12, 1935, Press Service No. 7-79.)

Other Farm Debts

It is impossible to get any estimates more recent than that for January 1, 1933, appearing in *Labor Fact Book II*, on total farm debt or on short-term farm debt. On December 31, 1934, 99% of the commercial banks in the country held about \$808,000,000 in short-term farm loans. Farm Credit Administration short-term loans outstanding at the same time were about \$314,000,000, making a total of about \$1,122,000,000 in short term farm debts held by the government and the banks.

Interest, Rent and Taxes

On the basis of estimates of U. S. Bureau of Agricultural Economics, about one-fourth of gross farm income of 1934 went for

interest, rent and property taxes. This was a decline from 1932 but was still a higher proportion than in 1929. The annual charges for interest, rent and taxes are approximately as follows for 1934:

Interest on bank loans and mortgage indebtedness.....	\$472 million
Real and personal property taxes.....	424 "
Rent	929 "
Total	\$1,825 "

Rents paid by farmers have been increasing steadily since 1932. While taxes payable on property have been declining "it must be noted that property-tax decreases have not all represented clear tax relief for farmers. Farmers help to pay the sales taxes, gasoline taxes, and other substitute levies. From curtailment of state and local government services also the farmers may gain in tax savings, but the saving is not net." (*Farm Real Estate Situation*, December, 1935.)

Government Farm Credit Policy

Mortgage Credit: Since the beginning of 1933 the Federal Land Banks and the Land Bank Commissioner have made \$1,906,000 of new mortgage loans. Over 90% of them were used to pay off old debts. The Farm Credit Administration mortgage loans carry interest rates of 4.5% to 5.5%. Moreover, they are not used freely to refinance mortgages which farmers can't pay. In order to keep the FCA on a "sound business basis" the Farm Relief Act prevents farmers from getting relief on those mortgages based on excessive valuation of farm land and buildings, unless the mortgage holders agree to forego part of their original loan. Many farm buildings, in addition, have not been kept up in recent years, and are worth much less than when farmers first got their mortgages.

Mortgage loans of the FCA have operated mainly to relieve creditors. The 88% of Federal Land Bank loans used to refinance mortgage and other debts from May 1, 1933, through September 30, 1934, was distributed as follows: 31.8% went to commercial banks and receivers and joint stock land banks, 15.2% went to insurance companies, 2.9% to tax authorities, 0.7% to merchants, and the remainder—37.4%—to "other." (Second Annual Report of the Farm Credit Administration, 1934.)

That these creditors know where their interest lies is attested by a *New York Times* correspondent, December 13, 1935, who reported that among Roosevelt's followers in the South "are the investment bankers, the mortgage lenders and crop financiers. . . . In this class of bankers are to be found the most ardent supporters of President Roosevelt. Their enthusiasm surpasses that of the farmers."

In 1935 new mortgage loans of FCA were \$844,000,000 less than in 1934. And statements in the last months of 1935 by Governor Myers of the FCA indicate that the government thinks the banks and insurance companies can now take care of themselves. It contemplates cutting government mortgage relief still further in the next year.

Short Term Credit: The Farm Credit Administration was supposed to make short term credit easier for farmers during the period of crisis. From the beginning of 1933 to the end of 1935 total short term advances of the FCA were about \$1,385,000,000. A number of different agencies were provided through which farmers were to get loans. These included agricultural credit corporations, production credit associations, emergency crop and feed loan offices (which administered the drought relief loans of 1934 and 1935.)

"To get a loan from an agricultural credit corporation the farmer must make application in writing and furnish a financial statement and other information needed for judging the desirability of the loan. He must give liens on his crops, farm implements, work stock, and often his other livestock. In case he is a tenant he must obtain a rent waiver and usually the endorsement of his landlord. . . . During the growing season the corporation officers watch the borrower's crop to see that it is properly grown. In the fall they press for collection as the cotton is picked and sold." (U. S. Department of Agriculture, Bureau of Agricultural Economics, *An Experimental Analysis of Factors Affecting the Collectibility of Cotton-Production Loans*, by William H. Rowe, October, 1934.) The description of the strings on production loans by these corporations applies also to other crops. These corporations are now being liquidated to be replaced by production credit associations.

Emergency crop and feed loans in 1934 were supposed to be restricted to farmers who could not get credit "from established

agencies." They had to prove coöperation with the AAA's reduction program and give as security first liens on all crops and livestock. Interest on these loans is $5\frac{1}{2}\%$ payable in advance. It should be noted that one-third of these loans were made in the cotton states, that is, were used to bolster up the landlords and plantation owners who continued to charge the same old high interest rates to their tenants and croppers for advances. In 1933, 633,585 emergency crop loans were made, averaging \$90 each. In 1934 the number dropped to 445,198, and the average size to \$85.

Beginning June 19, 1934, *drought relief loans* were extended to meet the terrific emergency directly affecting 24 states. Despite the extreme conditions facing millions of farmers, the FCA required from borrowers non-disturbance agreements by all creditors holding chattel liens, the personal note of the borrower, and $5\frac{1}{2}\%$ interest. Loans were disbursed on a monthly budget basis for which the farmer had to make a new application every month showing his need. Only 38% of the money allotted for the purpose was lent in 1934 to 221,036 farmers, averaging \$147 per loan. Thus, in spite of an unprecedented disaster the total number of farmers getting drought, crop and feed loans in 1934 was only 32,649 larger than in 1933. By October 31, 1935, 16% of the money allotted for drought relief loans was still unspent.

Type by type the agencies of the Farm Credit Administration have set up regulations making it almost impossible for many tenants and small farmers, those whose need is greatest, to share in the funds provided. The FCA has coöperated with the AAA to push poor farmers out of commercial production and to leave the field of agriculture for the big farmers.

The Drought

The dust storms of 1934 and the spring of 1935 first called drought conditions to the attention of the whole country, However,

"it is to be emphasized that drought conditions were already prevalent before 1934 and that 1934 was but the continuation of a trend of insufficient precipitation. A large portion of the northwest, midwest, and southwest, has had five successive summers of drought so that the drought of 1934 which began abnormally early and covered the most extensive area on record, served to make more serious an already bad situation. The reserves of the farmers had been greatly reduced in the

preceding years and they had only limited resources with which to meet the devastation of the crop season of 1934... High temperatures, the complement of deficiency in rainfall, aggravated the entire situation throughout the drought area." (FERA, Division of Research, Statistics and Finance, *A Memorandum on Factors Involved in the Drought Relief Situation*, January 15, 1935.)

Much of this drought area should never have been opened up by the government for homesteads in tracts as small as 160 acres. Much of the land should never have been opened up for farming at all. But the cost of this mistaken land policy of the government has been and is being borne by those settlers who believed the golden promises made.

The 1934-1935 drought was the worst ever recorded in our history. It directly affected 24 states which contain 75% of the land area of the country. But the Department of Agriculture and the AAA did not begin to act until the seriousness of the drought situation had been apparent for at least a month. Sufficient feed or good pasture was not provided. Animals were not moved out of the stricken areas promptly enough to save them from destruction. Farmers were forced to sell the animals they could not feed and on which they could not get loans. The ten-unit livestock provision of the FERA and FCA limited animals that could be fed. The net effect of the wheat and corn reduction programs which applied to all states producing feed and forage crops (and not merely to the drought area) was to reduce the potential feed and forage supply to a subsistence level. At the end of 1934, regions which might have produced a surplus over their own needs for the drought area could barely feed themselves.

Small farmers have been most seriously affected by the drought. Not only does each animal or crop unit wiped out cause them greater loss in efficiency and income, but if carried far enough such reduction drives them out of production entirely.

The government welcomed the drought as strengthening its reduction program and sharpening the forces driving thousands of small farmers out of market competition. Secretary Wallace in his annual report, 1935, declared that the drought "burdened many farmers with debt which they cannot hope to carry even under improved economic conditions.... The Farm Credit Administration has refinanced a considerable number of farmers but its facilities are inadequate for the extreme cases.... It might be

advantageous in many cases to let foreclosures take place, and to reestablish the displaced farmers on other farms less heavily capitalized." He declared in the same report that it is necessary to "abate the prevailing excessively commercial trend in agriculture in favor of a less commercial, more domestic system." In other words, Wallace would like to see more subsistence farming if displaced farmers are to remain in agriculture at all.

Crop Reduction Record of the AAA

The table below shows how four crops were cut under the "New Deal" as compared with the decade 1920-1930¹:

	<i>Average</i> 1920-1930	1933	1934	1935
Corn				
Harvested acres	100,433,000	103,260,000	87,795,000	92,727,000
Yield per acre—bu.	26.5	22.8	15.7	23.8
Wheat				
Harvested acres	59,254,000	47,910,000	42,249,000	49,826,000
Yield per acre—bu.	14.0	11.0	11.8	12.1
Cotton				
Harvested acres	38,635,000	29,978,000	26,987,000	27,331,000
Yield per acre—lbs.	170.8	208.5	170.9	188.0
Tobacco				
Harvested acres	1,759,000	1,756,000	1,271,000	1,458,000
Yield per acre—lbs.	773.4	784	823	880

In his address to the farm leaders at the Washington conference of January 10, 1936, Wallace stated that the AAA had taken 36 million acres out of production in 1934 and 30 million acres in 1935. He indicated, however, that this was not enough, that his objective was to take out 50 million "surplus" acres.

Reduced Production and Price Spreads

The AAA reduction program was carried out despite the findings of the AAA's own statisticians. The Production Planning Division showed that 335,000,000 acres would have to be put into the production of food and feed alone if the nation were to live on a fully adequate diet. *To feed 125,000,000 people* on this diet the following *increases over 1928-1932 average figures* would have been necessary:

¹U. S. General Crop Report, December 1, 1935, U. S. Department of Agriculture, Bureau of Agricultural Economics; and Yearbook of Agriculture, 1935.

Total acres in harvested food and feed crops.....	22,391,000 acres
Dairy cattle	17,700,000 head
Poultry	168,400,000 chickens, etc.
Beef cattle and calves	19,900,000 head
Hogs	12,400,000 hogs
Sheep and lambs	18,300,000 head

In his Atlanta, Ga., speech, November 29, 1935, President Roosevelt admitted that "the average of our citizenship lives today on what would be called by the medical fraternity a third-class diet. . . . If the nation lived on a first-class diet we would have to put more acres than we have ever cultivated into the production of an additional supply of things for Americans to eat." But by the time Roosevelt recognized this fact the AAA had been operating for two and a half years. Due to his food destruction and crop reduction program, production increases that would now be required to give this first-class diet to the people have risen tremendously on all items except dairy cattle which were not directly controlled by the AAA.

In this same Atlanta speech Roosevelt bluntly stated, "Why . . . are we living on a third-class diet? For the very simple reason that the masses of the American people have not got the purchasing power to eat more and better food." But his AAA program, with its big increases in retail food prices, held back the masses from improving their diet and in fact decreased the amounts of food they could buy. And the per capita retail cost of the "liberal" diet was actually 24% higher in 1934 than in the 12 months from July, 1931, to June, 1932.

The farmer has not received this entire increase in retail prices. While from 1931 to 1934 the retail prices of 10 foods combined rose \$1.80, the farm price of the same 10 foods rose only \$1.02. More than 43% of the retail price increase went to processors and distributors. The farmer's share in the retail price of foods has fallen greatly since before the war. In 1914 the farm price of these 10 foods was 56.8% of the retail price. By 1934 it had fallen to 38.5%. But in 1934 consumers were paying \$2.08 more than in 1914 for these foods while the farmers were getting \$2.30 less. (Figures from *The Margin Between Farm Prices and Retail Prices of Ten Foods*, by F. V. Waugh, U. S. Bureau of Agricultural Economics.)

Farm Prices and Farm Purchasing Power

The AAA has made much ado about the ratio of prices received by farmers to prices paid by farmers. While this ratio has risen considerably in the last two years, in November, 1935, it was still below 1929. The AAA was aiming at a pre-war statistical relationship between two average prices. But income is a product of price and volume of production. The AAA was trying to restore a pre-war price ratio by cutting down production. If this ratio, or "parity," is achieved by crop reduction, only the large farmers profit. The reduction in output hits the small farmer hardest. His average *cost per unit of output* goes up rapidly while the change in production cost for the large farmer is slight. As a result, farming becomes more and more difficult for the smaller farmers. They are then labeled "a poor risk," "poor managers" or not "industrious."

Effects of the AAA

In its two and one-half years of operation, the AAA succeeded in driving out thousands of sharecroppers for whom landlords, reducing their cotton and tobacco crops, no longer had any use. The AAA did give the small farmers who signed contracts a tiny crop insurance. But the reduction program was, nevertheless, injurious to small farmers. Reduction of planted acreage cut the scale of production of small farmers to an even less efficient level. It did reduce their debts a little. They often did not get out of the county offices with their checks because tax collectors and other creditors presented their claims on the spot. The big farmers, on the other hand, took their worst land out of cultivation and used their benefit payments, which were not immediately taken over by creditors, to improve their technique of production on their remaining acres.

Despite all the talk about democratic control of the AAA, the several votes held by the AAA showed how few of the farmers raising a particular crop actually took part. Those who did vote—the large farmers who gained real advantages, the tenants and smaller farmers under landlord pressure and the "persuasion" of county committeemen's visits—were overwhelmingly in favor. Other farmers who were opposed to the program did not vote at all.

Contracts signed in any one year never totaled as many as half

the farmers in the United States. (Some farmers signed more than one contract.) The AAA was not concerned with small farmers already on a subsistence level and not competing commercially with large farmers covered by contracts. In addition, many large farmers raising commodities not included in the AAA contracts, such as dairy, livestock, poultry, and truck products, were not covered by the reduction program.

The so-called unconstitutionality of the AAA has not meant the end of the program. The new Soil Conservation and Domestic Allotment Act goes further in some respects than did the AAA. It opens the way for discriminatory reduction of production, long advocated not only by Secretary Wallace, but also by Ogden Mills, Republican leader. The Secretary of Agriculture is given dictatorial powers to make payments to farmers for shifting land from crop production to soil building crops and grasses. Payments for reducing specific crops are to be given according to the productivity of the land instead of on a flat acreage basis, as under the AAA.

In addition, sharecroppers and other small farmers will lose even the paper protection against inequitable treatment which the old AAA contracts offered. As under the AAA, agricultural wage-workers are completely ignored by the new Act. In anticipation of an unfavorable decision by the Supreme Court, the Act provides that by 1938 payments shall be made to the states which will have passed laws conforming to the policy laid down in the Soil Conservation Act. Forty-eight little AAA's are the ultimate goal of the Act. Early in March, 1936, Secretary Wallace announced that he wanted to see 30,000,000 acres shifted from crop cultivation in 1936.

Farmers Who Cannot Feed Themselves

The number of farmers on relief increased steadily at least to January, 1935. In June, 1935, there were perhaps twice as many farmer families on relief as in October, 1933.

The Federal Emergency Relief Administration has never given out the actual number of farmer families on relief. But they have made estimates from various sample studies. According to their estimates in October, 1933, there were approximately 400,000 farmer families on the relief rolls. By October, 1934, this number had risen to 625,000. In addition, 44,400 families were "rehabilitation" cases. The relief peak was reached in January, 1935, but for

this date there is no estimate on farmers. In February, 1935, 598,000 farmers and their families together with 135,000 rehabilitation cases were on the FERA rolls. During the following nine months a great deal of complaint was raised that relief clients were refusing jobs on farms and preferred to "live on the dole." State after state slashed the relief rolls in farm and rural counties. By June, 1935, farmers and their families on relief had dropped to 414,000 but rehabilitation cases were up to 364,000. The total in June, therefore, despite all drastic measures, was 45,000 higher than in February.

At the end of October, 1935, there were 316,300 farmer cases on direct relief, about 64,000 on WPA and 357,328 on the books of Resettlement's rural rehabilitation division. Total farmer families receiving relief were still at 737,628, but half of these families were under the Resettlement Administration.

Resettlement Administration

Organized April 30, 1935, by Roosevelt and Rexford G. Tugwell, under the Emergency Relief Act of 1935, the Resettlement Administration had as its purpose to save American farm families from starvation and "soundly to rebuild rural life."

Purchases of Submarginal Land and Land Utilization: Forty-four million dollars were allocated by Resettlement for the purchase of 9,980,303 acres of submarginal land—an average of \$4.40 per acre. Since the Resettlement Administration is a relief agency using relief money, the question is: Do these purchases give relief to needy families?

Tugwell does not say how much of this land is being bought from poor families or how much of the money goes to them. It is known, however, that some of the sales involved many thousands of acres. Resettlement has reported that 22,104 families live on the land it is engaged in buying. It also reports that one-half of these families will need relief when the land is taken from under them. It appears, then, that the \$44 million are being used to take over tax-delinquent land held by the states and to bail out banks and corporations with large land holdings. A few illustrations will make this clear.

In Billings and Golden Valley, North Dakota, Resettlement is buying 247,000 acres on which 50 families live. Though the cost is \$591,681, it reports that 47 of the 50 families will need financing

after they are removed. In Oneida and Cassia, Idaho, it is buying 140,000 acres on which 71 families are located. Yet it admits that 60 of the families will need relief when forced to move.

Resettlement has had trouble evicting farmers from land which it bought. These farm families said that the government had promised to resettle them on better farms elsewhere but had failed to keep its promise. Actually, Resettlement had earmarked \$2 million for this purpose. But the money was not spent; land was not provided and few of the evicted families were even taken into the rural resettlement projects.

Has the Land Utilization Division created jobs by buying this land? Only 29,000 persons were working on such lands by January 31, 1936, and not all of these came from the relief rolls. Part of the delay is due to the regulation that before the government can begin permanent construction, it must have clear title to land. A year is ordinarily required for this red-tape alone.

Rural Resettlement: The Rural Resettlement Division of the RA took over 40 subsistence homestead projects from the Department of Interior and about 60 rural industrial communities from the FERA. Only 37 of these were under way at the end of November, 1935; and on 12 of these not a single house was finished. These 37 projects will, upon completion, provide only 3,147 houses, although official plans of RA call for 11,000 houses. At the end of November, 1935, less than one-third of the homes promised were even on paper plans; less than one-half of those on paper had been completed after two years under Ickes and Tugwell. Seventy million dollars were allocated for completing these projects but the relief forthcoming has been sluggish and completely inadequate to meet the need.

Plans for these resettlement communities called for factories at which part-time work could be secured. But not one rural project has any source of industrial income, and the Comptroller General has ruled that relief funds cannot be used to build factories. (See *Labor Fact Book II* for analysis of effect of such factories.)

While their houses are going up, the families have some income as they are paid one-half of the regular WPA rate for building their houses. Yet even while most families have some such income, and though the payments due on their houses and land are lower now than they will ever be, delinquencies are already high. In No-

vember, 9% of the payments due were not paid. On some projects, delinquencies ranged from 17% to 28%.

The homesteaders cannot pay for their farms and houses by tilling the soil. The average cost of their houses is \$2,600; at Reedsville, W. Va., the cost of the house and land is \$10,000 or more. To pay off this debt the families have little equipment and only small plots of land, ranging from five acres in the old subsistence homesteads, to 35-75 acres in the new projects planned by the Rural Resettlement Division. These farmers failed on larger farms and with smaller debts. They will fail again on these small farms with high production costs, for they cannot compete with large low-cost farmers.

Loans to Coöperatives: In some of the rural resettlement communities with no income, the situation has become desperate. Tugwell is organizing coöperatives there to which he makes loans, in order that the homesteaders may have some income, even though small. The lending of money to coöperatives has since been extended to all farm coöperatives, new or old, for any approved purpose. Though \$4 million was allocated for this use, at the end of January, 1936, loans had been made to only a very few groups.

Rural Rehabilitation: Relief of farm families "in place" by means of small secured loans at 5% interest was projected to take most farmers off the relief rolls. Resettlement allocated \$44 million for this purpose to take care of 350,000 families. In October, 1935, this division carried 357,328 farmers on its books. But from June through December 6, 1935, it had made out only 191,237 checks for rehabilitation loans. The purpose of the loans, according to Tugwell, was to put the families on a permanent, self-sufficient basis, yet the average check came to only \$28. On December 6, Resettlement had given out in this form less than \$5,500,000.

Rural families in need of relief, but unable to put up security or to repay loans, finally forced Resettlement to loosen its policy. At the beginning of November, 1935, it promised outright grants to 175,000 new families. For this purpose it received \$28 million. The program was slow in getting under way. By December 6, 1935, it had given grants to only 14,061 families. Later the pressure of criticism forced it to speed up this activity. By January 15, 1936, it had given grants to 139,335 families. In two and one-half months these totaled only \$3,887,109, which also averaged \$28 per family.

Suburban Resettlement: For suburban projects, Resettlement has allocated \$31,000,000 for four of these projects. Here workers are supposed to return home in the evening and supplement their income through work in their gardens. Actually, Resettlement is buying large tracts of land for these communities, some at \$280 an acre. Some of the houses will cost as much as \$6,500 apiece. With the recent ruling requiring that rents cover total costs, it is doubtful that workers will ever be able to pay the necessary rents for growing their own spinach. As for the relief furnished by these projects, on January 13, 1936, Resettlement "estimated" that from 650 to 750 workers were employed on them.

Summary: Resettlement boasted that it had a total of \$375 million to spend on rural relief, presumably in one year. On January 15, 1936, Tugwell had spent less than \$31,000,000 in eight and one-half months. But this is not all. Of the \$31 million spent, \$9 million has gone for administration expenses, according to the U. S. Treasury.

National Farm Organizations

National Grange, Patrons of Husbandry: The National Grange, established in 1867, is the oldest farm organization in existence to-day. Its founders introduced considerable fraternal ritual in the organization, which is maintained at present, together with rather broad social activities. The Grange puts some emphasis on the ownership and operation of coöperative retail stores, and legislative activity on a federal and state basis. It claims to have about 800,000 members in 35 states. National headquarters of the Grange are maintained at 630 Indiana Avenue, N.W., Washington, D. C.

In its legislative program for 1935, the Grange supported the work of the Farm Credit Administration. It favored gradual elimination of government restrictions on crop acreage; a small amount of currency inflation; a protective tariff directed against imports of agricultural commodities; restriction of monopolies, particularly those engaged in producing agricultural machinery; furthering of coöperative enterprises; and large income and inheritance taxes on a progressive scale. It opposed general sales taxes.

American Farm Bureau Federation: The membership of the Farm Bureau does not generally include the poorest section of the farm population. It claims to have approximately 220,000

dues-paying members in 40 states. The Farm Bureau is closely linked up with the government-controlled county extension service and the county agents. It was founded in 1916 in order to provide means for coöperation between the U. S. Department of Agriculture (through the county agent) and the farming population. The Farm Bureau has quite extensive business activities in addition to legislative activities carried on through a national lobby in Washington. National headquarters of the Farm Bureau are at 58 East Washington St., Chicago, Illinois.

Farm Bureau actively supported the principles of the Agricultural Adjustment Act and the Farm Credit Administration. It favors a managed currency with a view to restoring "parity prices" for agricultural products; restrictions on the power of New York bankers; and protective tariffs for agricultural commodities.

Farmers Educational and Coöperative Union of America: The National Farmers Union, organized in 1902, has a membership of over 100,000 farmers throughout 37 states. Its largest membership is distributed in North and South Dakota, Wisconsin, Oklahoma, Michigan and Alabama. The Farmers Union program centers on various coöperative business projects and farm relief legislation. In the Northwest particularly, the Farmers Union has established coöperatives of considerable strength covering the marketing of grain, livestock, dairy goods, and other products. It also maintains purchasing coöperatives for oil, gasoline, seed, fertilizer, and other business enterprises including a number of mutual insurance companies.

Its legislative program centers around the Frazier-Lemke Re-financing Bill and the "cost of production" principle. The Frazier Bill calls for the reduction of rates to $1\frac{1}{2}\%$ for interest and $1\frac{1}{2}\%$ on the principal per annum. This is to be done by government loans on farm and chattel mortgages, and to be financed by the issuance of \$3 billion of new currency. Cost of production is a widespread demand among Farmers Union members. This demand involves legislation which will allow farmers to receive money and labor costs of production, plus a "reasonable profit," by government price-fixing. The Thomas-Massingale cost of production bill is endorsed by the National Farmers Union. This Bill gives the Secretary of Agriculture power to fix prices at cost of production plus a "reasonable profit" on that portion of farm products which is domestically consumed.

The official organ of the National Farmers Union is the *National Union Farmer*, published in Kankakee, Illinois. Besides this the Farmers Union press includes the *Farmers Union Herald* of St. Paul, and official papers published in various states.

Farmers National Holiday Association: The Farmers Holiday Association stands chiefly for the protection of farmers' homes and property against loss or seizure because of inability to pay debts. It is closely allied to the Farmers Union in membership, leadership and general program. However, in contrast to the Farmers Union which contains a clause in its constitution against political activity, the Holiday at its 1935 national convention went on record for a national Farmer-Labor Party. Because it has been a loose organization with relatively little steady activity, no accurate estimate of its membership can be given. It is strong in the states of North Dakota, Minnesota and Iowa. Official organ of the Holiday Association is the *Farm Holiday News*, published in Des Moines, Iowa.

United Farmers League:¹ In 1935 the members of the United Farmers League decided to merge their local organizations with those of other farm organizations. The United Farmers League had been a very militant organization, a federation of various farm organizations which supported a class struggle program. Established in 1923, its membership came primarily from the small, working farmers. In some cases, mergers of its locals were effected, principally with the Farmers Union and the Farmers Holiday Association. The national office was disbanded in 1935.

Farmers National Committee for Action:¹ The Farmers National Committee for Action is a united front movement which grew out of the Farmers National Relief Conference in Washington, D. C., December, 1932, and the Farmers Second National Conference held in Chicago, November, 1933, consisting of 750 delegates from 59 organizations.

In 1935, because of the drought in the northwestern states, principally the Dakotas, Nebraska, Kansas and the surrounding territory, the feed and seed situation became extremely acute. Great numbers of farmers in the drought-stricken territory were on relief during the winter 1934-35, and possessed no seed or feed for the 1935 season. Initiated by the Farmers National Committee for Action, a Farmers Emergency Relief Conference was called

¹ See also *Labor Fact Book II*.

by over 100 farm leaders and organizations mainly from the Farmers Union, the Farmers Holiday Association and the United Farmers League. The conference was held at Sioux Falls, South Dakota, in March, 1935. Over 450 delegates, representing over 100 different organizations, were present.

Main purpose of the conference was to determine immediate joint action of organizations in this area to procure more adequate cash relief, and to secure production credit for the ensuing season. The conference sent a delegation to Washington to seek drought legislation and push for the passage of the Farmers Emergency Relief Bill introduced by Congressman Burdick of North Carolina, which calls for the cancellation of farm debts (known as H.R. 3471 in first session of the 74th Congress). The united action of the delegates and their organizations resulted in the procurement of some production credit through government loans, and the raising of relief standards in a large number of communities.

Official organ of this united front movement is the *Farmers National Weekly*, published in Minneapolis. It has the broad support of individuals and locals of all types of farm organizations throughout the country. Its policy is based on the desire of these individuals and groups to achieve broad unity of all farm organizations on a minimum program for fulfilling the immediate needs of the farming population.

Agricultural Workers

U. S. Census of 1930 listed 2,733,000 farm workers 10 years old and over, of whom all but 171,000 were males. If we add to this figure at least half of the 339,000 *part-time farmers* who worked for wages for 150 days or more during the year (many of these farmers usually work out as farm laborers), we get nearly 3,000,000 agricultural workers. And if to these we add the 1,660,000 farm laborers who were listed as *unpaid family labor* (largely the sons, wives and other relatives of poor farmers) and the 776,000 *share-croppers*,¹ who fluctuate between the status of a cropper and that of a day-laborer, we get almost 5.5 million persons in the United States who fall within the very broad category of agricultural laborers.

¹ Agriculture Census of 1935 indicated a drop in the total number of share-croppers to 716,000, due in part to effects of AAA which stimulated landlords to evict share-croppers.

A recent government report, using agricultural workers in this wider sense, declared that "agricultural workers in 1930 amounted to 52.6% of all persons who gained a living out of agriculture." On this basis the report estimated that farm laborers constituted over 11% of all persons gainfully employed in the United States.

Proportion of *hired farm workers* (in the narrowest sense) to the total of all persons occupied in agriculture is 26% for the United States as a whole. This proportion is especially high in some of the northeastern states, for example: Rhode Island, 59.6%; Massachusetts, 54.2%; Connecticut, 53.6%; and New Jersey, 53.2%. Other states, where the proportion of hired farm labor was high, were in the Far West, for example, California, 56.4% and Arizona, 53.0%. It is important to note in this connection the incorrectness of the notion that farm workers are concentrated only in the Far West. The figures for eastern states indicate what an important proportion of the farm population they constitute in these regions also.

There are 539,307 Negro farm wage workers, or 19.4% of the total hired farm workers. They are located chiefly in the South.

There are four general classes of hired farm workers: 1. Those who live in small villages and towns but who go out to work on farms. This is the largest class. 2. Migratory workers who usually move from region to region following the crops. 3. Workers who not only work but live in considerable numbers on large farms. 4. Single farm hands employed by individual farmers and living on the farm. Usually only one will be employed on a farm.

The Government and the Farm Workers: Agricultural Adjustment Administration, through its production control programs and marketing agreements, was directed by Congress to increase farm income. But with the exception of certain studies of sugar beet and sugar cane workers and the setting of certain minimum wage provisions for the beet workers, no attention was given by the AAA to raising the incomes of agricultural labor. The AAA crop reduction program, in fact, rendered tens of thousands of farm workers jobless. Prof. A. B. Cox of the University of Texas, at the convention of the American Statistical Association, December, 1935, declared that the reduction of the cotton crop meant that \$83,000,000 ordinarily paid to cotton pickers was withheld. At the same time tens of thousands of small tenants, small farmers and share-croppers, forced out of business by the AAA program,

were pushed into the class of farm wage workers. In North Carolina alone in 1934 some 12,000, or 9.3% of all the share-croppers and other tenants in the state were forced into the ranks of day laborers. (Estimated on basis of figures in *Nation*, January 8, 1936.)

NRA also turned a cold shoulder to agricultural workers. Its wage and hour codes and collective bargaining procedures were not offered to them. As for the FERA, it handed out the most meager relief to farm workers and closed its relief rolls and stopped work relief projects when rich farmers clamored for cheap harvest labor. No matter how low the wages were or how bad the working conditions, rural workers on relief were forced to take the jobs offered. For example, in 1935 in South Dakota, 19,000 were thrown off relief to take harvest jobs, although only 1,000 such jobs were available in the whole state. In southern New Jersey also the relief authorities tried to force workers off relief to pick raspberries for wages that ran as low as 50¢ a day. At Coolidge, Ariz., relief workers were forced to work for big farmers, doing 12 hours of irrigation work (wading and shoveling in water at a temperature of 112 to 118 degrees) for a dollar a day.

The WPA likewise discriminates against rural workers by setting wage rates that are lower than in the cities. Southern rural workers receive as low as \$19 a month.

National Labor Relations Act and the Social Security Act, both passed in 1935, exclude agricultural workers from such benefits and protection as they provide. However, many of them received meager emergency unemployment relief. In June, 1935, about 450,000 farm laborers were receiving relief in rural areas.

Farm Wages: Average wages paid to farm workers in the United States from April, 1935, to January, 1936, were no higher than the annual average in the pre-war period (1910-14), according to figures of U. S. Bureau of Labor Statistics. Following table shows this comparison as well as the seasonal variation in 1935:

	<i>Annual Average, 1910-14</i>	<i>Apr. 1 1935</i>	<i>July 1 1935</i>	<i>Oct. 1 1935</i>	<i>Jan. 1 1936</i>
Daily with board	\$1.10	\$.97	\$1.05	\$1.11	\$1.00
Daily without board ..	1.43	1.34	1.41	1.47	1.37
Monthly with board ..	20.41	19.11	20.41	20.57	18.54
Monthly without board	29.09	28.82	30.08	30.38	28.63

In a number of states average wages fell considerably below these broad averages. In South Carolina the average daily wage

without board is still only 70¢. Considering the fact that the average work day on a farm is ten hours or more, even the conservative government figures show that workers without board average for the country as a whole less than 15¢ an hour.

Official investigations and reports from workers show that cotton pickers receive as low as 25¢ to 35¢ a day. Citrus fruit workers in Florida, who often work from 6 a.m. to 8 p.m., averaged about \$6 a week in 1934, or a yearly income of less than \$200 on this seasonal work. Hop pickers in Washington are paid only \$1 for a 10-hour day. According to a special government investigation, most workers in Louisiana sugar cane fields made only from 75¢ to 80¢ for a 12 to 14 hour day in 1934. In the onion fields of Hardin county, Ohio, whole families are found trying to subsist on \$250 or less a year.

Organizations of Agricultural Workers: The last few years have seen the organization of agricultural workers on a nation-wide scale. By the autumn of 1935 there were over 150 farm workers' unions spread over 30 states. Over 75% of these unions were federal locals of the American Federation of Labor and the majority of these locals had been chartered since the beginning of 1934.

In January, 1935, a National Conference of Agricultural, Lumber and Rural Workers met in Washington, D. C. Delegates came from 20 states representing 37 different organizations. This conference established a National Committee for Unity of Agricultural and Rural Workers. The Committee opened a national office in New York City. It appealed to all organizations of workers in the small towns, villages and rural regions of America to join in united action: 1. For the improvement of immediate conditions and for the strengthening of organization among rural workers. 2. To work toward the establishment of one nation-wide union of all agricultural and rural workers.

This committee sent out organizers and helped develop unions in many parts of the country. It also started, August, 1935, to publish the *Rural Worker*. The work of this committee showed some results in the 1935 convention of the American Federation of Labor. Six resolutions concerning rural workers were introduced at this convention; four were passed. Chief resolution passed called upon all unions affiliated with A. F. of L., together with local and state bodies, "to pay special attention to the problems, needs and organization" of food growing and processing

workers. The other resolutions were: (1) against forcing unemployed to work on farms at low wages; (2) to cooperate in every way with the Southern Tenant Farmers Union; (3) to provide for a boycott of wool and mutton if the Sheep Shearers' Union was not recognized by ranchers. A resolution introduced for lower per capita tax for A. F. of L. unions of farm workers was not passed.

Certain state federations of labor also took action looking toward the unionization of agricultural workers. For example, at the 57th annual convention of the New Jersey State Federation of Labor, September, 1935, a resolution was passed, calling for (1) support of all affiliated bodies for agricultural workers; (2) general reduction in initiation fees and dues for all rural laborers' unions.

In 1933 the *sugar beet workers* in the western fields, sweating for the Great Western Sugar Co. and other concerns, averaged only \$9 to \$16 an acre. In 1934 the workers were determined not to work for such low wages, but they were tricked into believing that the U. S. Secretary of Agriculture would establish minimum wages. Nothing was done for them.

In January, 1935, over 50 delegates from 38 organizations representing 35,000 beet workers in Colorado, Wyoming, Nebraska and Montana, met and set up a National Beet Workers Committee. They demanded from \$23 to \$27 an acre which would, even so, have given them an income of only from \$250 to \$300 per year. By putting organized pressure on the government and by not signing contracts to work until the Secretary of Agriculture acted, they succeeded in forcing the government to hold wage hearings. These resulted in the setting of minimum wages of from \$17.50 to \$21 an acre. The minimums, however, were subsequently wiped out by the death of the AAA in 1936.

A national beet workers' conference of 51 delegates representing 39 A. F. of L. and independent local unions of five states, met in Denver, January 18, 1936. They made plans for drawing all local unions into one national body to be affiliated later with the A. F. of L.

Strikes of Farm Workers: Many strikes of agricultural workers marked the years 1933-1934. Bitter rural strike struggles were waged from California to New Jersey and from Florida to Ohio. Reports on industrial disputes in issues of the *Monthly Labor Review* covered 23 agricultural workers' strikes involving 16,000

workers in 1933; 22, involving 24,000 workers in 1934; and nine involving 9,500 workers during first six months of 1935.

These government reports on agricultural workers' strikes are however, quite inadequate. As we showed in *Labor Fact Book II*, there were at least 36 strikes, involving about 50,000 workers, in California alone, during 1933. Many other rural struggles have remained unrecorded by governmental agencies.

Two important rural strikes since the beginning of 1934 were in:

Seabrook, N. J.: In April, 1934, a strike involving over 1,000 workers was led here by what later became Agricultural Workers Union 19996 (A. F. of L.). Workers were employed on a large-scale vegetable and fruit farm called Seabrook Farms. The union succeeded in raising wages from 12c-15c to 25c-30c an hour. However, in June, 1934, Seabrook tried to smash the union and go back to the old wage scale. The workers struck again and won. The increased wage scale remained. Vigilante groups were formed by Seabrook and other rich farmers to smash the strike by terrorizing the workers and union leaders. As many as 60 workers were injured on one day as the forces of "law and order" attacked mass picket lines. The union had the support of the small farmers and the sympathy of some professionals and small business men of the community.

Hardin County, Ohio: Agricultural Workers Union Local No. 19724 led a strike here in June, 1934, against miserable conditions of pickers in the onion fields. For working in hot dry muck, picking onions, they received from 8c to 12½c an hour. Children received as little as 4c an hour. Some 800 workers struck. The chief demand was for a wage increase to 25c an hour. They finally won increases which brought their rates to 15c and 20c. As in the Seabrook strike, the corporations owning the land resorted to terror tactics. Union leaders were arrested, beaten and kidnapped.

Sharecroppers' and Tenants' Unions

Sharecroppers of the South and Southwest, whom we included in our broader category of farm workers, have also formed their unions and engaged in strikes. We gave the background of the Share Croppers Union in *Labor Fact Book II* (page 142). This union at the beginning of 1936 had about 12,000 members in Alabama, Mississippi, Louisiana and North Carolina. Most of them were in Alabama where the union originated.

This union led a strike of some 500 Alabama cotton choppers in the spring of 1935, winning \$1 a day wage rate on a number of large plantations and 75¢ and a meal or transportation on others.

Then in the late summer of 1935 it led a strike of some 3,000 cotton pickers in central Alabama, where some were receiving as low as 35¢ a day. The chief demand was for \$1 for a 10-hour day, or \$1 per 100 pounds picked. In Tallapoosa County they won the wage increase to \$1 a day, while in other counties the rate was raised to 75¢ and one free meal or 65¢ and two free meals a day.

Landlords were particularly savage in their terror attempts at strikebreaking in Lowndes county, Alabama, where six Negro share croppers were murdered during the strike, over 20 beaten and many evicted from their homes. But even in this county the struggle raised wages from 35¢ to 65¢ a hundred pounds.

The organization that leads in the struggle of the tenant farmers, agricultural workers and rural poor of Arkansas is the Southern Tenant Farmers Union, organized in 1934 and now having members chiefly in Arkansas but also in Mississippi, Oklahoma, Texas, Missouri and Tennessee. By the beginning of 1936 it claimed a membership of 25,000. More than 100 delegates were present at its second annual convention held at Little Rock, Ark., early in January, 1936.

This union led a cotton pickers' strike in Arkansas and Texas in the fall of 1935 which also in the face of extreme landlord terror raised wages from 30¢-65¢ to 75¢-\$1 for 100 pounds. The union is planning to draw up a model contract which will tend to prevent planters from cheating croppers and tenants by dishonest book-keeping, fix legal rates of interest for loans and hold down prices of food at planters' stores.

VIII

THE UNITED FRONT

WITH the Nazis' assumption of power in Germany and the rise of fascism elsewhere, a changed condition faced the organized labor movements and their political parties. Early in March, 1933, the Executive Committee of the Communist (Third) International¹ addressed a manifesto to all labor organizations and Social-Democratic parties asking them to unite with it against "hunger and the capitalist offensive."

Again in February, 1934, Communists proposed a united front for the assistance of Austrian workers, defending themselves with arms against the attacks of the Dollfuss government, backed by Mussolini. In October, 1934, the Communist and Young Communist Internationals appealed to the Labor and Socialist (Second) International¹ and its constituent parties for a united front in support of the revolutionary struggle in Spain.

Despite the urgency of the situation, the Second International delayed replying until November. After seven of its member parties had voted for a united front with the Communist International, the Second International resolved that member parties themselves must decide whether to conclude united front agreements with Communist parties. The Communist International's proposal for a united May 1, 1935, demonstration, was not accepted by the Second International.

At the Seventh World Congress of the Communist International, which met in Moscow, July 25 to August 21, 1935, the general secretary, Georgi Dimitrov, hero of the Reichstag fire trial, placed as "the immediate and central task of the international proletarian movement: *the establishment of unity of action amongst all sections of the working class in the struggle against fascism.*"

Dimitrov voiced the unanimous sentiments of the approximately 400 delegates from 76 Communist parties, with a total membership of over three millions, represented at the Congress, when he

¹ See *Labor Fact Book I*, Ch. X.

declared in his report entitled *Working Class Unity—Bulwark Against Fascism* (Workers Library Publishers, New York City):

Millions of workers and toilers of the capitalist countries ask the question: How can fascism be prevented from coming to power and how can fascism be overthrown after it has been victorious? To this the Communist International replies: *The first thing that must be done, the thing with which to commence, is to form a united front, to establish unity of action of the workers in every factory, in every district, in every region, in every country, all over the world. Unity of action of the proletariat on a national and international scale is the mighty weapon which renders the working class capable not only of successful defence but also of successful counter-offensive against fascism, against the class enemy.*

With Italy's attack on Ethiopia imminent, Dimitrov in the name of the Communist International appealed, September 27, 1935, to the Second International for a united front against the Fascist war. Again on October 5, an appeal was made to the Executive Committee of the Second International which was meeting in Brussels. This time, with representatives of 17 countries present, a majority, or all but five, were in favor of the Communist International's offer. Nevertheless, because the Socialist parties of England, Holland, Sweden, Denmark and Czechoslovakia opposed the united front, the Executive Committee of the Second International in its resolution, October 12, 1935, "declared it could not accept the invitation of the Comintern."

But while rejecting any world-wide united front with the Communist International, the Executive Committee of the Second International, in keeping with a previous resolution of November 17, 1934, left the way open for Socialist parties in various countries to unite with Communists. Few Socialist parties have thus far seen fit to accept repeated Communist pleas for the united front. But in Germany and Austria, for example, there are local united fronts. And where united fronts in action have been established, results have been conspicuously successful in warding off the fascist danger and proving to the workers that fascism is not inevitable and can be stopped. Three examples of such united fronts abroad may be cited:

France: The united front of Socialists and Communists in France was started before the Second International had granted permission to its member parties to enter such arrangements.

United actions of both parties followed threat of a Fascist *coup* in February, 1934, at the time of the Stavisky scandal. On July 27, 1934, the united front pact of the Socialists and Communist parties was formally sealed. In the meantime, there had been formed also a broad anti-fascist or People's Front which included also the Radical Socialist Party and others. One victory after another forced the *Croix de Feu* and similar fascist organizations to retreat, and also forced the Daladier and later the Laval governments to resign. Notable electoral victories were scored. By January, 1936, the People's Front parties had 337 or a slight majority of the 615 members in the Chamber of Deputies. Moreover, the two large trade union centers, the C.G.T. (reformist) and the C.G.T.U. (revolutionary) met together on September 27, 1935, in public joint sessions to give effect to the decisions of the congresses of both organizations to unite in the C.G.T. Efforts are also underway for "organic unity" of the Communist and Socialist parties.

Italy: A "Congress of Italians Living Abroad" was held in Brussels, October 12 and 13, 1935. Representatives of both Internationals, the international trade union organizations, and others were present. It was a congress of "representatives of the toiling masses of Italy, of the democratic parties and the parties of the Italian working class, of the organizations of the Italian emigrants in Europe and America," its appeal stated.

A firm united front was established between the Socialist and Communist parties of Italy along with other groups for the defeat of Italian fascism and its war on Ethiopia.

Spain: Unity of Socialists and Communists in Spain was forged in the revolutionary struggle of October, 1934. (In Asturias, a united front of the two existed previously for about a year.) This revolt against the forces of reaction was suppressed, some 30,000 persons imprisoned, and other repressive measures adopted. Accordingly, a Popular Front was formed of Left Republicans, Socialists, Communists, Anarcho-Syndicalists and others. They scored a striking victory against fascist forces in the elections of February and March, 1936, winning some 266, or a majority of the 473 Deputies. The Communist Party elected 15 deputies, the Socialists 87, and the Syndicalists 2. One of the chief demands of the united front, amnesty for the 30,000 political prisoners, was

carried out following the election victory after gigantic mass demonstrations.

In the United States

The Communist Party of the United States has, since early 1933, made numerous proposals for working class unity. Thus on March 30, 1933, a call for united action was addressed to the Executive Council of the A. F. of L., the National Executive Committee of the Socialist Party, and other labor organizations.

Again on May 26, 1934, an appeal was made to delegates of the Socialist convention for "Unity Against Fascism, Hunger, War!" This appeal was referred to the Socialist National Executive Committee. Since no response was forthcoming, Earl Browder, general secretary of the Communist Party, addressed "A Serious Word to the Socialist Party" (July 14, 1934), renewing the request for negotiations on united action by the two parties. An exchange of letters between Browder and Norman Thomas followed, the Socialist leader stating that the matter would be taken up at his party's National Executive Committee meeting. The latter, on September 6, 1934, decided to postpone "consideration of further negotiations between our two parties until our next meeting about December 1..." This committee has as yet taken no favorable action for the united front on a *national* scale.

However, there have already been united actions by the two parties, or groups closely related to them, in local elections and in connection with certain labor defense and other issues. For example, Socialists and Communists in the Trumbull County, Ohio, elections of November, 1934, issued a joint leaflet calling for support of the former's county ticket and the latter's state ticket to defeat the capitalist politicians. In Bridgeport, Conn., and Reading, Pa., the Communist Party supported the successful Socialist slates. In Bethlehem, Pa., southern Illinois and parts of Louisiana and Massachusetts, united fronts were achieved. In Omaha, Nebr., and Sioux City, Iowa, both parties agreed to work together for a Labor Party ticket. In Terre Haute, the Socialist and Communist parties signed a pact for joint action to further a Farmer-Labor Party and to fight war and fascism.

The Socialist Party joined the Communist Party and other groups in circulating petitions for the release of Angelo Herndon. A broad Joint Committee to Aid the Herndon Defense was or-

ganized. It included the General Defense Committee (I.W.W.), International Labor Defense, League for Industrial Democracy, League of Struggle for Negro Rights, National Committee for Defense of Political Prisoners, and Non-Partisan Labor Defense. This unity contributed in no small measure to the release of Herndon.

At the 1935 A. F. of L. Convention, militant Socialists and Communists united to support industrial unionism, the Labor Party and other progressive issues.

In many cities, such as New York, Detroit and Chicago, the Socialist Party answered the call of the Communist Party and joined trade union bodies in united conferences which prepared for joint celebrations of May Day, 1936.

Crisis in the Socialist Party

Meantime the Socialist Party was undergoing an internal struggle between the "militants" and "Old Guard," the latter headed by certain reactionary leaders in New York City. A "Declaration of Principles," which marked a step leftward, had been adopted at the Socialist Convention in Detroit in June, 1934, and a majority of militants was elected to the National Executive Committee. The "Old Guard" then attacked both the Declaration and its supporters. This struggle continued even after a national referendum approved the Declaration by a vote of 5,993 to 4,872.

But the "Old Guard," which has been uncompromisingly opposed to the united front with the Communist Party and to the Soviet Union, registered a victory at the N.E.C. meeting of the Party in Buffalo, July 13-15, 1935. The "militants" accepted a so-called "harmony pact" with the reactionary forces within the Socialist Party. Towards the end of 1935, the "Old Guard" tried further to strengthen itself in the New York City and state apparatus of the Party, which it had controlled for many years. It approved a proposal to "reorganize" which meant the elimination of the "militants." These had in the meantime established their own weekly organ, the *Socialist Call*. On December 6, when the New York City Central Committee refused to reconsider its decision, the "militants" walked out, declared themselves the legal City Central Committee, and established their own headquarters.

By December 12, of the 22 branches which had voted, 16 sup-

ported the "militants" and only six the "Old Guard." The "militants" then held an "Emergency Convention" in Utica, December 28-29, with delegates from New York City and 20 up-State locals of the party.

This convention appealed to the N.E.C., which met in Philadelphia, January 4-5, 1936, and took the following steps: (1) temporary suspension of the old New York State Committee without, however, recognition of the newly organized group; (2) appointment of a temporary state committee on which "Old Guard" appointees, however, refused to sit; and (3) appointment of a committee of three to register Party members by February 7, 1936, as a preliminary to the conduct of elections of Party officers, and restoration of the suspended state charter. Registrants were, in effect, thus supporting the N.E.C. and, in turn, the militants in New York. The *Socialist Call*, February 15, reported that 1,632 or "a majority of the Party membership" from New York City had registered and that in "up-state New York, locals have indicated their support of the National Executive Committee almost unanimously."

In the New York State primary elections, April, 1936, the militants won 31 out of 42 delegates to the national convention. They also won 80 state committeemen as against 55 for the "Old Guard," with five districts still in doubt on April 13.

Farmer-Labor Party Movement

The movement of workers, farmers, white collar workers and professionals for independent political action through a Farmer-Labor Party of their own, based largely on the trade unions, has been a most important aspect of the united front. The movement received its principal spur at the A. F. of L. convention in 1935. (See Ch. V.) Francis J. Gorman, vice-president of the United Textile Workers of America, spokesman for the Labor Party forces at the convention, listed some of the arguments for such a party: (1) destruction of workers' economic rights; (2) "New Deal" aid to capitalists, but not to workers; (3) destruction of workers' political and civil rights by union-smashing, killings, terror and use of militia; (4) need to combat fascist trends and drive for war; (5) both old parties dominated by financial and industrial interests; (6) futility of A. F. of L.'s traditional "non-partisan" political policy; and (7) need to "fight for the right to work."

Gorman emphasized the fact that trade unions must be base of a Labor Party, but must secure as allies farmers, small business men, unemployed, professionals and white collar workers.

By March 1, 1935, Labor Party or Farmer-Labor Party movements were under way in some 28 States. Here is an incomplete summary indicating the various stages of development. They are reported mostly from the period since the fall of 1935.

1. **In local elections:** In San Francisco, labor candidates for Mayor and Municipal Court Judge received 14,000 and 37,000 votes, respectively. Labor Party slate in Danbury, Conn. Springfield, Mass., mayoralty candidate received over 3,000 votes. In Michigan, two Commissioners were elected in Port Huron, mayoralty candidate losing by only 383 votes; Maurice Sugar, candidate for Detroit Council, polled 55,000 votes losing by slim margin. Mayor elected in Berlin, N. H. In New Jersey, labor tickets were run in Essex county (backed by Central Labor Union), Paterson and Camden County. Tickets also in Gloversville, N. Y. Two elected to Toledo City Council and two to Board of Education; ticket run in Canton, Ohio. In Washington, Councilman elected in Aberdeen; tickets in Everett and Goldbar.

2. **Endorsed by trade unions or other organizations:** Arkansas (Southern Tenant Farmers Union); California (55 organizations in Alameda county); Connecticut (over 150 local unions); Chicago (61 unions); Indiana (Gary and Gibson County Central Labor Unions, unions in South Bend and Bicknell, unions and civic organizations in Terre Haute); Maine (Textile Council and two leading State Federation of Labor officers); Massachusetts (Lowell Textile Council, leaders of 17 largest Lynn unions, U.T.W. and Central Labor Union of New Bedford); Michigan (70 unions in Detroit), Ann Arbor (Central Labor Union); New Jersey (Bridgeton agricultural workers union); New York City (140 unions); Ohio (Toledo Central Labor Union, Buckeye Local, Amalgamated Association of Iron, Steel & Tin Workers, nine automobile workers' locals in Cleveland comprising Auto Workers Council); Oregon (State Federation of Labor); Reading, Pa. (23 unions); Rhode Island (State Federation of Labor); Utah (State Federation of Labor and Mine, Mill & Smelter Workers); Vermont (State Federation of Labor); Wisconsin (State Federation of labor, railroad brotherhoods, farmers' organizations, Socialist Party, etc.).

3. **Promotional movements started:** Connecticut (Council for part of the state with U.T.W. backing); Chicago (Cook County Committee); Iowa; Springfield called for Labor Party conference of Western Massachusetts; New Hampshire; New Mexico; Ohio (Lucas County Labor Conference in Toledo called conference of all Central Labor Unions in State), Akron, Barberton, Youngstown; Pennsylvania (Ambridge, Emaus, Lancaster, York County); South Carolina; South Dakota; Tennessee (Permanent Labor Conference for Political

Action, representatives from Chattanooga Central Trades and Labor Council, railroad brotherhoods, A. F. of L. unions); Houston, Texas; Norfolk, Va.; Wisconsin (Farmer-Labor Progressive Federation formed).

Minnesota Farmer-Labor Party convention, March 28, 1936, decided to call a national conference of labor, farmer and progressive groups to promote state Farmer-Labor parties in other states, to campaign for election of Farmer-Labor congressmen in 1936, to build a national Farmer-Labor Party and to "explore the possibilities of a national Farmer-Labor ticket in 1936."

Other United Fronts

In the Scottsboro case, as in the Herndon case, a broad united front—the Scottsboro Defense Committee—was organized with representatives of the American Civil Liberties Union, International Labor Defense, League for Industrial Democracy, Methodist Federation for Social Service, Church League for Industrial Democracy and the National Association for the Advancement of Colored People.

The National Negro Congress in Chicago, February 14-16, 1936, was the broadest united front of Negro people ever assembled in this country on a program of action for Negro rights. With over 900 delegates present from 551 organizations with a total membership of over 3,300,000, the Congress established itself as a permanent organization to fight for equal rights for Negroes.

The American Student Union was organized at a convention held in Columbus, Ohio, December 28-29, 1935. It was an outgrowth of the National Student League and the Student League for Industrial Democracy.

Unity of all national unemployed organizations was achieved April 8, 1936, at conventions in Washington, D. C., of Workers Alliance of America, National Unemployment Councils, National Unemployed League and several smaller bodies. United organization, Workers Alliance of America, represents about 500,000.

IX

CIVIL RIGHTS AND FASCIST TRENDS

Anti-Labor Bills

OF the many gag bills introduced in the 74th Congress (1935 Session), two made dangerous progress towards becoming law. These are the Tydings-McCormack military disaffection bill, and the Kramer "anti-sedition" bill.

Tydings-McCormack Bill (S. 2253; H.R. 5845), known as the Military Disaffection Bill, was passed by the Senate, June 24, 1935, and reported out by the House Committee on Military Affairs, July 22. Early in February, 1936, Senator Tydings announced that he had withdrawn his sponsorship of the bill. It was then learned that Secretary of War Dern's support of the measure had been written by a subordinate at the direction of "a little red-baiting clique in the Navy Department led by Captain W. D. Puleston, chief of the intelligence division." (*Nation*, February 26, 1936.)

The bill aims "to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience." It goes far beyond the wartime "Espionage Act." It declares it unlawful and punishable by fine or imprisonment for any person to urge or solicit any member of the Army or Navy of the United States to disobey the laws and regulations of the Army and the Navy or to publish or distribute any book, pamphlet, letter or other writing advising or urging such action.

In opposing this bill, liberals point out its fascist implications. Rep. Vito Marcantonio of New York states: "This bill will be used to prosecute labor leaders in labor disputes when the militia is called out when any strike takes place in any locality of the United States. . . . The bill is dangerous, and it is unnecessary." (*Hearings on H.R. 5845*, March 19, 1935.)

Kramer Bill (H.R. 6427) was reported favorably by the House Judiciary Committee, August 13, 1935. Its aim is "to prohibit

statements and publications advocating overthrow of the Government by violence, and for other purposes." It provides punishment by a \$5,000 fine or five years' imprisonment, or both, for any person who advocates the overthrow of the Government of the United States by "force or violence."

This bill is in effect an attempt to punish mere belief in political doctrines. To advocate a change in the system of government as a political principle, or to be a member of an organization which teaches or advocates such a political theory, would under this bill become a crime.

Kramer and McCormack bills were introduced as a result of the investigations and recommendations of the House of Representatives' Special Committee on Un-American Activities, the Dickstein Committee (73d Congress, 2nd Session). Though appointed for the "investigation of Nazi propaganda activities and investigation of certain other propaganda activities," this special committee submitted recommendations directed against Communist and labor organizations, but none against Nazi activity.

State Anti-Labor Laws: Four states, Arkansas, Delaware, Indiana and Tennessee, in 1935 sessions of their legislatures, passed almost identical laws, barring from the ballot all political parties advocating the overthrow of government by "force and violence" and "sedition or treason." Similar bills were introduced in more than 20 state legislatures in session during 1935.

These bills, aimed at denying political rights to radical working class parties, were sponsored by the national office of the American Legion, by the Chambers of Commerce, and by other "patriotic" and red-baiting organizations.

In opposing these bills, attorneys for the American Civil Liberties Union declared that they are "part of the anti-radical drive whipped up by the Hearst papers and 'patriotic' groups, a drive which not only threatens 'left wingers,' but threatens all labor and labor organizations as well." These bills are "a dangerous step towards the one-party dictatorship of Fascism." They deny to groups of citizens the right to vote and express their convictions and belief—a right which is guaranteed in the 14th Amendment of the U. S. Constitution.

A new statute, passed in 1935 session of the *California* legislature, forbids the use of school buildings as meeting places by indi-

viduals or parties who advocate the overthrow of the government by "force and violence, or other unlawful means."

The Dunckel-Baldwin anti-labor "sedition" bill passed the 1935 session of the *Michigan* legislature and was signed by Gov. Fitzgerald on June 6, 1935. But as a result of state-wide pressure from labor and liberal groups, this bill was passed in a much modified form. It now practically repeats a part of the more drastic criminal syndicalism law which has been on the Michigan statute books since 1919. Labor and civil rights organizations are working for repeal of both laws.

The so-called Anti-Nazi law, passed in the 1935 session of the *New Jersey* state legislature, is "the most serious threat to freedom of speech and the press," declares the American Civil Liberties Union. This measure punishes written or spoken incitements to "hatred, violence or hostility . . . by reason of race, color, religion or manner of worship." It is so sweeping in its provisions that it threatens anti-Nazis as well as Nazis, atheists and even religious bodies.

Fascist Trends in the Schools

Fascist tendencies in American schools appear in various forms. One of the most important is the passing of *teachers' oath bills*. Twenty-two states and the District of Columbia have already (March, 1936) passed such laws. These states are: Nevada, Rhode Island, Ohio, Colorado, Oklahoma, Oregon, South Dakota, Florida, West Virginia, Indiana, California, Montana, North Dakota, Washington, New York, Arizona, Georgia, Massachusetts, Michigan, New Jersey, Texas, Vermont, and the District of Columbia. The last eight of these were passed in 1935, as a result of special campaigns conducted by the Daughters of the American Revolution, the American Legion, and the Veterans of Foreign Wars.

These laws require the teacher to subscribe to an oath (or affirmation) of loyalty to support the Constitution of the United States and the constitution of the state of residence. They were designed to insure the employment of only those teachers who were deemed to be "loyal" to the institutions of this country, but they have affected liberal teachers of all shades of opinion. There have been widespread protests against them and some teachers have resigned their positions rather than sign the oath.

Denial of academic freedom has been widespread. Here are some recent examples:

1. James Stewart of Plumville, Pa., because he quoted Theodore Roosevelt on how we acquired the Panama Canal property, was threatened with dismissal. Court action thwarted the threat.

2. Victor R. Jewett of the Eureka, Cal., schools, an active labor organizer, was given a 20% cut in an effort to discharge him. He was charged with the "unprofessional" conduct of participating in a lumber strike picket line.

3. Three teachers of long experience were discharged from the Ashtabula, Ohio, school system because they organized a mild protest against two salary cuts in two successive years.

4. "Punitive" transfers, difficult assignments, petty tyranny and threat of dismissal have been the experience of many New York teachers during the recent rapid growth of the Teachers Union.

5. The New York City Board of Examiners conducts a "loyalty" questioning of all candidates for a teaching license. In 1935, one young woman candidate, who had passed all written examinations with credit, was denied a teaching license because she favored "an impartial presentation of all controversial subjects."

6. Students in many New York City high schools, particularly at Abraham Lincoln High School and James Monroe High School were severely punished for activity in the anti-war strike on April 12, 1935. Some were kept from entering colleges of their choice. Others were denied honors they had earned or were removed from posts of responsibility. At Stuyvesant High School, New York City, the assistant principal called upon the police to raid a small meeting of students in a private home near the school. At James Monroe High School a "vigilante" organization of students was secretly organized to combat radicalism.

Organized Reaction

The economic crisis, with its sharpening of the struggle between the capitalists and the working masses, has brought about the rejuvenation of older "professional patriotic societies," the birth of many new reactionary organizations, and spurred the anti-labor activities of standard employers' groups such as the Chamber of Commerce of the United States, National Association of Manufacturers and various state and local associations with similar names. All of these groups carry on the work of reaction and suppression of democratic rights under the mask either of patriotism or defense of some "threatened" American tradition. Functioning in this period, their essentially anti-working class activities take on many of the aspects of fascism.

These organizations fall into three groups: those which operate nationally; those confined to one section of the country; and those which are scarcely organizations at all, but represent some one person's particular class phobia.

They undertake the spreading of propaganda, the initiation and support of anti-working class legislation, and such direct action as strikebreaking. In other words, they concern themselves with everything designed to defend the existing capitalist system and to perpetuate private profits. They attack all radicals, reformers and even liberals as agents of revolution.

Their programs include one or several of the following general aims: (1) suppressing Communists and Socialists and "curbing" trade unionism; (2) combatting revolutionary propaganda, "subversive" theories and "sedition"; (3) deporting aliens and radicals; (4) strikebreaking, spying and anti-labor activity in general; (5) spreading pro-Nazi and pro-fascist propaganda; and (6) stimulating race prejudice by dissemination of anti-semitic, anti-Negro and anti-foreign-born propaganda.

The following are brief descriptions of some of the leading organizations and individuals wholly or partly engaged in this type of activity:¹

American Liberty League: The American Liberty League was organized in August, 1934, "to sustain and defend the fundamental principles embodied in the Constitution of the United States," to combat radicalism, and "to preserve the ownership and lawful use of property when acquired." It attacks both the "New Deal" and radical groups, and opposes all attempts "to subvert our form of government."

Backers: That the Liberty League was organized to maintain the profits and privileges of big business, at the expense of the liberties of labor, is shown by the list of its national executive committee and national advisory council, and by its statements against labor and in defense of company unions. On its national executive committee are Sewell L. Avery, president and chairman of the Morgan-dominated Montgomery Ward & Co.; John W. Davis, lawyer for J. P. Morgan & Co.; Irene duPont, vice chairman of the board of E. I. duPont de Nemours & Co.; Grayson M.-P. Murphy, treasurer of the League, a director of Morgan's Guaranty Trust Co.; and other bankers and big industrialists. Murphy, through his bond salesman, Gerald C. McGuire, approached General Smedley D. Butler, according to the General's testimony, in the summer of 1933 in an effort to persuade him to lead soldiers to an American Legion convention and participate in a fascist coup that would set up an outright dictatorship for the bankers and

¹ See also *Labor Fact Book II*, pp. 180 ff.

industrialists. (Public Statement of Special Committee on Un-American Activities, House of Representatives, 73d Congress, 2nd Session. Released in New York City, November 24, 1934.)

Others on the executive committee or advisory council include E. T. Weir, chairman of the anti-union National Steel Corp.; John J. Raskob, duPont vice-president and former chairman of the Democratic National Committee; Mr. and Mrs. Pierre S. duPont; Alfred P. Sloan, Jr., president and chairman of General Motors Corp.; and other equally prominent industrialists.

During the year 1935, the League took in \$483,175 and spent \$389,973. Principal expenses were for salaries, state organizations and "educational" or propaganda purposes. Jouett Shouse, president, received \$36,750 as salary and \$18,000 for travel and expense allowance.

Among the large contributors to the League, during the first 16 months of its existence, were the following who gave \$5,000 each: Sewell L. Avery; Donaldson Brown, vice-chairman and director of General Motors Corp.; Robert R. M. Carpenter, duPont vice-president and director; Charles S. Copeland, J. Howard Pew; John L. Pratt; H. B. Rust; Alfred P. Sloan, Jr.; John T. Smith; E. T. Weir; Joseph E. Widener; Henry B. duPont; Pierre S. duPont; S. Hallock duPont; and William duPont. Members of the duPont family contributed a total of \$23,500 and lent \$114,500 during 1935. A number of these large contributors to the American Liberty League were also contributors to the Republican Party during the same period.

Program: Outstanding points in the League's anti-labor program: (1) attacks trade unions and favors company unions; (2) opposes the 30-hour work week bill as "an unwarranted attempt to control production in violation of constitutional principles;" (3) has attacked payment of war veterans' adjusted compensation (bonus) as extravagant expenditure; (4) opposes the Social Security Act, because of the "burdensome taxes imposed upon industry for unemployment insurance and old-age pensions." (5) opposes federal expenditures for unemployment relief or work relief.

Methods of Work: According to its own report, the League has distributed several million copies of its more than 100 pamphlets; supplied information regularly to every leading newspaper in the country; maintained a speakers' bureau for nation-wide radio addresses; and organized active student chapters in 26 colleges and universities. It reported on January 25, 1936, a membership "now approaching 75,000."

On January 30, 1936, John J. Raskob made public a letter, sent out on personal stationery, appealing for mass membership in the League: "As a property owner, stockholder and director in several corporations, I hope you will not think me presumptuous in calling on you and your friends to unite with others in issuing a clarion call... to join the American Liberty League... *which is doing everything possible to root out the vicious radical element that threatens the destruction of our government.*" (Our emphasis.—Ed.)

Political Role: The League is clearly an association of big business, organized to protect the wealth and power of the richest men in the country. It is significant that with the Republican Party, the Democratic Party and the U. S. Chamber of Commerce already representing the interests of capitalism, it was thought necessary to set up an organization aiming more openly to protect big business and defeat working class demands.

This "liberty" league, although at present representing mainly reactionary Republican interests, may very well grow into a party of "national unity," leading the open fascist forces drawn from the most reactionary elements of both Democratic and Republican parties. Recognizing the economic issues involved between capital and labor, it will function as a political agency in defense of the most reactionary, most chauvinist and most imperialist elements of finance capital.

Chamber of Commerce of the U. S.: The Chamber of Commerce of the United States, which claims a membership of 700,000, was responsible for a pamphlet entitled *Combating Subversive Activities in the United States*. This was widely distributed by local Chambers of Commerce to business men, industrialists, bankers and professional groups, during the winter of 1934-1935. Its first appearance was timed to precede by a few weeks the opening of the 74th Congress, in order to prepare public opinion for support of anti-labor, anti-red bills.

Recommendations of the national Chamber include the following points, most of them already embodied in bills before Congress: a federal sedition law; denial of use of mails to organizations advocating "subversive doctrines"; immigration laws refusing entrance to any person whose country will not take him back if he is deported; refusal of citizenship to persons who believe in or advocate "violent overthrow" of the government; federal laws prohibiting attempts to incite disaffection or subordination among armed forces of the United States; and a special agency within the Department of Justice to investigate "subversive activities."

Cooperating in this anti-labor campaign are 14 national organizations, including the Order of Elks, National Civic Federation, Kiwanis International, Military Order of the World War, United States Patriotic Society, and United States Flag Association.

Chamber of Commerce subversive activities committee (1935) is composed of bankers and industrialists, including James A. Farrell, formerly president and still a director of U. S. Steel Corp.; Walter C. Teagle, president of Standard Oil Co. of New Jersey; Felix M. McWhirter, Indianapolis banker; and Silas Strawn, Chicago lawyer and bank director.

American Legion: National Office of the American Legion conducted a campaign in 1935 to amend election laws in order to bar working class political parties from the ballot. (See above.) In its anti-labor campaign during the past two years the Legion has worked in collaboration with Hearst newspapers, the Chamber of Commerce of the United States and such reactionary organizations as the National Civic Federation.

Through its Americanism Commission, the Legion, which claims a membership of 850,000, has carried on such typical anti-labor activities as the following: urged deportation of foreign-born workers in San Francisco strike, 1934; formed a Constitutional Defense League in Pennsylvania and launched an hysterical anti-radical attack on steel workers, April, 1935; through its department executive committee, ordered all American Legion posts in New York State to strike from their membership rolls Legionnaires who are members of the Communist Party or "who advocate government overthrow by force or violence" (*New York Times*, April 2, 1935); addressed letters in March, 1935, to all leading college presidents asking them to report on "subversive activities" in their institutions; brought pressure to bear upon Ohio State University in December, 1935, and succeeded in barring the American Student Union convention from its halls.

Legion members encouraged or paid by employers have frequently participated in anti-labor mobs. (A list of such incidents is on file at office of Labor Research Association.)

Rank-and-file members have in a number of instances opposed the official Legion policy of strike-breaking. Membership of an entire Legion post marched in the funeral procession of Howard Sperry, a veteran, killed in the San Francisco strike, 1934. Other Legionnaires picketed moving picture houses in New York City in a strike during September and October, 1934.

Dominating Legion national policies is the so-called "Royal Family," made up of army and naval officers, most of them belonging to such officers' organizations as the Legion of Valor and the Military Order of the World War. In 1935, the Legion of Valor advocated breaking off diplomatic relations with the Soviet Union and condemned resolutions by National Education Association on academic freedom. Military Order of World War advocated finger-printing all aliens and deportation of radicals; favored universal military service in war-time and eulogized Hearst for his patriotic services. All these resolutions were passed by the Legion convention.

National Union for Social Justice: Father *Charles E. Coughlin* organized his National Union for Social Justice on November 11, 1934, with a demagogic program that has in it strong fascist elements. In November, 1935, he came out openly with an attack on League of Nations sanctions and defended Italian fascism's invasion of Ethiopia. On November 24, 1935, he talked about "democratic revolution" in the United States and hinted strongly that an armed coup d'etat might become necessary to carry out his program. And at one of his church lectures, January 22, 1935, he advocated use of armed force in Mexico to overthrow the Cardenas government and suggested similar action in the United States: "The only way the Christians in Mexico can put their prayers across is at the point of a gun. And that's what they're going to do in the spring. There'll be some fat, greasy scalps hanging on the wall. *And that's what we may have to do in this country.*" (Our emphasis.—Ed.)

Basic point in Coughlin's program is *inflation*, which he terms "normalization." He has proposed that \$10 billion in paper money be issued to end what he calls a "famine of currency." This would of course raise prices by lowering purchasing power of the dollar and real wages of workers.

Several planks in 16-point program of the National Union for Social Justice sound radical, but when compared with the radio priest's practice, they are shown to be mere demagoguery. Point 2, for example, proclaims every citizen's right to "a just and living annual wage," while point 10 announces "the right of the laboring man to organize in unions." Yet Coughlin himself employed non-union labor, at wages below union scales, in building his church, and until recently had his printing done in non-union, low-wage shops. He refused to meet an A. F. of L. committee appointed to confer with him on the subject.

Coughlin helped to organize a dual union movement in the automobile industry, the Automotive Workers' Industrial Association, and on September 5, 1935, attacked A. F. of L. automobile union. For these anti-labor activities he was condemned in a report of the Committee on Resolutions, adopted at the 1935 A. F. of L. convention.

He is on record as opposing unemployment insurance, old age pensions and socialized medicine. He has stated: "The National Union for Social Justice contends that strikes and lockouts are absolutely unnecessary."

Coughlin maintains close contact with the Committee for the Nation, an organization of big bankers, industrialists and farm capitalists. He is a friend of William Randolph Hearst, and stayed at Hearst's ranch in California on his vacation in 1932. Indeed, Hearst's paper, the *Detroit Times*, started Coughlin on his successful career as a national figure and is practically his personal organ. (See *The Truth About Father Coughlin*, by A. B. Magil, Workers Library Publishers.)

William Randolph Hearst: Millionaire Hearst commands the largest single propaganda force in the United States, a force which he has been employing on behalf of Fascism, disguising it by lip service to "Democracy." Hearst advertisements boast that 24,000,000 read his morning and Sunday newspapers.

Hearst is perhaps best known for his yellow journalism; his nefarious part in the Spanish-American War; his subsequent campaign to create a war with Mexico; his vicious attacks upon the Japanese people; his lies about the Soviet Union and Communism. He is the foremost mouthpiece for American Legion leaders, professional patriots, National Civic Federation and other reactionary forces. He is a big Navy, big "defense" advocate.

His fascist tendencies took on more definite form after a visit to Germany in the summer of 1934. There he interviewed Hitler, was welcomed by high Nazi officials and was even photographed with Alfred Rosenberg and the chief of the press division of the Nazi foreign political bureau. This was soon after Hearst, from London, cabled his newspapers' attorney instructions to mobilize publishers to help break the San Francisco general strike.

In Germany a deal was made so that by January 1, 1935, the Hearst news service was being purchased for all the Nazi party press. And at the end of 1934 a series written by Hitler's lieutenant, Gen. Hermann Goering, Reich Air Minister and Prussian Premier, began to appear in Hearst Sunday papers. At the same time articles attacking the Soviet Union were using "Photographs and stories which for more than a year had appeared in the Nazi papers," according to George Seldes in *Freedom of the Press*. Moreover, on February 24, 1935, Hearst papers opened a lying attack on a group of leading educators all of whom had publicly attacked the Nazi regime in Germany. (*New Republic*, April 17, 1935. See also *Imperial Hearst* by Ferdinand Lundberg.)

In November, 1934, soon after Hearst's return to this country, a red scare campaign was begun against schools and colleges, against the Soviet Union, Communism and taxation of the rich, and for teachers' oaths and similar reactionary legislation. (See, for example, *Revolt on the Campus* by James Wechsler.)

Hearst campaign against liberal students and the war-mindedness of his Metrotone News caused students to boycott theaters showing his newsreel in many colleges. Workers also succeeded in having it removed from neighborhood theaters in many cities.

Hearst editorial workers who were members of the American Newspaper Guild were victimized. Louis Burgess, an editorial writer of the San Francisco *Examiner*, was fired in the spring of 1934, shortly after he was elected chairman of that newspaper's Guild unit; Dean S. Jennings was fired from the San Francisco *Call-Bulletin* for joining the Guild. Redfern Mason (mayoralty candidate of the United Labor Party in San Francisco in November, 1935), music critic of the San Francisco *Examiner*, was given the "hotel run" after activity in the Guild. He resigned. These Guild members were given the run-around by NRA agencies, President Roosevelt himself ultimately upholding Hearst's firings for Guild activity.

Typical of Hearst's anti-Soviet campaign was the series of articles in the New York *Journal* in February, 1935, by one Thomas Walker, described as a "noted journalist... who for several years has toured" the Soviet Union. Articles and photographs presented alleged famine conditions in the Ukraine as of the spring of 1934. Walker was not a noted journalist; he was in the Soviet Union only *once*, for 14 days ending October 25, 1934, in the fall rather than spring. It "would have been physically impossible... to cover one-third of the points" he described, according to *The Nation's* Moscow correspondent, Louis Fischer. In July, 1935, Walker was revealed as Robert Green, a convicted forger and passport perjurer who had escaped the Colorado State Prison in 1921.

At the very time the Walker series was appearing, Lindsay Parrott, Hearst correspondent in the Soviet Union, had completed a tour of the Ukraine. In an interview with *Izvestia*, February 26, 1935, he reported: "Nowhere... did I meet any signs of the effects of the famine of which foreign correspondents take delight in writing." This was not reported in the Hearst press.

Other Reactionary Agencies

American Alliance, Washington, D. C. Organized 1931 by Rep. Hamilton Fish "to act as a national clearing house in combatting the revolutionary propaganda and activities of the Communists, through educational and legislative means." President, Mark L. Hersey, retired Major-General of U. S. Army. Secretary, Walter L. Reynolds, also an officer of *America First*.

American Coalition of Patriotic, Civic and Fraternal Societies: Includes 110 societies. Organized "to combat socialistic and communistic tendencies in the U. S." Chairman, John B. Trevor. Recommends deportation of all alien Communists.

American Concentration, Inc. Organized June, 1933. Head, Major John T. Prout. Successors to Khaki Shirts. Anti-Communist and anti-semitic. Many Italian fascist members and some Americans. Reported to favor *concentration* camps on the Hitler model for strikers, but this may have nothing to do with its name.

American Defenders. "The Blue Shirts" or American Fascisti. New York City. National Commander—Major Frank Pease. Slogan, "Communism must be destroyed."

American National Socialist League, New York City. Formed January, 1935, as offshoot from Friends of New Germany. Organizer, Kurt Georg Wilhelm Luedecke, formerly official Nazi representative in United States. Stated goal, "No Jew left in these United States." Held mass meeting, October, 1935, advertised by men in Nazi uniform, cheering Hitler, and riding through garment district, New York City. Speakers included Col. E. N. Sanctuary, New York representative of American Vigilant Intelligence Federation.

American Vigilant Intelligence Federation, Inc., Chicago. Founded in 1919. General manager, Harry A. Jung, formerly spy director of National Clay Products Industries Association. Federation claims to be "oldest continuous anti-subversive research organization in United States." Publishes *Items of Interest*, confidential news service on labor activities. Jung coöperates with spies in *U. S. Steel Corp.*, and engages in anti-semitic propaganda.

Associated Farmers of California. Began active anti-red campaign, January, 1934. President, S. Parker Friselle, manager of Kearney Vineyard at Kearney Park. Active head, Guernsey Fraser, leader in American Legion's anti-subversive activities. Purpose, "to fight communism in farm labor circles." Financial support for this big body of farmers comes from utility companies of California.

Constitution Society of the United States, Los Angeles. Formed March, 1935, to fight "Communism, Epicism, Utopianism and Radicalism." Broadcast weekly with anti-labor speakers, including Hugh Gallagher, vice-president of Waterfront Employers Association, and Chief of Police James E. Davis. Coöperates with Hearst press.

Constitutional Educational League, New York City. Shares offices and telephone with *American Constitutional Association* and with *The*

Awakener, openly fascist magazine. Head of League, Joseph P. Kamp, is also executive editor of the paper. League has engaged in strike-breaking through pamphlets attacking shoe workers' and textile workers' unions, as in February, 1934, in textile strike at Aspinook Bleachery, Jewett City, Conn.

Crusaders, Inc., New York City. Organized, 1929, against prohibition. Revived in 1934 "to preserve, protect and defend the Constitution of the U. S. . . . to stand firm against any drift or drive toward Fascism, Communism or Socialism." Advisory council includes John W. Davis, Morgan lawyer, and Alfred P. Sloan, Jr., President of General Motors Corp. American Liberty League contributed \$5,000 to Crusaders.

Edmondson Economic Service, New York City. Head, Robert Edward Edmondson. Has published 117 violently anti-semitic leaflets.

Friends of New Germany, New York City, Dickstein Committee described it as American section of Nazi movement in Germany. Organization directs its efforts toward "a day of reckoning" for American Jews, according to Walter Kappe, editor of its official organ. In March, 1936, changed its name to German-American League.

Hollywood Hussars, Hollywood, Calif. Founded by Arthur Guy Empey, to promote "militant Americanism." Aims to organize uniformed, mounted and armed units in other cities. Empey says it is backed by "powerful financial interests." Has offered services to police to quell "public disturbances"—i.e., for strikebreaking. Gary Cooper withdrew from Hussars after terroristic attack on labor theater director, 1935. Chief of Police Davis of Los Angeles and Los Angeles Sheriff are officers of Hussars. *Hollywood Escadrille* and *Hollywood Light Horse*, similar to Hussars, were founded by George Brent and Victor McLaglen.

Industrial Association of San Francisco. Active in breaking San Francisco strike of July, 1934. Organized as Black Hundreds with militia, vigilantes and police to raid workers' organizations, homes and strike relief kitchens. Association issued special bulletin, September, 1934, purporting to quote from *The Communist*, "instructions" that were entirely contrary to Communist teaching. Similar open shop employers' organizations operate in California—for example, the Manufacturers' Assn. of California—as well as in other states and cities. (See R. W. Dunn, *Americanization of Labor*, page 48 ff.)

Ku Klux Klan. Revivified in 1934 to "go after" Communists wherever found. Head, Dr. Hiram W. Evans of Dallas, Texas. Supports anti-labor, anti-radical bills. Agitated in 1935 against any radical teaching in state-supported colleges, and for cutting off state appropriations wherever radicalism was found. Forty-four klaverns of K.K.K. reorganized in 1934, principally in northern Alabama. Klan was responsible for murder of Joseph Shoemaker in Tampa, Florida, December, 1935.

League for Constitutional Government, New York City. Organized 1934 "to engage in American educational activities." Head John B. Snow. Distributes pamphlets attacking the New Deal as "communistic"

and "socialistic." Reprinted and distributed letter by Edward F. Hutton (former chairman of board, General Foods Corp. and a member of National Advisory Council, American Liberty League), written to William Randolph Hearst praising Hearst's stand against "socialistic tendencies" of Roosevelt Administration and against "communitistic theories."

National Americanization League, New York City. Head, Major John T. Prout of *American Concentration, Inc.* Announced July, 1935, it would take "militant action to stamp out Communism" wherever found. Pledged to vigorous support of Dies Bill for deportation of alien Communists. Will model its program on that of vigilantes in California. Claims 7,000 members, 1935.

National Republic, Washington, D. C. Calls itself a magazine of "fundamental Americanism." Editors, Walter S. Steele and Frank P. Litschert, fight against "socialism, communism, internationalism, ultra-pacifism," atheism and "all other social and political subversism." Advocate deportation of radicals, and publish alleged quotations from fabricated Communist "documents." Steele is national chairman of Securities Committee of American Coalition of Patriotic, Civic and Fraternal Societies.

Order of '76, New York City. Secretly organized, March, 1934, for espionage and propaganda against Jews and Communists. Membership includes federal, state and city officials. Col. Sanctuary, New York representative of *American Vigilant Intelligence Federation*, is a charter member. Coöperates with paid Nazi agents in distribution of anti-semitic propaganda. Even Dickstein Committee called it a petty racket and declared "racial and religious intolerance" is its "real and hidden purpose." (See *Plotting America's Pogroms*, by John L. Spivak.)

Paul Reveres, Chicago. Organized 1933. "To cleanse the American educational and religious establishments of subversive influences." In 1934 claimed 200 chapters in principal cities. Advisory board includes Rep. Hamilton Fish, former Gov. Walter J. Kohler of Wisconsin, former Sen. Clayton R. Lusk of New York, formerly of Lusk anti-labor committee (New York State Commission for Investigating Seditious Activities, 1919), and representatives of American Legion and D.A.R.

Pioneer American Home Protective Association, Glens Falls, New York. Organized 1932, it stands for "American Fascism" with a 15-point program resembling Hitler's. Declares it is a "vigilance organization" and promotes vigilance committees to act against "anti-American" activity. Advocates sterilization. Appeals especially to the middle class. Had, up to March, 1936, published four issues of *The Vigilante*.

Sentinels of the Republic, Washington, D. C. Founded 1922. Opposes progressive and labor legislation, and "further centralization and bureaucracy," as represented by the "New Deal."

United States Fascists, Inc., also called *American Fascists*, Newark, N. J. Organized 1934. Head, Emil Gaetano Astone, Italian fascist. Advocates abolition of Communists, Socialists and Anarchists. Claims 10,000 members in New Jersey.

United States Flag Association, Washington, D. C. Organized 1924 "To combat communism, lawlessness," etc. Published pamphlet, 1935, "Your Rights under the Constitution," sent by E. I. duPont de Nemours to all its employees and stockholders in preparation for "Constitution Day." Pres. Roosevelt and Cabinet are honorary officers and sponsors of the association, which was listed October, 1935, as supporting six anti-labor, anti-radical recommendations of Chamber of Commerce of United States.

White Legion, Birmingham, Ala. Organized 1934 as Birmingham section Ku Klux Klan, "to stop Communism." Active against miners and other strikers. Operates openly and with approval of political powers. Raided offices of International Labor Defense, homes of Negroes and whites, and caused arrest of northern writers and lawyers, 1934.

White Crusaders, Pennsylvania. Much like Ku Klux Klan. Active in September, 1935, terrorizing union miners in western Pennsylvania and attempting to incite white workers against Negroes, Protestants against Catholics. Said to be sponsored by company unions and by Bethlehem Steel Corp.

Terror in 1935

Arrests: An incomplete survey by International Labor Defense—estimated to cover only 35% to 40% of the actual total—found at least 5,277 arrests in labor and other struggles of 1935. By far the largest number—3,143—resulted from strikes, picketing, union and other organization activity. Unemployed struggles and demonstrations accounted for 842 arrests and anti-war or anti-fascist activity for 716. Leading the states in arrests recorded in this limited survey was New York with 1,177. Next were Illinois, 864; New Mexico, 652; Ohio, 380; Oregon, 332; and Indiana, 215.

Kidnaping: I.L.D. likewise prepared an incomplete list of 15 cases of kidnaping by vigilantes and others during the year. These cases arose out of economic or political activity of organizers or others. In all, 26 persons were involved, one of them having been kidnaped in Alabama twice within five days. Five kidnapings took place in Alabama and four in California.

Raids and Assaults: I.L.D. report also covered at least 16 police and 13 vigilante raids throughout the country which had been recorded in New York City press. Workers' headquarters as well as homes in many cases were demolished and property damaged or destroyed. Terror by organized vigilantes was especially marked in the South. Increase in this form of employer-inspired terror is one of the most serious threats to workers' and farmers' rights.

The Methodist Federation for Social Service listed 23 outstanding cases of "force and violence" against workers and farmers throughout the country: "workers, sharecroppers, Negroes, were killed in economic struggles and lynching during the year; [but] no employer." (*Social Questions Bulletin*, January, 1936.)

Here are some examples of terrorism taken from this and other sources:

State troopers raided homes of miners and escorted strikebreakers of the Glen Alden Coal Co. to work at *Wilkes-Barre, Pa.*, in strike of (independent) United Anthracite Miners union.

Thugs attacked a small group of women and children at *Rutland, Vt.*, during marble workers' strike led by A. F. of L. unions.

Vigilantes raided a workers' book shop and the joint offices of the National Lumber Workers Union, Fishery and Cannery Workers' Union, and the Trade Union Unity League at *Seattle, Wash.* Premises were wrecked, labor literature and union supplies stolen or destroyed.

An *Associated Press* dispatch from *Jackson, Cal.*, February 15, 1935, stated: "Gun-bearing citizens led by sheriff's officers routed pickets at the gates of two famous gold mines here to-day, and then completed the destruction of a strikers' camp which, in the meantime, had been set ablaze . . . during the night by 'vigilantes.' The sheriff's 'army' then went into action again. Stoves, chairs, tables, boxes, everything that had been collected by the pickets were thrown into the blazing rooms of strike headquarters."

At *Santa Rosa, Cal.*, according to an unsigned vigilante report in the local *Press-Democrat*, August 23, 1935: "plans were started for rounding up several known Communist leaders. . . . We must have looked like a band of highwaymen, masked and carrying rifles. . . . Fists swung through the air. Both men dropped to the floor semi-conscious. . . . Clippers were produced and hair hacked from their heads. Shirts were ripped from their backs. Buckets of tar paint were hurled over them. . . . From two men, they had been transformed into fantastic, ghost-like creatures. . . . the vigilantes are just as determined that there will be other such nights as long as Communists continue attempts at radical agitation in Sonoma county." The *Nation* reported, on the information of a reliable correspondent, that this mob had been led by bankers and members of the chamber of commerce and that "a suit brought by one of the victims of the raid named among others the mayor of the town, who is a banker."

Terror against white and Negro sharecroppers and tenant farmers has been especially acute. During the cotton pickers strike led by the Share Croppers Union of *Alabama* in the fall, an affidavit from Mrs. Annie May Merriweather, widow of a murdered share-cropper, told how in Lowndes county, Alabama:

We had heard about the lynch mob whipping the hands on the Bell place, so we... went about two miles away to my sister's house... About half the mob came on to the house where I was... They started tearing up the place looking for leaflets. They found the leaflets, under a mattress... I said I didn't know about the meeting because I had been working... Vaughn Ryles started doubling the rope and told me to pull off all my clothes. He said, "Lay down across the chair; I want naked meat this morning." I lay down across the chair, and Ralph McGuire held my head for Ryles to beat me... He was beating me from my hips on down, and he hit me across the head. They said "Now see if you can tell us what you know"... They were all cussing... Ryles put a loop in the rope... He threw the rope over the rafters... drew me up about two feet from the floor... They stopped at my sister's house and got Jim Press... I heard guns firing... They told me about my husband being shot... They were lynching him then.

More recently, Howard Kester, an organizer for the Southern Tenant Farmers Union, reported on the terror in Arkansas (*New York Post*, February 10, 1936):

At night deputy sheriffs and masked men ride the roads, on the lookout for secret meetings of the union... Beatings are frequent and killings are not uncommon... Planters even organized a Fascist band wearing green shirts and carrying the swastika as its symbol... Hundreds of our members have been beaten and scores of families have been driven from their homes by terror... At least ten of our members have been killed.

Just a few weeks ago, at Earle, Ark., armed vigilantes broke up a meeting in a Negro church and shot two men... The next day, while I was addressing 450 white and Negro members of the union in a Methodist church, about fifteen armed planters and deputies came into the meeting house.

I was dragged from the platform and thrown into my automobile by three men while the others began beating members of the union, men, women and children. The interior of the church was wrecked.

One of the most flagrant cases of vigilantism, resulting in the death of one victim, occurred in *Tampa, Fla.* The nationwide interest aroused in this case led to one of the few known attempts to get action against the official participants. Six policemen, three Ku Klux Klansmen and the Chief of Police stand indicted. Bail was provided by a number of prominent cigar manufacturers.

On November 30, 1935, Joseph Shoemaker, Eugene Poulnot, S. D. Rogers and three others held a meeting in a private home in Tampa to discuss the constitution of the Modern Democrats, a liberal political organization, when 10 uniformed detectives entered and arrested them for investigation. Released, they were

met in front of City Hall by a masked mob. The three named above were flogged with chains and rawhide whips, tarred and feathered, and left in the woods. Shoemaker was especially mutilated and died from his wounds. (At least 12 men have been kidnaped in Tampa and surrounding towns in the last six years, the Committee for the Defense of Civil Rights in Tampa charged.)

Some examples of terror against the *unemployed*:

In Dayton, Ohio, strikers of the Dayton Workers Alliance and organized labor were met with police armed with tear gas, machine guns and riot guns and "plenty of trouble" was promised the unemployed.

In Roanoke, Va., two of the members of the Roanoke Workers' Alliance were deported from the county after they became active in our organization. (Letter to New York *Post*, January 21, 1936.)

Lynchings: There were 24 recorded lynchings, according to the International Labor Defense. (There were 25 in 1934, according to the same source.) With one exception all the victims were Negroes. Eight were lynched in Mississippi, three each in Alabama and Louisiana, and two in Florida. Some of these lynchings took place in connection with struggles of sharecroppers.

Killings of Workers

The following table gives the record of killings in various struggles as compiled by Labor Research Association. This incomplete record shows 49 such victims in 1934 and 39 in 1935. It covers strikers killed in industrial or farm strikes, unemployed workers shot in demonstrations, persons resisting evictions, wives and mothers murdered in vigilante raids on labor camps. The murders were usually committed by police, National Guardsmen, deputized sheriffs, private guards, armed scabs, or mobs led by employers' agents. First column of table gives date when victim actually died. In some cases the assault leading to the death occurred some days previously. In a few cases where the exact date was not discovered, this item has been omitted. Third column usually gives type of official or person committing the murder, or the strike or situation involved.

<i>Date</i>	<i>Name, description, place</i>	<i>Killed by or in</i>
1934		
Jan. 29	Perry Adkins, 45, miner, Pike Co., Ky.	Gunmen, Edgewater Coal Co. strike.
Apr. 18	Ed England, Negro, U.M.W. A. member, near Leeds, Ala.	Deputy, Red Diamond Mine.
May 1	Paul Mehalic, 17, spectator, Latrobe, Pa.	Deputy, Latrobe Electric Steel Co. strike.
2	Murphy Humphrey, 21, Negro longshoreman, Lake Charles, La.	Longshoremen's strike.
9	Rich Foster and Henry Witt, Negroes, Alabama	Strike, Raimund Ore Mine, Republic Steel.
10	George Bell and W. H. Ford, Negroes, Jefferson Co., Ala.	Special officers, Alabama ore mine strike.
12	Charles Sharlo, Negro, picket, Galveston, Texas	Special officers, Clyde-Mallory Line, longshore strike.
14	Ed Higgins, Negro, Sec'y miners' local, Empire, Ala.	Coal miners' strike.
14	Richard Parker, 20; and John Knudsen, San Pedro, Cal.	Police, longshore strike.
	Frank Norman, organizer, Lakeland, Fla.	Vigilantes who kidnaped him.
24	Frank Hubay, 27; Steve Cyigon, 20; both unemployed, Toledo, Ohio	National Guardsmen, Electric Auto-Lite strike.
June 28	Otto Helland, Smith Cove, Wash.	Police, longshore strike.
	Eugene Domagalaski, 24, strike sympathizer, Milwaukee	High tension wires, Lakeside power plant; street car strike.
July 1	Shelby Daffron, striker, Point Wells, Wash.	Standard Oil guards. Longshore strike.
5	Howard Sperry, striker; Nick Bordoio, sympathizer, San Francisco	Police, longshore strike.
13	Winnie Williams, widowed Negro mother of 4; Sam Arsent, relief worker, Cleveland	Police, demonstration at relief headquarters.
20	Henry B. Ness, 49, striker, Minneapolis	Police, truck drivers' strike.
27	Lee Wakefield, 25; Henry Engleman, 27, strikers, Kohler, Wis.	Deputy sheriffs, strike at Kohler Co.

CIVIL RIGHTS AND FASCIST TRENDS

173

<i>Date</i>	<i>Name, description, place</i>	<i>Killed by or in</i>
Aug.		
1	John Belor, striker, Minneapolis	Police, truck drivers' strike.
10	Reuben Saunders, Columbus, Ga.	Georgia Webbing & Tape Co. strike.
Sept.		
5	J. V. Blalock of Rome, sympathizer, Trion, Ga.	National textile strike.
6	Leon Carrol of Augusta, Trion, Ga.	Officer, national textile strike.
6	John Black, unemployed, Greenville, S. C.	Deputy sheriff, Dunean Mills.
6	Seven workers,* Honea Path, S. C.	Were all strikers shot by guards at Chiquola Mill during national textile strike.
6	Cota, Mexican worker, Phoenix, Ariz.	Demonstration, FERA workers.
12	Jude Courtemanche, 19, Woonsocket, R. I.	National textile strike.
12	Charles Gorcynski, 18, striker, Saylesville, R. I.	Militia in national textile strike.
16	Ed Woolens, 38, of Powhatan; H. C. Collins, 35; Negro miners, Walker Co., Ala.	Deputy sheriffs of Jefferson Co., Ala., on their way to U.M.W.A. rally.
19	Ernest K. Riley, 40, picket, Belmont, N. C.	National Guardsman in national textile strike.
21	Joseph Piskonowicz, picket, Chicago, Ill.	Policeman, bakery strike.
21	Mrs. Marguerite Vitacion, Filipino, Salinas, Cal.	Burned to death, vigilante raid on labor camp.
22	Leo Rouette, 18, striker, Woonsocket, R. I.	Militia, national textile strike.
Oct.		
3	Elwood Quirk, 23, textile worker, spectator, Bridgeport, Pa.	Deputy sheriff, strike, James Lees & Sons.
8	William Blackwood, Saylesville, R. I.	National textile strike.
Nov.		
27	William Heaterly, 25, unemployed Negro, Philadelphia	Police, eviction case.
1935		
Feb.		
3	Columbus Walker, unemployed, Rossville, Ga.	By scab, strike, Richmond Hosiery Mills.
14	Frank Petrosky, 28, coal miner, Larksville, Pa.; Luzerne County, Pa.	By scab in strike, Woodward Colliery, Glen Alden Co.
17	Paul Knight, Santa Maria, Cal.; Kenneth Eldridge, Westmoreland, Cal.; El Centro, Cal.	Vigilantes, strike, William Wahl shed, led by Fruit and Vegetable Workers Union.

<i>Date</i>	<i>Name, description, place</i>	<i>Killed by or in</i>
Apr. 4	Ignacio Velarde, 37, unemployed, veteran; Gallup, N. M.	Deputy sheriff, in demonstration against eviction.
12	Solomon Esquibel, 38, Communist leader, Gallup, N. M.	Shot in spine, April 4.
17	Andy Latiska, 30, of Port Homer, Ohio, father of 2 children, Toronto, Ohio	Kaul Clay Co. guards, strike, led by United Clay Workers Union.
21	Edris Mabie, 47, one of founders of Progressive Miners of America, Springfield, Ill.	Gang which included Ray Edmundson, U.M.W.A. president in Illinois.
27	Ray Morency, 32, vice-president, local warehousemen's union, Stockton, Cal.	Charles Gray, son of owner of trucking company where union had called strike.
May	William Usatalo, union picket, Portland, Ore.	Strike guards, Marinoff Northwest Brewery.
11	Fonie Stephens, striker, Lagrange, Ga.	National Guardsmen attack on Callaway Mills strikers.
20	Willie Foster, Negro, I.L.D. organizer, Selma, Ala.	While investigating cotton 'choppers' strike. Secretly buried.
June	George Melhelm, 66, bystander, Canton, Ohio	Berger Mfg. Co. (Republic Steel subsidiary) guards attacked strikers.
14	John W. Duster, bystander, Omaha, Neb.	Police attack on street car strikers.
17	Dewey McCoy, spectator, Omaha, Neb.	Police attack.
21	William Kaarte, lumber striker, Eureka, Cal.	Police, near Holmes-Eureka lumber mill.
22	Fred Friedl, 43, San Pedro, Cal.	Detective K. E. Bois in attack of harbor police.
25	Harold Edlund, Eureka, Cal.	Police attack on lumber strikers.
July	Sam Childs, Negro, U.M.W. A. member, Birmingham, Ala.	Tenn. Coal & Iron police.
11	Joe Spinner Johnson, Share Croppers' Union leader, Greensboro, Ala.	Body found in swamp.
Aug. 7	Paul Lampelli, striker, Eureka, Cal.	Police attack on lumber strikers.
19	J. P. Merriweather, Negro, Share Croppers' Union leader, Lowndes County, Ala.	Posse, after arrest in cotton pickers' strike.

<i>Date</i>	<i>Name, description, place</i>	<i>Killed by or in</i>
Sept.		
2	Gertrude Kelly, mother of two, Pelzer, S. C.	Strike, Pelzer Mfg. Co.
3	Edward Bracey, Negro, member of Share Croppers Union, Hope Hill, Ala.	Vigilantes, during cotton pickers' strike.
12	Smith Wadkins, Negro, active in Share Croppers' Union, Calhoun County, Ala.	Found dead in swamp, body riddled with bullets.
12	Eugene Casper, 18; Melvin Bjorklund, 21, bystanders, Minneapolis	Police, strike, Flour City Ornamental Iron Works.
Oct.		
5	Herman Slater, 41, milk strike picket, just north of Wisconsin state line	While picketing with 200 farmers.
5	Henry Jones, 42, Negro picket, New Orleans	Police, maritime strike.
13	William L. Polley, Socialist, union leader, Kansas City, Kan.	Thugs, after he decided to call teamsters' strike.
16	Sam Dowdell, Negro U.M. W.A. member, Hamilton Slope Mine, near Birmingham	Scab of Tenn. Coal & Iron Co.
21	Etienne Christ, 34, striker, Port Arthur, Tex.	Marine strike.
28	Virgie Thomas, Negro, union striker of Nyota, Margaret, Ala.	Ambushed on way to Acmar Mine, Ala. Fuel & Iron Co.
31	Ernest Dukes, Negro picket, I.L.A. member, Mobile, Ala.	Policeman, in longshore strike.
Nov.		
3	Ralph Ratliff, 26, U.M.W.A. member, near Pikeville, Ky.	Coal strikebreaker.
3	Estill Damron, 20, near Pikeville, Ky.	Sheriff, coal strike.
25	Sam L. Brandt, 21, I.L.A. striker, Houston, Tex.	Gulf marine strike.
Dec.		
10	Joseph Shoemaker, Socialist, Tampa, Fla.	Vigilante mob and police, flogged, tarred and feathered.
15	Carl Swanson, 26, striker, Socialist, Detroit, Mich.	Shot in auto strike, by Motor Products Corp. foreman.

* R. T. Yarborough, 45, Lee Crawford, 26, E. M. Knight, 45, Ira Davis, 26, Claude Cannon, 27, C. L. Rucker of Honea Path; and Maxie Peterson, 25, of Greenwood.

Troops in Labor, Unemployed and Farm Struggles

Use of National Guard, state police and troopers against striking workers, unemployed and farmers has been increasing since 1933. Bayonets, tear gas and similar weapons were employed by these forces in efforts to defeat militant struggles. Responsibility for these actions rests with governors of capitalist political parties. The record which follows constitutes an effective argument for a Farmer-Labor Party.

In the three years, 1933-35, troops were used at least 60 times, as shown in the following summary:

Year	Number of times used	Number of states used in	Political affiliation of responsible governors*			
			Democrat	Republican	Farmer-Labor	Independent
1933	17	13	9	3	1	
1934	24	19	15	2	1	1
1935	19	14	11	2	1	

* For names of governors involved see *World Almanac* of respective years.

In one year, ending June 30, 1935, according to War Department records cited by Congressman Zioncheck of Washington, there were 84 "calls" for National Guard in 31 states of which 35 were for strike duty and three for "suppressing unemployed." (*Congressional Record*, February 14, 1936, p. 2131 ff.) Over 22,000 guardsmen were used on strike duty compared with 7,223 for all other purposes during this one year period. In the previous fiscal year, 8,216 guardsmen were called out in 28 states, of whom 7,000 were used in strikes.

Following table arranges the states alphabetically within each year and gives also the city, town or county, the date or duration, the type of situation involved, and the party affiliation of the governor who called out the military forces in each case:

USE OF TROOPS IN LABOR, UNEMPLOYED AND FARM STRUGGLES, 1933-35

State, location, date	Situation
Ill.—Christian County, Jan. 4	Five companies, Kincaid Mine strikers of Peabody Coal Co.
Ill.—Christian County, July 1-Nov. 28	Coal mine strike
Ill.—Sangamon County, Oct. 19-23	Coal mine strike
Ill.—Saline County, Oct. 5-Nov. 26	Coal mine strike
Ind.—Sullivan County, Oct. 9-Nov.	2,000 coal miners on strike

USE OF TROOPS IN LABOR, UNEMPLOYED AND FARM STRUGGLES, 1933-35

<i>State, location, date</i>	<i>Situation</i>
Iowa—Plymouth, Crawford, and O'Brien Counties, April-Oct. 26	Martial law declared in farm strike. 30 guardsmen deputized
Minn.—Austin, Nov. 11-13	Hormel Packing Co. strike
N. H.—Manchester, May	Teargassed strikers of Amoskeag Mfg. Co.
N. M.—Gallup and vicinity, Aug. 29-Dec. 15	Coal mine strike. Martial law
N. Y.—Up-state, August	Troopers clubbed milk farm strikers
Pa.—Fayette County, July 29-Aug. 12	Coal mine strike
S. C.—Bath, Langley and Clearwater, Oct. 27-Nov. 4	Textile strike
Utah—Carbon County, August	Coal mine strike
Vt.—Barre and Graniteville, May 6	Granite strike
Wash.—Yakima and Selah, Aug. 24-27	Assisted sheriff in orchard laborers' strike
Wis.—Durham Hills, May	Guardsmen deputized in dairy farmers' strike

1934

Ala.—Mineral districts, Feb. 25; Mar. 1-April 18; May 8	Mine strike
Ala.—Porter, Sept. 16-17	Strike duty
Ariz.—Casa Grande, Phoenix, Sept. 6-8	F.E.R.A. demonstration
Cal.—Oakland, San Francisco, Sacramento, July 5-9	Maritime strike
Cal.—San Francisco, July 18	San Francisco general strike
Conn.—Danielson, Sterling, Putnam, Hartford and New Haven, Sept. 10-23	National textile strike
Ga.—Textile centers, Sept. 14-Oct. 8	Stove foundry strike
Ga.—Rome, Oct. 15-29	Alcohol industry strike
Ill.—Tazewell County, May 30-June 1	Demonstration of 1,000 unemployed "To protect lives" of U.M.W.A. members "held as prisoners"
Kan.—Wichita, May 10-13	National textile strike
Ky.—Harlan County, Dec. 8-9	National textile strike
Me.—Textile centers, September	Teamsters' strike
Mass.—Easthampton, Sept. 20-24	Teamsters' restrike. Martial law
Minn.—Minneapolis, May 23-26	National textile strike
Minn.—Minneapolis, July 17-28	Teamsters' strike
Miss.—Magnolia and Kosciusko, Sept. 9-Oct. 3	Teamsters' restrike. Martial law
Mo.—Mindenmines, April 30-May 4	National textile strike
Mo.—Moberly, May 18-21	Strip miners' strike
N. C.—Textile centers, Sept. 6-27	Shoe strike
Ohio—Toledo, May 23-June 2	National textile strike
Ore.—Portland, etc., July 19-31	Electric Auto-Lite strike. Two workers killed
	Longshoremen's strike

USE OF TROOPS IN LABOR, UNEMPLOYED AND FARM STRUGGLES, 1933-35

<i>State, location, date</i>	<i>Situation</i>
R. I.—Woonsocket, Central Falls, Saylesville, September	National textile strike
S. C.—Textile centers, Sept. 5-29	National textile strike
Wis.—Kohler, July 28-Aug. 20	Kohler Co. strike
1935	
Ala.—Margaret, Oct. 28	Two guards commanded state road patrol at Ala. Fuel & Iron Co. strike
Cal.—Eureka, June	60 guardsmen, lumber strike
Fla.—Islamorada, Feb. 28-May 13	Veterans on work project
Ga.—Rossville, Jan. 5-16	Richmond Hosiery Co. strike *
Ga.—Lagrange, Manchester and Monroe, Mar. 4-June 17	Callaway Mills strike
Ill.—Freeport, June 14	Stover Mfg. & Engine Co. strike
Ind.—Terre Haute, July 22	General strike
Kan.—Topeka, June 4-6	"Suppressing unemployed"
Kan.—Cherokee County, June 7-27	Lead and zinc miners' strike
Ky.—Harlan, Sept. 29	Mine strike
Ky.—Mannington, Oct. 30	After mine guards attacked unionists
Minn.— ³⁶ Minneapolis, Dec. 27-Jan. 28,	Strutwear Knitting Co. strike ^b
Neb.—South Omaha, June 15-21	Street car strike
Neb.—Scotts Bluff County, Aug. 28	Martial law declared *
Okla.—McAlester, Mar. 10-12	"Feeding unemployed"
Okla.—Picher, May 27-June 26	Lead miners' strike
S. C.—Pelzer, July 16	Textile strike
S. D.—Sioux Falls, Mar. 9-10	John Morrell & Co., meat packers' strike
Wash.—Tacoma, June 26-30	Lumber strike

* Arrested 60 men and women; 27 men placed in concentration camp.

^b An exceptional instance where militia was used to aid strikers by closing up plant and preventing operation by strikebreakers.

* Where several hundred farmers defied state and county in fight over irrigation.

Deportation of Foreign-Born ¹

On June 23, 1935, newspapers throughout the country reported a startling "nation-wide campaign to deport about 6,000,000 aliens as a partial solution to the unemployment problem" sponsored by Representative Martin Dies, Democrat, of Texas. (*New York Times*, June 23, 1935.)

There are actually less than 5,000,000 aliens in the country and of these 1,500,000 have directly or through their parents already taken out first citizenship papers. (Report of Daniel W. Mc-

¹ See also *Labor Fact Book I*, pp. 166-67, 197.

Cormack, Commissioner of Immigration and Naturalization Service of U. S. Department of Labor, June 20, 1935.) Total number of those who entered the country illegally or who cannot after the lapse of years prove their legal entry was estimated by McCormack as *less than 400,000*.

Of the 19,865 aliens who were deported from United States in the fiscal year ending June 30, 1933—covering four months of the Roosevelt administration—74 were deported for radicalism (as against 51 in 1932), the largest number in any year since the high peak of 446 in 1921. The deportations of the fiscal year 1933, totaled 439 more than in the previous year and constituted “the greatest number expelled from the country in its history,” according to Annual Report of the Secretary of Labor. In fiscal year 1934, 8,879 were deported, of whom “20 were anarchists or prohibited radicals.”¹ But in August, 1935, there were at least 60 cases pending of deportation proceedings against radicals, (International Juridical Assn., *Monthly Bulletin*, September, 1935), and by December 1935, 17 had been deported as radicals.

A Strikebreaking Weapon: Frances Perkins, Secretary of Labor, has given active assistance to employers' efforts to destroy workers' organizations, by weeding out active aliens. During the San Francisco general strike, for example, she wired Governor Frank C. Merriam of California assuring him of Department of Labor coöperation and promptness in the application of “immigration statutes” that might be used against aliens active in the strike.

With this blanket endorsement some 375 such persons were rounded up by vigilantes and immigration officials during the strike. “After the smoke had dispersed into thin air,” reported a writer in the *New Republic*, July 31, 1935, Commissioner McCormack made a study of 448 persons arrested in four strike areas on deportation charges. It was found that 330 were indisputably American citizens “for the most part by birth.” But in the meantime these workers had been removed from active participation in the strikes thus injuring the interests of the strikers and helping the employers. Of the rest, 118 were aliens of whom

¹ These are in addition to “voluntary” departure of those who have been informed by the government that they are liable to deportation. There were 8,010 such cases in 1934 and 10,347 in 1933.

not more than 14 were deportable and "only one of the 448 was a radical."

Some Outstanding Cases: In the Gallup, New Mexico, trial of 10 miners, deportation proceedings were started against 13 workers on whose testimony the miners' defense largely rested. Three of the 13, released after a preliminary hearing, were immediately arrested in the court-room by federal agents without warrant—in direct violation of the immigration law. Scores of other aliens were arrested, but nationwide protests stayed the deportation proceedings until after the trial.

By deporting known anti-fascists to Italy, Germany and Greece, for example, the United States actually undertakes to deliver to a foreign government its political enemies, whose only offense is hostility to that government. In no case, however, has the United States attempted to deport Russian White Guards, German Nazis, or Italian fascists.

Deportations to Italy: Steve La Grassa, an Italian anti-fascist who had lived in this country for 23 years, was deported to Italy on July 22, 1935. He had taken part in a demonstration in Chicago against visiting Italian fascist students. Fortuna Eria, a 45-year-old longshoreman, was deported on November 24, 1934. Frank Della Gatta, another longshoreman, in 1935; and Rocco Santoro in October, 1934.

Deportations to Mexico: Abundio Arias was arrested for organizing American and Spanish unemployed in Texas and after radical literature had been found in his home. He was deported on June 4, 1935, charged with illegal entry, although at the time of his entry there were no regulations regarding it and no records kept. Julio Herrera, an organizer of FERA workers in New Mexico, was deported in April, 1935, for this activity.

Dan Agalos, a 41-year-old railroad worker, member of A. F. of L. unions for 20 years, was arrested in Spokane, Washington, shortly after addressing a meeting on behalf of the Railroad Brotherhoods Unity Movement. He was charged with being a member of the Communist Party and was deported to Greece early in 1936, after 25 years' residence in this country.

Ordered deported to Nazi Germany (cases pending as we went to press): Otto Richter, German citizen, entered the United States as a seaman to escape persecution by Hitler regime. He was arrested after the San Francisco general strike and ordered deported to Germany. Erich Becker was arrested in Chicago at a demonstration, October, 1934, in the German Consulate in protest against Nazi terror. He was ordered deported to Germany. Alfred Miller, editor of *Producers' News*, militant farm paper of Plentywood, Montana, was arrested by immigration officers and is now (March 15, 1936) held at Ellis Island.

Walter Baer, civil engineer with a wife and three American-born children, was held for deportation. He had designed a sewage disposal plant which would have put thousands to work in Portland, Ore., and became a victim of powerful business interests who opposed his plan. Joseph Ganghauser came to United States on a visitor's visa in March, 1935. He had been a member of the Nazi Party of Germany, but was forced to leave within 24 hours after criticizing Hitler.

The case of Emil Gardos, editor of *Uj Elore*, Hungarian workers' newspaper, is doubly significant because his citizenship was revoked before deportation proceedings were instituted. He was arrested in Milwaukee in 1930; subsequently ran on the Communist ticket. He is accused of having had "mental reservations" when taking the oath of citizenship in 1928.

Anti-Alien Bills

More than 100 bills dealing with deportation and aliens were introduced into first session of 74th Congress, including one (H.R. 3048) which would deprive any alien from holding a job. They were supported by professional patriots and other reactionary groups. The following bills, all introduced by Democrats, were among the most important in the second session of 74th Congress:

Kerr Bill (H.R. 8163 and S. 2969), introduced at request of U. S. Department of Labor, contains a provision that "Any employee of the Immigration and Naturalization Service shall have power to detain for investigation any alien who he has reason to believe is subject to deportation." This would authorize local immigration officers to issue warrants at the request of local politicians and others interested in eliminating active strikers. Both carrying or possessing "dangerous" or "concealed" weapons, defined as a crime involving "moral turpitude," and conviction for some actual or fancied crime would render aliens liable to deportation.

Dies Bill (H.R. 5921) would "authorize the prompt deportation of criminals and certain other aliens. . . ." including any one who "is a member of or affiliated with any organization which, or who believes in, advises, advocates or teaches the overthrow by force or violence of the Government of the United States . . . or of any other organized Government . . . existing in countries not under the control of Communists and the establishment in place thereof of a regime termed 'proletarian dictatorship' or a system based upon common ownership of property and abolition of private property. . . ."

Starnes Bill (H.R. 11172 and S. 4011) is intended "To further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest . . . and to provide for the prompt deportation of habitual criminals and all other undesirable aliens,

and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted."

Other anti-alien bills have been introduced to prevent the illegal entry of foreign seamen and to provide for the registration and fingerprinting of all aliens.

All these bills are opposed by the American Committee for the Protection of Foreign Born, 100 Fifth Avenue, New York City, and other labor defense, trade union and labor bodies.

One progressive bill (H.R. 8384), introduced by Congressman Marcantonio of New York would lift the bars against aliens who are refugees from fascist and other tyrannical countries for political, racial or religious reasons.

Political Prisoners and Defense Cases

"Political prisoners" are for the most part workers and farmers in jail on criminal charges who are really being persecuted for labor action, political belief or for reasons of race and nationality. In October, 1935, the International Labor Defense compiled a list of "long term prisoners—those serving from one year to life imprisonment, and . . . those in prison waiting trial on serious charges." It then found 93 such prisoners of whom four were women and 29 were Negroes. Of the latter, 15—nine of them the Scottsboro boys—were held on the lynchers' classic frame-up charge—rape. Twenty-eight political prisoners were charged with murder. The survey reported a 50% increase in the number of long term prisoners in 1935 as compared with 1934.

During 1934-35, pressure of labor and other progressive forces won a considerable number of acquittals of workers brought to trial. Figuring prominently in the defense were the International Labor Defense, American Civil Liberties Union, League for Industrial Democracy, General Defense Committee (I.W.W.), and Non-Partisan Labor Defense (Workers Party of the U. S.). In some instances special defense groups were formed. Among them were: National Gallup Defense Committee, Workers Defense Committee (Burlington, N. C.), Labor and Socialist Defense Committee (Terre Haute), Joint Committee to Aid the Herndon Defense, Committee for Defense of Civil Rights in Tampa, Modesto Defense Committee and Scottsboro Defense Committee, organized in December, 1935.

Here are a few of the important defense cases of 1934-1935:

Conspiracy in Oklahoma: On May 29, 1934, a demonstration of Oklahoma City unemployed tried to get an audience with a relief official. Fifteen were arrested and charged with conspiracy to seize federal supplies—a federal charge. United States District Attorney, W. C. Lewis, admitted that “about all they did was to argue with a stenographer.” Federal Judge Edward Vaught on March 2, 1935, sentenced 10 of them to terms ranging from one year to 16 months. All but two were released by January, 1936, after serving their sentences.

Marshall Lakey, Oklahoma University art instructor, who witnessed the arrests, collected money to defend the prisoners, and with friends sent letters of protest to federal officials. For this, he and 13 others were indicted, February 6, 1935, and charged with connection with a Communist plot to “obstruct justice and bring a federal court into disrepute.” The cases against these 14 were later dismissed.

Ward Rodgers Case: Ward Rodgers, a young F.E.R.A. teacher, was arrested January 15, at Marked Tree, Arkansas, and charged with “anarchy,” following a sharecroppers’ meeting. After a farcical trial before a jury of planters, Rodgers was found guilty, fined \$500 and sentenced to serve six months in jail. National attention was focused on the case. It was appealed and later dismissed.

Eureka “Riot”: Charges against the last eight out of 150 workers arrested in Eureka, Cal., were dismissed September 27, 1935. Arrests arose out of a “riot” that took place June 21, during West Coast lumber workers’ strike, when police and deputies fired on pickets near the Holmes mill, killing three.

Criminal Syndicalism in California: On July 20, 1934, 22 men and women were arrested at Sacramento. Seventeen of them were finally brought to trial for criminal syndicalism. All had been active in labor struggles. Among them were leaders of successful strikes initiated by the Cannery & Agricultural Workers Union (see *Labor Fact Book II*, p. 163). “That the authorities were aiming . . . at trade union militancy may be seen from the fact that only organizers of the C.A.W.I.U. and participants in the agricultural strikes were arrested and that the indictment included the ‘organizing of picketing’ as specific proof of criminal syndicalism.” (Louis Hacker, *The Struggle for Civil Liberty on the Land*, pamphlet of American Civil Liberties Union.) F. J. Palomares, manager of San Joaquin employment agency, was reported as saying (Sacramento *Bee*, February 4, 1935) after the trial began: “This trial is of the utmost importance to them [the cotton growers] because they believe the defendants responsible for the San Joaquin Valley strike of 1933—the first serious one in that section’s history.” Employers took advantage of the red scare developed in the San Francisco general strike to arrest these workers. After a four-month trial, during which the red scare (stimulated by Hearst and other newspapers), stool pigeons, spies and similar tactics were used by the prosecution, eight of the 17 workers tried were convicted. (One, Lorene Norman, was released on bail October 25, 1935, as she was about to become a mother.) The five men were given sentences, ranging from

3 to 5 years, in April, 1936. Sentences for the women were to be fixed the following month.

Gallup Case: The Gallup case was an outgrowth of the union-smashing campaign conducted during the 1933 miners' strike by the Gallup-American Coal Co., subsidiary of Morgan-controlled Kennecott Copper Co. (See *Labor Fact Book II*, pages 49 and 107.)

On April 4, 1935, a large group of Mexican coal miners and their families gathered at a local justice court for the trial of a local union mine leader who had helped stop the eviction of a fellow worker. The sheriff and deputies took the prisoner out through a rear alley. The crowd followed. The deputies began throwing tear gas bombs and then fired. One worker and Sheriff Carmichael were killed immediately and another worker died later. Over 600 men and women were arrested. Local authorities sought to pin collective responsibility for the sheriff's death on 48 of them. Testimony later showed that the bullet which killed the sheriff was from a gun identical with that of a deputy whose gun disappeared and was never recovered.

The case attracted greater national attention when Robert Minor and Attorney David Levinson, who were in Gallup, N. M., working on the defense of the accused, were kidnaped, beaten and left by vigilantes in the desert, May 2, 1935. No one was ever prosecuted for this act of violence.

In October, 1935, ten workers were finally brought to trial for conspiracy to murder. Seven were acquitted, three were sentenced to 45 to 60 years at hard labor each, despite the jury's recommendation for mercy. Deportation (to Mexico) proceedings were instituted against five of those acquitted.

Burlington Frame-Up: The North Carolina Supreme Court, November 21, 1935, upheld the convictions of five out of six textile workers charged with dynamiting the E. M. Holt Plaid Mill of Burlington, N. C., during the national textile strike in September, 1934. The explosion took place in a deserted, unused part of the mill and caused damage estimated at less than \$100. Three of the defendants were U.T.W. members. Sentences varied from two years each for two workers to 10 years for John Anderson, former president of the U.T.W. Piedmont District Council. Four company gunmen, brought in from Pennsylvania, aided in the frame-up.

No direct evidence was offered against the six on trial. They were convicted largely on testimony of three, who "confessed" to dynamiting, and implicated the others.

Harlan, Kentucky, Miners: Seven Harlan County miners were sentenced to life imprisonment for conspiracy to murder after a series of trials lasting from November, 1931, to January, 1933. The case arose out of a battle with deputies at Evarts during the coal strike of 1931. In December, 1935, three of the miners—one aged 80, and another a Negro—were released, their sentences commuted to the 4½ years already served. The Kentucky Defense Committee of the General Defense Committee, is trying to obtain release of the remaining four.

Alaska Miners: Twenty-five of the 50 unionists first arrested at Juneau, Alaska, June 24, 1935, were finally brought to trial in December. One was discharged and the other 24 were acquitted. Among them were members of the International Union of Mine, Mill & Smelter Workers and of the I.L.A. The case arose out of a strike called by the Alaska Gold Mine Workers Union, Local 1, against long hours and unsafe working conditions at the Alaska-Juneau Gold Mining Co. The arrests followed strikers' resistance to a company attempt to open the mine with company union strikebreakers. Their defense was conducted by the Alaska Miners' Defense Committee.

Scalers' Frame-Up: On September 21, 1935, at a meeting of the Scalers Union (affiliated with the I.L.A.) in San Francisco, a clash took place between rank and file members and a reactionary clique. Most of the injured were members of the former group. One of the union men, Vincent Torres, climbed through a window, fell and later died. Four rank and file scalers were arrested and charged with murder. They won support of the city's militant waterfront workers—some 10,000 members of the Maritime Federation conducting a half-hour protest stoppage on December 20—and on December 23 were acquitted, the jury being out only seven minutes.

Oregon Criminal Syndicalism Case: Oregon Supreme Court in November, 1935, upheld the seven-year sentence imposed upon Dirk DeJonge, under the state's criminal syndicalism law. DeJonge had spoken at a meeting explaining that raids on Communist headquarters were intended to pit longshoremen against Communists to help break the West Coast maritime strike of 1934. On appeal, he was given a 30-day stay, but state supreme court refused him a rehearing and he began serving his sentence in January, 1936. Kyle Pugh, whose appeal under the criminal syndicalism law was decided at the same time, was freed.

Modesto Frame-Up: During a critical stage in the Pacific Coast tanker strike, it was rumored in San Francisco that Standard Oil Co. was harboring strikebreakers at Patterson, Cal. A group of 11 union men were rounded up to investigate, April 21, 1935. At Modesto they were stopped by an armed mob. Dynamite was allegedly discovered in one of their cars. Two of the 11 were missing. It was later shown that these two had acted as stool pigeons. Nine men were arrested and eight of them tried (one fell ill). The Modesto Defense Committee charged that the unionists were "framed by Standard Oil agents. . . ." They were exonerated of the conspiracy charges—that is, cleared of any possible motives for possessing dynamite—but were found guilty of possessing the explosives! All were denied retrial and bail pending the appeal of the case. Seven are in San Quentin facing maximum sentences of five years each and an eighth faces a similar sentence at Folsom.

Angelo Herndon¹: I.L.D. pressure forced Georgia authorities to grant bail for Angelo Herndon, young Negro organizer sentenced to 18-20 years on chain gang under insurrection law of 1861. Bail was

¹ For background see *Labor Fact Book II*.

set exorbitantly at \$15,000, but was raised in only 23 days in small amounts from people in all parts of the country. Herndon was released in August, 1934. U. S. Supreme Court, however, in May and again in October, 1935, refused to review case on a technicality. Herndon surrendered to Georgia authorities. In the meantime a broad defense movement was organized. After a habeas corpus writ, Judge Hugh L. Dorsey of the Fulton County Superior Court declared unconstitutional the law under which Herndon was convicted. Bail was reduced by half and Herndon was free pending outcome of Georgia's appeal of the Dorsey decision to State Supreme Court.

Mooney-Billings Case¹: Hearings on a writ of habeas corpus before a referee in San Francisco began in mid-September, 1935, and continued into 1936. The frame-up nature of the dynamiting charges against Tom Mooney and Warren K. Billings was again thoroughly exposed in the new evidence produced at these hearings.

One of the men who testified for Mooney and Billings was Draper Hand, former high official of the San Francisco police department who did much of the work on the case in 1916. In an interview some time after he had testified (*American Guardian*, April 3, 1936), Hand said: "I can state positively that neither Mooney nor Billings were . . . guilty of the preparedness day explosion. . . . One of the two men who pulled off the job is alive and running around loose . . . [a] professional strike-breaker and all round murderer. . . ." The dynamite used in the explosion was really intended as a provocation in a dock strike then going on, Hand declared.

Scottsboro Boys²: Alabama Supreme Court, June 28, 1934, confirmed convictions of Haywood Patterson and Clarence Norris, two of the nine Scottsboro boys sentenced to death. On April 1, 1935, U. S. Supreme Court reversed convictions on grounds that Negroes were excluded from juries which indicted and convicted the boys. On November 13, the grand jury (with one Negro on it) at Scottsboro returned new indictments against all nine, including the two minors transferred to Juvenile Court. In the following month a broad Scottsboro Defense Committee was formed to include the organized forces interested in the case.

On January 20, 1936, fourth trial began, Negroes having been struck from the panel. Three days later Haywood Patterson was sentenced to 75 years imprisonment. The next day Ozie Powell, one of the boys, was shot and wounded by a sheriff after being goaded by the sheriff into cutting him with a knife on the way to jail in an automobile. Trial of others was postponed on the day of, but before, the shooting.

¹ See *Labor Fact Book I*, p. 165.

² See *Labor Fact Books I and II* for earlier data on Scottsboro.

X

WAR AND WAR PREPARATIONS

Facts on the World War

AS the capitalist world moves toward the precipice of another world war, certain facts about the last world war may be reviewed. (The figures in most cases are only approximate.)

Costs of World War, 1914-1918 (in death and suffering): 10,000,000 known dead soldiers, of the 60,000,000 who participated. 6,000,000 reported missing, about 3,000,000 of them dead. 20,000,000 or more wounded. 28,000,000 civilians dead from disease, famine, pestilence, resulting from the war (Prof. Hersch, Swedish statistician). 9,000,000 war orphans. 5,000,000 war widows. 10,000,000 rendered homeless (refugees).

Some United States Losses: 130,128 American soldiers killed in action and dead from other causes. 192,369 wounded.

Money Costs of World War: \$208,500,000,000 net *direct* costs for all countries involved. (*Bankers' Trust Co.* estimate.) \$152,000,000,000 *indirect* cost for all countries involved. (Prof. Bogart estimate.) \$244,000,000 was average *daily* expenditure of all countries in war in 1918.

Money Costs to United States: \$1,000,000 an hour was average expenditure of United States government during its participation in the war. \$51,000,000,000 was net cost of World War to United States government alone up to 1931—five years ago—according to Andrew W. Mellon, then Secretary of the Treasury. (The figure \$40,000,000,000 is given by Prof. Paul V. Horn in his *International Trade*. But this assumes that all war debts owing to United States will be paid. This is, of course, out of the question, so that ultimately the World War costs to the United States, it is estimated, may be almost doubled, or nearly \$80 billion.)

Who Benefited? 25% to 3,000% profits were made by leading American corporations during war years. 25,000 known millionaires reported their incomes in the United States in 1918, compared with only 7,500 in 1914. \$337,000,000 *net profits* reported by 18 leading United States corporations for war period 1916-18, compared with \$74,650,000 for pre-war period, 1912-14. E. I. duPont de Nemours & Co., powder and chemical company, cleared \$255,500,000 in net profits in five years, 1914-1918. Dividends paid in 1915-1919 totaled \$139,000,000. (See also *Labor Fact Book II*, p. 193.)

U. S. War Preparations

War Department Appropriations: Regular congressional appropriations for U. S. War Department for fiscal year 1936, beginning July 1, 1935, amounted to \$424,747,594 (including deficiency bill appropriations, permanent appropriations for trust fund, etc.). This was the largest amount given to War Department in any year since 1921 with the exception of 1931 when army housing funds were included in the bill.

From the new \$4.8 billion fund provided by the Emergency Relief Appropriation Act of April, 1935, the President had, up to October 31, 1935, approved warrants for the War Department amounting to about \$161,000,000.¹ This covered administrative expenses, "rivers and harbors" and funds for the quartermaster corps for army post construction, road work and the like. Secretary of War Dern in his report for 1935 declared that \$257,000,000 more would be required out of "work relief allotments." He said that "plans and detailed estimates" had been prepared covering this "urgently needed army construction."

It is clear that in addition to the sums noted above, a good-sized piece of the \$1,150,000,000 given to the WPA out of the \$4.8 billion fund in 1935 would also go to war preparation purposes such as extensive repairs on armories and other buildings used by the War Department. Many of these allotments for armory repairs have already been made; and another bill, providing for

¹ Total amounts appropriated out of various relief and public works funds since the beginning of the "New Deal" vary considerably with the items covered in the tabulations and the extent to which "indirect" war appropriations are included. Seymour Waldman, author of *Guns are Ready* (issued by American League Against War and Fascism), in a new estimate, December, 1935, reported that out of the \$3,775,000,000 relief funds appropriated between June, 1933 and April, 1935, PWA funds for the War Department amounted to \$126,784,000 (exclusive of \$346,406,000 for "rivers and harbors" and flood control, some of which is an aid to the war machine) while the Navy Department took \$279,780,459. Also out of this \$3,775 million fund came \$323,362,315 for the Civilian Conservation Corps, \$25,326,740 for the Coast Guard and \$1,000,000 for the Panama Canal, all these three items being classified under the heading of "indirect war preparations."

New relief appropriation of \$4.8 billion, April, 1935, as indicated above, had already by November 1, 1935, doled out \$161,000,000 to the War Department (including \$145,700,000 for rivers and harbors and flood control), \$17,500,000 for the Navy Department; \$5,200,000 for the Coast Guard and \$514,500,000 for Civilian Conservation Corps (\$600,000,000 of the fund is earmarked for the CCC).

use of \$80 million more of relief funds for the building of armories, passed the Senate in February, 1936. Bill was pushed by local Chambers of Commerce.

The War Department appropriation for next fiscal year, 1937, amounted to \$611,362,604 as it passed the Senate, March 23, 1936. It set another peace-time record.

Increases in the Army: The 1936 appropriations for the regular army provide for a gradual increase in the force from an average of 118,750 enlisted men to an average of 165,000, thus making it larger than in any peace period in our history. Secretary of War Dern, in his 1935 report, recommended an increase in the number of officers from 12,000 to 14,000.

Appropriations for various special branches of the army were also increased in 1936 over preceding years, as shown in the following table prepared by the National Council for Prevention of War:

APPROPRIATIONS FOR 1936 AND EXPENDITURES '34 AND '35
(for special activities)

	1936	1935	1934
	<i>Appropriations</i>	<i>Estimated Expenditures</i>	<i>Actual Expenditures</i>
National Guard	\$33,987,323	\$30,127,700	\$25,689,016
Reserves	6,372,178	4,410,600	3,611,720
R.O.T.C.	4,452,304	3,120,700	2,569,963
C.M.T.C.	2,000,000	1,005,400	1,008,192
Rifle Practice	491,054	146,000	51,792

National Guard, under the 1936 appropriations, is to be increased 5,000, to a total of 190,915. Secretary Dern now urges maintenance of National Guard at a minimum strength of 210,000, an increase of over 19,000 more. The 1937 appropriation to National Guard will be over \$2,300,000 higher than that of 1936.

In June, 1935, the Organized Reserves contained 112,590 officers (9,300 of them, incidentally, were on duty with the Civilian Conservation Corps). Army lobby is pressing for funds to give active-duty training to at least 30,000 of these officers each year.

Increase in the 1936 appropriations for the Reserve Officers Training Corps calls for approximately 100 new units in high schools and colleges. About two-thirds of the new R.O.T.C. units will operate on a compulsory basis. This will place under the tutelage of the War Department instructors possibly 60,000 more

students, in addition to the 148,000 already enrolled in the R.O.T.C.

Doubling of the appropriations for the Citizens Military Training Camps will involve a doubling of the enlistment in these camps to 30,000. But Secretary Dern is not satisfied. He now urges provisions for the enrollment of 50,000 annually.

Naval Expenditures: Under the Naval Appropriations Act of 1936 the Navy Department was given \$457,805,261. In addition to this amount the Navy received \$156,326,982 in allotments from emergency funds and \$25,197,575 from deficiency bills and PWA funds. Total funds available were thus \$639,329,818. (National Council for Prevention of War.) Not included in the above was an appropriation for \$38,000,000 for the construction and modernization of naval shore stations on the Pacific Coast and in Hawaii and the Panama Canal Zone. Out of work relief funds came also in this year \$5,263,995 for the Coast Guard, technically a Treasury Department appropriation but closely associated with naval war preparations.

Further maintenance bills in the future are envisaged not only in the increase of ships being built but in the increases already made in navy personnel. Last Congress passed an act increasing the officer strength of the Navy by over 1,000 to nearly 12,000, and an increase in the number of enlisted men to 93,500. (It was 88,000 in 1935.)

A commentary on the contrast in the attitude of Congress toward the needs of the people and the needs of the war-makers appeared in an item in the *Christian Science Monitor*, March 28, 1935, on the day the big navy bills were pushed through the House. It read:

Then, 10 minutes after the bills were enacted, Representative Josh Lee (D) of Oklahoma made an eloquent plea for a few million dollars to keep 3,500 children in school who will otherwise be turned out before their terms end because of lack of funds in 26 states.

His plea fell on apparently deaf ears. [Then after quoting a protesting remark on the situation by Rep. Marcantonio.] There was no move to appropriate school funds.

Budget figure for 1936-37 called for an expenditure of \$609,000,000 on the navy.

United States in the Naval Race: Navy building has been more feverish under Roosevelt than during any peace period in the

history of the country. In June, 1935, some 68 combat ships were being constructed out of PWA funds. The regular naval appropriations for fiscal year, 1936, in addition to providing funds for the continuance of the construction of war vessels previously commenced, provided for the laying down of 24 more ships—one aircraft carrier, two light cruisers, 15 destroyers and six submarines. These 24 were the first of a group of 78 ships authorized, but not appropriated for, in the Trammell-Vinson Act of 1934 (see *Labor Fact Book II*, p. 188). The remaining 54 will be a drain on future regular naval appropriations or “public works” funds.

Navy Department plans a so-called “treaty navy” of 313 ships by 1941, and it is estimated by the House Appropriations Committee that it will then cost at least \$555 million a year simply to maintain such a fleet, let alone the amounts that will be demanded for more and more expansion as the real naval race gets under way with the expiration of the Washington and London treaties at the end of 1936.

Navy Department is planning also for “a force of auxiliary vessels.” Building of these auxiliaries alone is expected to cost an additional \$20 million a year for 10 years. (*New York Times*, June 8, 1935.)

This U. S. Navy is obviously designed for an offensive war against another nation. It is not for the defense of the shores of the United States. It is being built for the advancement of American capitalist markets and investments, notably in the Orient, in sharp competition with the capitalists of Japan and Great Britain.

Subsidies to Merchant Marine: Another form of naval preparations is the subsidizing of the merchant marine for carrying the mails overseas. Big navy men have long advocated the building up of a fast, medium-sized fleet of liners to act as auxiliaries and as transports in case of war. Under the Jones-White Merchant Marine Act of 1928, such subsidies were provided in order to encourage United States shipping companies. It was estimated in 1935 that by the time present contracts made with private shipping companies for carrying the mail expire, approximately \$308,000,000 will have been paid to these companies. About \$268,000,000 of this amount will represent the subsidy in the payment or the amount paid over and above the actual cost of carrying the mail on a weight basis.

Under the provisions of the Jones-White Act, over \$111,000,000 of government money was lent at very low interest rates to private companies to aid in building and reconditioning American ships, all for the purpose of maintaining merchant shipping in shape for purposes of "national defense." These loans provided a fertile source of graft, favoritism and corruption in the name of patriotism.

In a message to Congress, March 4, 1935, Roosevelt demanded that Congress appropriate funds for an outright subsidy entirely separated from any obligation to carry the mails. He advocated such subsidies as a less expensive way of building up the merchant marine and because "in the event of a war American flagships are obviously needed . . . for naval auxiliaries. . . . We should remember lessons learned in the last war."

The Copeland-Bland bill, drawn up by the shipowners and their friends in the U. S. Department of Commerce, is expected to become a law in 1936. It would give the shipowners more in direct government subvention than they ever received in indirect subsidies.

Air Forces Expand: Both the war and navy departments are concerned with the preparations for war in the air. Navy appropriations for 1936 (see above) provided for 555 planes (282 for replacement), 160 of them to be built immediately. By 1939-41 the Navy expects to have at least 1,910 planes in operation.

The Army Air Corps now reports it has 1,196 planes of which 838 are of the combat type. In his latest annual report (1935) Secretary Dern declared:

A 5-year aircraft-procurement program should be initiated at once, under which a minimum of 800 military airplanes of the best and most modern design should be purchased annually.

This would mean some 4,000 planes by 1940, a 300% increase in the number of combat ships. And it would nearly double the ambitious recommendation of the special aviation committee of the War Department, headed by Newton D. Baker, which declared in 1934 that the Army Air Corps should be built up to a strength of 2,320 serviceable ships. At least 565 new combat planes are provided for in the War Department appropriation for 1937.

Another big push for air preparations was given when Roosevelt signed the Wilcox Air Base Act in August, 1935. This act

authorized the establishment of 10 or 12 elaborate air-defense bases at a cost of about \$120,000,000.

Included in the second deficiency bill passed in June, 1935, were such items of air war preparation in the Pacific as an appropriation of \$4,525,000 for starting construction of an army airdrome at Hawaii (total cost will be \$17,000,000); \$1,124,000 for construction work on the Pacific Fleet air base at Hawaii; \$1,000,000 for the setting up of a commercial air service to China with intermediate island stations. (*Peace Action*, July, 1935.)

Senate Munitions Investigation

Special Committee of the U. S. Senate was appointed in 1934 pursuant to Senate Resolution 206, adopted April 12, 1934, authorizing an "investigation of the activities of individuals, firms, associations and of corporations and all other agencies in the United States engaged in the manufacture, sale, distribution, import or export of arms, munitions, or other implements of war. . . ." Sen. Gerald P. Nye was appointed chairman and the committee was frequently referred to as the Nye Committee. First public hearings were held in Washington, September 4 to 21, 1934.

According to William T. Stone, vice-president of the Foreign Policy Assn., writing in the *Nation*, October 3, 1934, the first phase of the investigation

has demonstrated that the armament industry has fomented war scares, sold instruments of death to both sides in civil wars and international wars, bribed government officials at home and abroad, blocked armament embargoes, disregarded treaties of peace, interfered with disarmament conferences, lobbied for armament programs, employed spies in foreign armies, used army and navy officers as sales-promotion agents, profited at the expense of governments, participated in secret international agreements for splitting profits and dividing world markets, and sold patents and secret designs to foreign countries.

Each of these charges has been established by correspondence taken from the files of the American armament corporations and amplified by the sworn statements of armament officials. (See also Stone's report, "The Munitions Investigation" in *Foreign Policy Reports*, Vol. X, No. 20.)

Revealing disclosures were made before the committee, in spite of soft-pedaling in questioning witnesses, refusal to make public certain big names involved and the suppression of several cablegrams to E. I. duPont de Nemours & Co. in order to avoid "grave political repercussions in a South American country."

The following is a *brief summary* of some of the high-lights of the hearings held in September, 1934:

International Coöperation of Munitions Manufacturers: *Electric Boat Co.* of Groton, Conn., has working agreement with *Vickers, Ltd.*, of England, covering licenses, patents, profit sharing and dividing the world into zones. The two companies practically control submarine building of the world. During the war, Germany obtained submarine patents from Austria-Hungarian Vickers subsidiary, *Whitehead & Co., Ltd.*, of Fiume. *Electric Boat Co.* patents were used as the basis of the wartime German U-boats which sank American and neutral ships.

The *duPont* company has a working agreement with *Imperial Chemical Industries, Ltd.*, of Great Britain, dealing with exchange of profits, the division of the world into zones, etc. DuPont has joint agency arrangements with *Federal Laboratories Co.* of Pittsburgh, gun and gas manufacturers. *Pratt & Whitney* in 1933 made an agreement with *Bavarian Motor Works* in Germany, for manufacture of high-speed air-cooled engines, which can be used for military purposes; the American concern receives annual royalty of \$50,000.

The Senate Committee placed in the record typical international agreements under which participating firms sought to prevent outside competition, to protect each other's bids on government contracts, and to create monopolies in various parts of the world. Under such arrangements secret designs and processes are freely sold to foreign companies and are then used by foreign governments.

U. S. Government—Munitions Salesman: Hearings revealed the U. S. Army and Navy, the Commerce Department, the State Department and other governmental agencies and officials being used by munition manufacturers as sales agencies in reaping their profits throughout the world.

"... You should arrange for instructions to be sent to him (U. S. Ambassador Moore in Spain) from your State Department, for him to tell the Spaniards that the United States government worked very harmoniously with *Electric Boat Company*," wrote Sir Basil Zaharoff, world's greatest munitions profiteer, in a letter to one of the officials of *Electric Boat Co.* As a result of Mr. Moore's intervention, *Electric Boat* got an order from Spain and Sir Basil got his commission on the order.

American Naval Commission to Peru in 1920-24 vigorously promoted there the interests of *Electric Boat Co.* And a few years later the U. S. Navy "loaned" a naval officer to Colombia who drew up plans for Colombian defenses against Peru, the plans having been prepared in collaboration with *Driggs Ordnance & Engineering Co.* whose ordnance material was strongly recommended to Colombia by the naval adviser. Admiral Niblack thought it a fine idea to send a fleet of submarines around South America to help promote sales for *Electric Boat Co.* General Douglas MacArthur, Chief of Staff of U. S. Army, called by Senator Nye "a salesman for American munitions

makers," went to Turkey in 1932 to promote sale of U. S. planes. E. V. Morgan, former ambassador to Brazil, was looking after the interests of *Electric Boat Co.* in 1922. The cruiser "Raleigh" was sent to Istanbul, Turkey, in March, 1929, to demonstrate anti-aircraft guns made by *Driggs Ordnance & Engineering Co.* U. S. Department of Commerce coöperated closely with *Curtiss-Wright* and *United Aircraft* companies in the appointment of military aviation instructors to Chinese Nanking government which was purchasing planes from these concerns.

Close Coöperation with Government: The United States government was divulging to munition makers secret army designs for defensive weapons to foster the private domestic munitions industry.

Evidence showed that airplane engines built with the aid of United States government subsidies were shipped in large numbers to Hitler. "Not an engine has been shipped to Germany without consent of the U. S. government," S. J. Joyner, vice-president of *Electric Boat Co.*, claimed, in a letter which also stated that he was responsible for nominating certain members to the House Rules Committee which controls legislation. The same man took credit for putting through a second deficiency bill which carried an appropriation of \$3,000,000 to pay an old claim of the *Electric Boat Co.*, and for two other measures which aided the company.

"Commissions," Bribes and Entertainment: Letter of a British munitions firm to its agent, an official of the *American Armament Corp.* in the United States, declared: "We fully understand that arms deals are not usually done without some officials getting greased, but if any palm-oil is required, it has to be added to the price." *DuPont* agents bribed certain "high Chinese officials" to get orders. Zaharoff received over a period of years more than \$2,000,000 from *Electric Boat Co.* Captain Luis Aubry of the Peruvian Navy received from the same company \$362,000 in "commissions" from 1919 to 1934. One official in Buenos Aires received \$50,000. Juan Leguia, son of the late President of Peru, received \$50,000. In 1928 *Electric Boat Co.* paid for a passage to Europe for the wife of Capt. A. G. Howe. Howe was head of the American naval mission to Peru. Officers of *Lake Erie Chemical Co.* testified that commissions had been paid to Lt. Commander Strong, U.S.N., an officer "loaned" to the Colombian government in 1932 to advise on national defense plans.

Profits, Dividends, Sales: Assets of *duPont* company grew from \$74,000,000 in 1913 to the enormous sum of \$351,000,000 in 1927. Its net taxable income increased from \$4,642,534 in 1913 to \$127,574,725 in 1916. It paid 100% dividends on its common stock in 1916. Bonuses paid to officers and high employees of the company between 1914 and 1919 amounted to \$17,000,000. *United Aircraft & Transport Corp.*, which sold huge quantities of aircraft to Hitler's Germany, was so successful that \$1,000 invested originally paid \$11,437,250 in cash and stock dividends by 1932. Sales of *United Aircraft* in Europe during the first eight months of 1934 amounted to \$1,753,646. Out of this sum, sales to Germany amounted to \$1,445,913.

The "Neutral" Way: Bolivia was armed for the war with Paraguay by *Federal Laboratories, Inc.*, of Pittsburgh, but it also did business with Paraguay. "We were not discriminating," in the words of J. W. Young, president of this corporation. *Curtiss-Wright Export Corp.* also negotiated with Bolivia and Paraguay when they were at war in 1933, and also had dealings with Peru and Colombia during the dispute at that time over Leticia. This was the "neutral" way of doing business in the opinion of K. Casey, head of the *duPont* explosive manufacturing department, who stated that he would fill orders for China and also Japan. DuPont solicited business both from Bolivia and Paraguay during the Chaco War and sold TNT to both Peru and Colombia during the Leticia controversy.

The munitions makers of course fought against arms embargoes and disarmament efforts. The correspondence of the *duPont* company, for example, showed that they were assisted in their anti-embargo efforts by officials of the War and Navy departments.

A typical wire made public by the Senate Committee was sent in December, 1932, by President Young of Federal Laboratories to its agent, Frank Jonas, in which he said: "Suggest you enlist Curtiss [Curtiss-Wright] and United [United Aircraft] in opposing the President's proposed arms embargo to Congress."

Industrial War: Both *Federal Laboratories, Inc.* of Pittsburgh and *Lake Erie Chemical Co.* of Cleveland were shown to be making a big business out of sales of gases and guns in both domestic and foreign markets. Sales are made to state and city police, banks, corporations and various capitalists threatened by strikes. Catalogues of these companies carry endorsements of the gases by various officials of the war and navy departments. General textile strike of 1934 boosted sales of these gases from 5% to 10%; gas sales in the San Francisco general strike of that year amounted to \$30,000.

Naval Shipbuilding Profits Exposed: Senate munitions committee later investigated *naval shipbuilding*. It reached among other conclusions, the following:

"The Navy has never examined the underlying costs or profits of the private builders. It makes no pretense of doing this. It has no staff for it."

"The Navy makes no attempt to examine the costs of the private companies to determine whether the profit limitation of 11.1% in the Vinson-Trammell Act is enforced or evaded." The Navy is thus left "at the mercy of the shipbuilders. A series of bids are put before the Navy, and the Navy has to take the low one, and the taxpayers have to hope and pray that the low one is somewhere within a few million dollars of being reasonable and proper."

On contracts worth \$130,000,000 given by the Navy to private shipbuilders in 1933, "there was no hard-hitting competition among equally desirous builders able to take on the work."

"From 1927 on when the cruiser program started, the record is the same. If there was no collusion, there was a sympathetic understanding among the big companies of each other's desires."

"If there were no conversations about bidding among them, there was telepathy." ("Preliminary Report on Naval Shipbuilding of the Special Committee on Investigation of the Munitions Industry," 74th Congress, 1st Session.)

Committee found also that the profit figures on certain naval vessels made in private yards were 35% on two cruisers and 23.1% on an aircraft carrier made by *Newport News Shipbuilding & Dry Dock Co.*; 36.9% and 33.4% respectively on two cruisers made by *New York Shipbuilding Corp.*; 25.4% and 21.8% on two built by *Bethlehem Shipbuilding Co.*

United Against War

The Third United States Congress Against War and Fascism, called by the *American League Against War and Fascism*, was held in Cleveland, Ohio, January 3-5, 1936. Its primary purpose was to seek ways to broaden the united front against war and fascism.

To it went 2,070 delegates from 1,840 organizations, representing 3,291,906 members in 30 states. There were 209 delegates from 181 A. F. of L. local and international unions and central bodies. From 65 independent trade unions came 83 delegates. The total number of unionists represented was 604,511. Democratic, Communist, Socialist, Farmer-Labor and Utopian organizations also sent delegates.

The delegates were divided into several commissions, discussing war and fascism, youth situation, national and racial minorities, and trade unions. A ten-point program was drawn up, clarifying its aims and plan of action:

1. To work toward the stopping of the manufacture and transport of munitions in the time of peace or war....
2. To expose at every point the extensive preparations for war being carried on by the government of the United States....
3. To resist the increasing militarization of youth in schools, CCC, and CMTC camps and the use of their dependence upon relief to get them into the armed forces.

4. To demand total and universal disarmament, as proposed by the Soviet Union at the League of Nations....
5. To demand that neutrality legislation effectively cover all war supplies, loans and credits, and permit no discretion to the President. . .
6. To oppose the policies of American imperialism in Latin America, the Far East, and throughout the world. . .
7. To demonstrate constantly the relationship between war and fascism; to expose and counteract fascist propaganda, both foreign and native; to prevent the formation of fascist forces in this country.
8. To oppose all development leading to Fascism, particularly the increasingly widespread use of armed forces and vigilante terrorism against the workers, unemployed, farmers, Negroes and other racial minorities. . .
9. To resist the attempts of our American fascists to destroy—by legislation, executive order, judicial decree or lawless action—our guaranteed civil rights of free speech, free press, free assembly, the right to organize, picket and demonstrate; and further to resist all forms of discrimination against foreign-born based on their political or labor activities.
10. To oppose all legislation or orders denying citizens in the armed forces their constitutional right to receive printed matter or personal appeals in behalf of this or any other program, designed to secure peace, freedom and justice; and to defend their right to join organizations on the same basis as other citizens.

Mass Anti-War Actions

Stopping the shipment of arms, crippling the war industries, interfering with the conduct of war has long been the goal of the international labor movement. Such actions have taken place from time to time and in various countries during the imperialist World War and the subsequent intervention of the imperialist powers in Russia. In the case of soldiers and sailors, anti-war actions usually took the form of mutinies, sometimes against specific grievances but frequently against the whole system of war and the war machine.

The greatest historic movement of the masses against war was, of course, the action of the Russian masses who, as Lenin put it, voted against war with their feet in 1917. The Russian masses broke the bonds of tsarism and capitalism in a movement that was strongly reënforced by the revolt of soldiers and sailors against military slavery and the miseries of the imperialist war.

We list below a few instances of anti-war actions in various countries beginning in 1917:

Summer of 1917: There were open mutinies in 16 French army corps with the result that 350,000 soldiers were given leaves of absence. "The war must come to an end," General John J. Pershing quoted as the main slogan of the mutineers.

October, 1917: Mass mutiny of Italian soldiers and fraternizing with Austrian troops at Caporetto, near the Italian-Austrian border.

Late January and early February, 1918: Revolt of Austrian arsenal workers against infliction of disciplinary measures spread to sailors in harbor at Pola. Joined by sailors of six Austrian cruisers at Cattaro who mutinied for eight days.

January and February, 1918: A series of strikes in German munitions plants.

November, 1918: German sailors refused to continue the war.

December, 1918: Whole units of the army service corps at Park Royal, England, marched in a disciplined parade to Downing Street, protesting against being sent to Russia.

January 1, 1918: British troops mutinied at Archangel. Refused to fight against the Soviets.

January, 1919: 15 mutinies to support strike¹ at Folkestone, England. Protested dispatch of troops against Soviets.

January, 1919: Revolt at Calais, France, involving from 4,000 to 10,000 soldiers, according to various estimates.

February 8, 1919: About 250 English soldiers, due to return to the front, marched to the Horse Guards Parade to list their grievances. Nine leaders arrested.

March 4, 1919: Riot of Canadian army men at Kinmel Military Camp, Rhyl, England. Five killed, 23 injured. *Annual Register, 1919*, reported: "some tendency was exhibited towards Bolshevism."

March, 1919: Returning Canadian soldiers mutinied on *S.S. Olympic*, in mid-ocean.

March, 1919: Two French regiments in the Odessa region mutinied when ordered to attack Soviets.

March, 1919: 339th Infantry Regiment of the U. S. Army, near Archangel, mostly men from Detroit, Michigan, refused to load supplies on truck going to front for use against Soviets. Instead they marched to Shenkursk to vessels which later took them home.

April 14-25, 1919: Workers of Limerick, Ireland, struck against "military tyranny."

April 19, 1919: French Black Sea Fleet mutinied at Odessa against war on Russia. After four days of negotiations, Admiral granted demands of sailors' delegates that the ships should return to France and that the men should not be punished on their return.

¹ T. H. Wintringham in *The Coming World War* reports: "The opposition to the war on Russia did not happen only in England. At Libau in the Baltic a light cruiser mutinied. A ship had to be sent home from Archangel. Four destroyers, which arrived at Murmansk before their crews knew where they were going, had to be sent home. There were refusals by sailors to weigh for Russia during 1919 at Invergordon, Portsmouth, Rosyth, Devonport and Fort Edgar destroyer base."

June 17, 1919: 200 French sailors, carrying a red flag, attempted to enter the naval jail at Brest to rescue imprisoned mutineers from the battleship *Justice*, just returned from the Black Sea.

July 20, 1919: Premier Nitti of Italy promised to recall Italian troops from Russia and not to intervene in Hungary upon Socialist threat of general strike to enforce their demands.

July 21, 1919: International general strike against intervention in Russia was partially effective in Brest, France, where dockers struck; in Berlin and Vienna; and in some parts of Italy.

July, 1919: Within a week after the Triple Alliance of British railroad, transport and mine workers recommended a strike ballot, the government announced that all British troops would be withdrawn from Russia.

October 7, 1919: Longshoremen of Seattle, Wash., refuse to work the steamer *Delight* when they discovered that ammunition was to be loaded destined for use of Kolchak's forces against the Soviets. The boat was tied up a month before strikebreakers loaded it.

May 10, 1920: London dockers refused to load the *Jolly George* at the East India docks. The ship's cargo included munitions for Polish use against Soviet Russia.

June 14, 1920: Irish railwaymen at Waterford refused to transport English troops for use against Irish people. Incidents of this sort and of refusal to transport police and munitions occurred almost daily during the middle of the month and practically brought the transportation of troops to a standstill.

June, 1920: A series of strikes of Italian workers took place against transportation of munitions and troops to Albania. On June 26, a company of Italian soldiers at Ancona mutinied. Strike spread to Rimini, Terni and to Rome.

June 11, 1920: Railroad workers struck at Milan and Cremona, Italy, against transportation of munitions for Poland's use against Soviets.

August, 14, 1920: German workers at Ratibor, Silesia, stopped and sidetracked a French troop train which they said was being sent to aid Poland against Russia. Including such incidents elsewhere, German workers stopped six trains in all.

August 16, 1920: Belgian government forbade shipment of munitions which arrived at Antwerp from France and were destined for use by General Wrangel's forces against the Soviets. "This action, it is believed, was due to the announcement of Belgian workmen that they would refuse to handle the shipment." (*New York Times*, August 16, 1920.)

The International Transport Workers Federation in 1921 organized a successful transport boycott of war materials which hindered the Polish war against Russia and the intervention of other countries in Russia.

October 12, 1925: Communist Party of France "organized a 24-hour demonstration strike... to protest against the Moroccan war," *American Labor Year Book*, 1926, reported.

August, 1934: Socialists and Communists in Paris forced the abandonment of plans for participation of civilian population in air maneuvers over the city. (New York *Herald Tribune*, August 19, 1934.)

Actions Against Mussolini's War on Ethiopia, 1935-36

In spite of the large number of incidents listed below, it should be noted that due to the rigid fascist censorship many such actions were not reported to the outside world. In some cases the actions were recorded but dates were not given. Because of this the list must remain only fragmentary and incomplete, but even as such its length is impressive:

Crews of two Greek ships, the *Joanis Nomikos* and *Niki Wojasidi* refused to handle Italian supplies for war materials. At Marseilles, France, the *S.S. Rossini* with materials for Italy was held up. Bombay, India, dockers carried out a boycott of Italian ships. Dockers in Chile stopped several shipments of foodstuffs bought by Italian firms for transport to that country. Dutch seamen took action to prevent signing on of crew for *S.S. Goldna* which had been purchased by the Italian government. A demonstration of Italian women at Pietro, Forli province, halted departure of a troop train. The Seamen's Union of New Zealand refused to transport war materials. Seamen and stewards at San Pedro, Calif., refused to ship the *S.S. Oregon*, headed for Singapore and Eritrea with aviation gasoline. Longshoremen in San Francisco, Calif., held up the Italian cargo boat *Collina* on the grounds that the cargo of copra could be used as war materials. London dockers at Cotton's Wharf refused to work a German ship bound for Italy.

Other actions against the fascist war, arranged in chronological order, were the following:

1935: July: At Parma, Italy, women placed themselves on railroad tracks and refused to move as troop trains were scheduled to depart. Troops were later secretly dispatched at night.

Early September: Dockers in Capetown (refusing to load meat), Durban, South Africa, Port Said and Alexandria, held up shipments to Italy.

Late September: Boot and Shoe Operatives Union in England instructed members to cease handling boots intended for the Italian army.

October: Half a million persons took part in a one-day general strike in Mexico in support of sanctions against Italy.

October 13: The Italian steamer *Cellini* was forced to go from Seattle to Olympia, Wash., because it was found impossible to have it worked in the former port. When the ship first arrived in Portland, Oregon, some days later, longshoremen refused to work her.

October 25: Dockers in the French port of Saint Louis du Rhone

carried through a two-hour protest strike on the Italian steamer *Serenitas*.

November: Crew of S.S. *Farnham*, British tramp steamer, in Boston, Mass., struck for certain economic demands and in protest against shipping scrap iron to Italy.

November: Just before the Norwegian tanker *Rignor* was due to sail from San Pedro, Calif., longshoremen learned that gasoline they were loading was destined for Italy. They stopped loading and tied up the ship.

November 15: Organized dockers of Port-of-Spain, Trinidad (British West Indies), mostly Negroes, refused to work the Italian ship *Vergilio*.

December: The crew of the Italian oil tanker *Corona Ferrea*, mostly Greeks and Rumanians, mutinied at sea after ship left Constanta, Rumania, loaded with oil. The ship was laid up at Venice.

December 26: 500 men at Merano, South Tyrol, started a demonstration and tore down Mussolini's picture when informed they were to be pressed into war service. (Only 18 responded to officers' call for service.) When they were taken to station later, the conscripts threw down their equipment and shouted slogans against war.

January 3, 1936: *L'Oeuvre*, French anti-fascist paper, reported a mutiny of Italian soldiers at Lugo di Romango as they were about to be sent to war. Civilians joined in a demonstration against war.

April, 1936: San Francisco longshoremen refused to load scrap iron on Italian ship *Fella*. The scrap iron had been collected by pro-fascists as a gift to the Italian government. The longshoremen asked Secretary of State Hull whether the cargo was contraband but received no reply. The ship sailed without the iron.

In Italy itself there were many demonstrations of workers and soldiers against war. Among such incidents which slipped through the rigid censorship, Henry Zon reported (*Federated Press*, September 17, 1935):

In Parma, Leghorn and other places, wives and mothers following the example set in Calanisseta, mobbed railway stations to prevent the departure of troop trains.

In Siena, mobilized militia refused to leave. Wives and mothers of Massa held demonstrations in front of Fascist headquarters. In Sicily, Palermo, South Mauro, Corleone and Vittoria, there have been demonstrations ending in conflicts with police. During fighting resulting from a demonstration at Acuasanta in the province of Abruzzi, two peasants and a non-commissioned officer were killed. Troops ordered to disperse the mob refused to obey the command to fire.

A large number of the 70 dockers on their way to Africa deserted at Genoa. In Milan a crowd stormed the barracks, smashing windows and shouting slogans.

In Cremona, peasants demonstrated against war ... [and] soldiers ... in Milan, fought militia men on the station platform. ...

In Pavia, in the north, a regiment is said to have mutinied, deposed its officers, and commandeered a train going home.

At the sulphur mines in Sicily, miners who struck at the first mobilization order have struck again. ...

Later reports from the agricultural districts in the south of Italy told of demonstrations against high taxation. Although such demonstrations had taken place before the Ethiopian war began, they represented, indirectly, protests against war since the people were being taxed to finance the war. And at a textile factory in Milan, workers demanding a proper lunch room found their most effective slogan to be: "You spend millions for war; why not spend something for our lunch room!" A *Federated Press* correspondent (February 10, 1936) in Milan reported "26 minor revolts and group-refusals to leave for the war in Africa in the course of December and January."

XI

SOVIET STATES

The Soviet Union

Second Five-Year Plan: The advances called for in the Second Five-Year Plan of the Soviet Union were outlined in *Labor Fact Book II*. The end of 1935 saw the successful completion of three years of this plan which runs from 1933 to 1937 inclusive. In 1933 the rate of increase in economic development was somewhat less than in the preceding years, due chiefly to the necessity to complete the construction of a large number of enterprises which had been started during the First Five-Year Plan (1928-32). In 1934 and 1935, however, economic growth was much faster. This is shown by the following table giving the *percentage increase* over the preceding year for each of the first three years of the Second Five-Year Plan:

SOVIET ECONOMY—1933-35
(Per cent increase over preceding year)

	1933	1934	1935
National income	6.6	15.0	17.8
Industrial output	6.2	18.7	20.7
Agricultural output	6.7	4.5	11.0
Railroad transport	0.0	21.3	26.2

Practically all important branches of national economy, and especially the heavy industries, either fulfilled or surpassed the programs set for the first three years of the Second Plan.

The following table shows the output of some of the important heavy industries in 1934 and in 1935 as compared with 1932, the last year of the First Five-Year Plan:

Unit	1932	1934	1935	Percentage increase 1935 over 1934
Coal (million tons).....	64.4	93.5	101.0	8.1%
Oil (with gas) (million tons)....	22.3	25.5	26.8	5.0%
Pig Iron (million tons).....	6.2	10.4	12.5	20.1%
Steel (million tons).....	5.9	9.6	12.6	31.2%
Tractors (thousands).....	50.6	94.4	110.0	16.3%
Automobiles (thousands).....	23.9	72.5	96.7	32.0%

International Comparisons: In 1925 the U.S.S.R. was eleventh among the countries of the world in production of *electric power* and in 1932, seventh; by 1935 it had advanced to third place. In the output of *coal*, it went from tenth place in 1925 to fourth place in 1935; in *pig iron*, from seventh place in 1925 to third in 1932, and to a parity with Germany in second place in 1935; in *steel* from sixth in 1925 to third place in 1935; in *copper* from ninth place in 1932 to fourth in 1935. In 1925 the Soviet Union produced only 595 *tractors*; in 1935, it turned out 110,000, more than any other country. In the manufacture of *automobile trucks*, it jumped from eleventh place to second place. In 1935 it was first in Europe in the output of *peat, oil, copper, combine harvesters, industrial and agricultural machinery*. In that year it was also first in the world in output of *locomotives and freight cars*.

Consumers' Goods: Large gains were made also in consumers' goods industries, output which in 1935 totalled 28.7 billion rubles, an increase of 18% over 1934. Manufactured consumers' goods of all kinds are now being produced in far larger quantities and in greatly improved quality and variety—not only the basic necessities such as cotton cloth and shoes, but also the luxuries and semi-luxuries, such as silk fabrics, pianos, bicycles, radio sets, watches, cameras and the like.

Food industry showed a gain of 23% in 1935 and of 54% in the two years 1934-35. Record outputs of meat, butter and cheese, sugar, and other food items were reached in 1935. The sugar produced from the 1935 harvest of sugar beets amounted to 2,320,000 metric tons, representing a gain of over 80% as compared with 1934. The Soviet Union rose from sixth place in beet sugar production in 1933 to first place in 1935. It went from fifth place in output of canned foodstuffs in 1929 to second place in 1935. Prices of consumers' goods declined by about 25%-30% in 1935 and the downward tendency in prices is continuing.

Stakhanov Movement: An outstanding feature of economic development in the Soviet Union in 1935 was the growth of the Stakhanov movement, named after the miner who originated it. This is the widespread campaign for rationalization of industrial processes, a movement that differs from all other schemes of scientific management introduced in capitalist countries, in that the impetus comes from the worker in the plant and mine and is based

on his practical and intimate knowledge of working conditions. Only in the Soviet Union, where the entire economic apparatus is in the hands of the state, and private property in the means of production abolished, is it possible to interest millions of workers in a drive to increase the productivity of labor. The tremendous interest which this movement has aroused in the Soviet Union testifies to the fact that a higher plane of economic development has been reached. For the prerequisites of such a movement are extensive mechanization, a high level of literacy and mechanical skill and a rising standard of living.

As a result of the introduction of these methods the average daily production in the Donbas coal mines increased from 180,000 tons to 245,000 tons in a period of four months. Similar results were recorded in other industries. The movement has spread also to agriculture and transportation.

Agriculture: 1935 was a year of record grain, cotton and sugar beet crops. Grain production totalled 90 million metric tons, as compared with 69.9 million in 1932. The cotton harvest amounted to 550,000 tons of cotton fiber, showing a gain of more than 40% over 1934. The harvest of sugar beets totalled 15,300,000 metric tons, registering a gain of 34%. These increased yields were due not to more extensive cultivation, but to improved farming methods and the increased use of modern machinery and fertilizers. In the fall of 1935 Soviet agriculture had at its disposal 278,000 tractors and 50,000 combine harvesters, as against 148,000 tractors and 16,000 combines in 1932.

The process of collectivization of agriculture is fast nearing completion, and about 90% of peasant families are now members of collectives. Money income of collective farms in 1935, aside from the value of commodities consumed by the members, exceeded 10 billion rubles, surpassing that of 1934 by 67%. Before the war (1912) rent and taxes absorbed 31% of the total money expenditures of Russian farmers. Under the Soviet system land rental is abolished and taxes make up only 5% of the family budget of a collective farmer. In 1912 expenses for education and medical services for peasants amounted to approximately 50 kopeks per capita, whereas in 1933 the investments by the state for cultural and medical purposes for farmers totalled 23 rubles per person. In the past two years such expenditures have grown considerably.

Ration System Abolished: A fact of historical importance in Soviet development was the abolition, in 1935, of the system of ration cards for certain foodstuffs and manufactured products. During the period of the First Five-Year Plan the program of intensive industrialization added millions of new industrial wage-earners, while reducing the number of producers in agriculture. This required the establishment of a system of rationing, which enabled even the lowest-paid workers to obtain the basic necessities at low, fixed prices in the "closed" stores, that is, those serving only the workers of a specified enterprise. However, the amount of products obtainable in these stores was limited and the balance had to be purchased by the consumer at much higher prices in the open market.

The dual system of prices and the large and cumbersome apparatus required by the program of partial rationing were considered as necessary but temporary evils. With the rapid development of state commercial trade, the steady increase in the amount of consumers' goods put on the market and the corresponding decline in prices, it was considered possible to do away with this system in 1935 and to pass over to universal unrationed trade, with a single system of prices. A decree issued September, 1935, ended the rationing system for those products still sold in the "closed" stores. Bread cards had been eliminated at the end of 1934.

Labor Conditions: In 1935 the number of wage earners and salaried employees in the U.S.S.R. reached 24,700,000, exceeding the 1934 total by one million. The total wage fund amounted to 56.2 billion rubles, as against 41.6 in 1934. The program for 1936 provides for an increase in the number of wage earners and salaried employees to 25,725,000, and in the total payroll to 63.4 billion rubles. In 1932 the number of employed persons totalled 22,943,000, and in 1930 only 14,531,000.

The number of women engaged in various branches of the national economy rose from 2,500,000 in 1928 to 6,819,000 on January 1, 1933. At the end of 1935 women made up about a third of the total number of all employed persons and 40% of those engaged in large-scale industry. Women are employed in practically all fields and receive the same compensation for equal work as men.

Social insurance system is the most comprehensive of any country in the world, and embraces almost every contingency of the worker's life. (See *Labor Fact Book I*.) Expenditures for social insurance have shown an extremely rapid growth, from 800 million rubles in 1927 to 5,050 million rubles in 1934, 6,700 million in 1935, and 8,000 million as the program for 1936. This enormous fund is administered entirely by the trade unions, but is made up solely from contributions by the employing organizations.

Social insurance benefits are paid to those temporarily disabled through sickness, pregnancy and childbirth. A system of old age pensions is in force, 2 billion rubles having been expended for that purpose in 1935. Outlays devoted to the care of children, for example the feeding of infants, organization of special milk kitchens, free lunches for school children, and upkeep of children's sanatoria, totalled 500 million rubles in 1935.

The basic medical and dental services are free to all citizens and tremendous sums are devoted to rest homes and sanatoria for workers, physical culture institutions and the like. It is interesting to note that in 1929 almost a quarter of the social insurance budget was absorbed by payments for temporary disability, while in 1935 these amounted to only one-seventh of the total. This is due to a considerable decline in the disease rate; in many branches of industry this rate has dropped by 30% or 40% in the past five years. Because there is no unemployment in the Soviet Union and every able-bodied person can easily find work, the social insurance budget now makes no provision for unemployment benefits.

Wages have shown a steady increase. This tendency has been especially marked with the development of the Stakhanov movement. In 1935 average wages increased 22.6% over 1934. At the same time, as noted above, there was a reduction in retail prices of from 25% to 30%. These factors were reflected in a corresponding increase in consumption by workers' families. Thus, in December 1935, consumption per capita increased, in comparison with December, 1934, as follows: meat, 31%; lard, 86%; milk, 29%; butter, 33%; fruits, 148%.

Education and Culture: In 1935, 533 new schools accommodating 286,000 pupils were built in urban and industrial centers and 2,829 new schools for 513,000 pupils in rural districts. The program for 1936 provides for the construction by autumn of 1,507

schools in cities and towns, and 2,802 in villages. These will accommodate 1,458,000 pupils, and will require the expenditure of over 1 billion rubles.

In tsarist Russia only 7,800,000 children attended primary and secondary schools. By the end of 1935 the number of pupils in Soviet schools exceeded 25 million. The number of schools built under the Soviet régime is greater than that built during the three centuries of the Romanoff dynasty. Illiteracy has been reduced from 67% in 1917, to less than 10% at present. Before the Revolution there were only 91 colleges, universities and technical institutes, while in 1935 there were over 600 with an enrollment of 483,000 students. In that year alone, 74,000 students graduated from the various higher educational institutions, including about 24,000 engineers, while about 165,000 new students were enrolled in these institutions.

All education, from nursery through university, is entirely free and the great majority of students in the higher educational institutions receive additional stipends from the government. After graduation they are given vacations at the expense of the educational institutions and then go to work in their chosen trade or profession.

In recent years there has been a tremendous increase in pre-school educational institutions and in cultural and recreational facilities for adults. While at the beginning of the First Five-Year Plan (1928) there were only 2,500 kindergartens in the country, by 1935 this number had increased ten-fold. The number of children accommodated amounted to over one million. There has been a particularly rapid spread of kindergartens in the country districts. In 1934 the U.S.S.R. had 67,000 libraries with a total of 271 million volumes, as compared with 12,600 libraries in Russia in 1914. In addition in 1934 there were 34,000 reading rooms and 24,000 clubs for workers and peasants, institutions which were practically non-existent in pre-war Russia. While in 1913, 28,000 titles of books were published with a total of 113 million copies, in 1934 there were almost 44,000 titles with a total issue of 474 million copies. In 1913, 859 newspapers were published; in 1934 there were 12,000 printed in 60 languages with a total circulation of about 40 million copies. Cultural developments have been especially notable in the outlying regions and among the national minorities which were the most neglected before the Revolution.

The plan for 1936 reflects the steady rise in national economic development, and particularly in social and cultural fields. The unified state budget for the year was set at 78.7 billion rubles, 21.5% above that of 1935. Over 21 billion rubles (one-third more than in 1934) were allotted for social and cultural enterprises, such as schools, colleges, clubs, hospitals and theaters. The plan provides for the construction of 8,000 new theaters, cinemas and circuses, which will bring the total in the U.S.S.R. to 44,800. Over 3 billion rubles were allocated for housing, calling for the construction of ten million square meters of new housing, more than twice as much as in 1935.

All of these developments have been reflected in a sharp drop in the death rate and a corresponding gain in the rate of increase of population. From 1922 to 1935 the death rate in the U.S.S.R. declined by 44%. In the Ukraine it dropped from 21 per 1,000 in 1913, to 13 in 1935. The death rate among many of the smaller nationalities, some of whom under the tsarist régime were doomed to extinction, has decreased by 50% and 60%.

The natural increase of the population of the U.S.S.R. is about 3 million persons a year.

New Soviet Constitution: At the Seventh Congress of Soviets, held in January, 1935, a resolution was adopted which introduces changes of historic importance in the Constitution of the U.S.S.R. In accordance with this resolution, the electoral system will be further democratized by the substitution of direct for indirect elections, and the secret for the open ballot and the granting to peasants of equal representation in the Soviets to that granted city workers. These changes indicate that the goal of a classless society is fast being attained. With the firm establishment of collectivization, the former inequality in representation between the village and the city, which had to be maintained in order to protect the interests of the Socialist State, is no longer necessary and is therefore being abolished.

Participation in the Soviet elections increased from 39 million in 1926 (51% of the eligible voters) to 62 million (72%) in 1931 and 77 million (85%) in 1934. In the 1934 elections 90% of the eligible women voters in the cities and 80% in rural localities participated, as against 43% of the urban women in 1926 and 28% of the women in villages.

Foreign Relations: Basis of the foreign policy of the U.S.S.R. is the struggle for peace. In furtherance of this aim the Soviet Union accepted the invitation to join the League of Nations in September, 1935, because the League as at present constituted is to some extent a force for peace. The Soviet government has concluded trade agreements with many countries in order to normalize and stabilize its economic relations with the rest of the world. It has entered into non-aggression pacts and conventions—in which the signatories subscribed to the definition of aggression offered by the Soviet delegation at Geneva—with practically all of the neighboring countries. (See *Labor Fact Book II*, p. 204.) It has offered to conclude similar non-aggression pacts with Germany and Japan, but these offers have been met with refusals, obviously because the signing of such pacts would hamper the well-known aggressive designs of these countries on the Soviet Union.

U.S.S.R. has been foremost in building the system of collective security. It has been the most firm of all countries at Geneva in demanding sanctions against Italy. To further strengthen the cause of peace it has joined hands in pacts of mutual assistance with France and Czechoslovakia. These pacts, however, have nothing in common with the military alliances concluded by imperialist Russia before the war. In the first place they are purely defensive in character; secondly, they are open for adherence by other countries, including Germany.

While steadily pursuing the policy of collective security, based on the premise that peace is indivisible, the U.S.S.R. is rapidly strengthening its defenses. The Red Army has been built up into a powerfully organized, highly mechanized military force, which will be able to defend the country of the workers and peasants from invasion. While the U.S.S.R. to-day is the most powerful force making for world peace, it is ready to defend itself should the necessity arise.

Soviet China

The year 1935 will be known in the history of China less for Japan's penetration of Inner Mongolia, her intrigues in north China leading to the so-called "autonomy" movements, her progressive enslavement of Manchoukuo, or her repeated border raids in Outer Mongolia and into the Soviet Union than for the reverse

side of the picture, the consolidation of Chinese anti-imperialist forces and the extraordinary development of the vanguard of that national liberation movement, the Soviet Republic of China.

The most spectacular feature was the shifting of the center of gravity of the Red Army from the old base in Kiangsi and Fukien to the west and northwest of China. This geographic shift marked the approach to maturity of the forces of liberation which for seven years had been gradually accumulating experience and strength in the south, but which until the move took place could not make rapid political advances because of being surrounded by overwhelming counter-revolutionary forces and because of an unfavorable economic terrain. In the new base reached in 1935, in western and northern Szechwan, southern Kansu, and northern and southwestern Shensi the Red Armies effected the greatest concentration of forces in the history of the Chinese Soviet Republic. The Soviet movement began to consolidate in an area of the greatest strategic importance, both political and military. In the winter of 1935-36 penetrating far into the north and even into Inner Mongolia, the Red Armies offered the only military blockade to further Japanese advances.

The decision to evacuate the military and political base of the Soviet Republic from Kiangsi was made in 1934 when it was recognized, first, that the internal strength of the movement and of the Red Army both permitted and demanded national expansion, and, second, that the superior military powers of the counter-revolutionary armies under Chiang Kai-shek, supported by imperialist supplies, bombers and gunboats concentrated on Kiangsi, made that province no longer tenable. Evacuation, however, was no simple task. It involved breaking through the counter-revolutionary military cordon and moving armed forces of about 250,000, with their equipment, a distance of over 1,200 miles through hostile military territory. It also meant leaving behind in Kiangsi a revolutionary organization and partisan force capable of keeping the germ of the movement alive in the face of ruthless suppression on the part of the Nanking and feudal-bourgeois counter-revolutionaries. That this last was successfully accomplished is evidenced by the breakdown of Chiang Kai-shek's "reconstruction" program for Kiangsi as soon as his armed force and financial subsidy were removed and by the size of the Soviet areas

and of the Red Army and partisan troops remaining in Kiangsi a year after the evacuation (see table on page 216). Thus not all of the significant cultural and economic achievements of seven years—schools, theaters, sports, higher wages, the eight-hour day, better food, hygiene—were sacrificed. The experience under the Soviet Government remained imprinted in the minds of the population to be realized again whenever the situation in Kiangsi permitted, and to be recreated elsewhere in Sovietized territories. Meanwhile the demands of revolutionary power require the Soviet movement to concentrate on a nation-wide military phase.

The military blockade of the Soviet base was penetrated by the skillful strategy of Mao Tse-tung, chairman of the Soviet Republic, and Chu Teh, chairman of the Revolutionary Military Council. In the spring and summer of 1934, before the main Kuomintang attack began, two Red Armies were sent through to harass the enemy's rear. Fang Chih-min led the famous anti-Japanese expedition out of northern Kiangsi into Anwhei. By threatening a crossing of the Yangtze he attracted a concentration of Kuomintang troops away from their main objective until, a faulty radio making it impossible for him to maintain contact with the Red Army headquarters, he committed the error of returning to northern Kiangsi where he was captured in the latter part of the year. A second army under the command of Hsiao Keh was dispatched to the northwest and succeeded in joining up with Ho Lung's army in northern Hunan and northeastern Kweichow. There he was able to harass the enemy's rear and to keep the provincial armies allied to Nanking preoccupied while the main Red force under Mao and Chu marched rapidly westward out of southern Kiangsi.

While military strategy was indispensable to the success of the march, the most important factors were the loyalty and training of the Red Army units, on the one hand, and, on the other, the active sympathy of the peasants along the way. Pauperized and disgusted by the alliance of the Kuomintang with landlords and rapacious officials, the poor farmers and workers, already familiar with the new doctrines and methods of the liberation movement, welcomed and protected the Red troops and functioned as a huge network of espionage on the enemy.

The historic westward trek ended in June, 1935, with the meet-

ing of the central forces of Mao and Chu with those from Shensi and northern Szechwan under Hsu Hsiang-chien at Tienchuan in western Szechwan. The latter had for a full year been preparing the ground for the new Soviet base, having previously marched westward from northern Anwhei. The meeting of these great forces brought to a successful close the first step in the broadening out of the revolutionary program on a national scale. The second step was the consolidation and expansion of the Szechwan-Shensi-Kansu base and the broadening of political support.

The widening of the political base of the Soviet movement had been well launched nationally in the winter of 1933-1934 when, during the Fukien revolt, a united front had been achieved between the Red Armies and the Nineteenth Route Army (of Shanghai fame) against the Kuomintang forces of suppression and Japanese imperialism. During 1934 a further appeal for national support addressed to all Chinese anti-imperialists was when the Red Army formally declared war on the Japanese militarists and gave evidence of their sincerity by dispatching Fang Chih-min's army on the northern expedition noted above. The successful establishment of the new base in the west and northwest in the spring of 1935 gave new impetus to united front action against imperialism.

At the time of the historic meeting of forces in Tienchuan, Szechwan Province, in June, the Central Government of the Soviet Republic of China and the Revolutionary Military Council addressed a manifesto "to the Mass of the Chinese People." (See *China Today*, Sept., 1935.) After reviewing the united front position previously taken by the Soviet movement and after analyzing the progressive treachery of Chiang Kai-shek, his prime minister, Wang Ching-wei, and their Nanking colleagues, the manifesto declared: "Now the Soviet Government of China, which still favors a war on Japanese imperialism, calls on the land, naval and air forces of the whole country to fight shoulder to shoulder with the Red Army and immediately to march north against the Japanese. It calls on the masses of people to rise and arm themselves with the weapons to be seized from Chiang's arsenals or with those imported by Chiang. Stop payment of Japanese indemnity and Japanese debts including principal and interest; confiscate the property of all traitors from Chiang Kai-shek, Wang Ching-wei downward, in order to finance the war against Japan. Mobilize the

masses of the whole country and organize them into anti-Japanese bodies, volunteers, Japanese-goods-confiscating groups; transport propaganda and nursing groups; rally them to take an active part in the anti-Japanese war."

This manifesto received such wide support that two and a half months later (end of August, 1935) it was already possible to widen the appeal. The Chinese Soviet Government and the Central Committee of the Communist Party of China issued an even broader manifesto for the formation of a national defense government and listed the immediate tasks of such a government. (See *China Today*, Dec., 1935.) Addressed "to men and women in all walks of life . . . in China as well as Chinese abroad," the manifesto quoted an old Chinese proverb in pointing out the necessity of "stopping the quarrels among brothers inside the wall to meet the invaders from outside." It went on to say: "If the Kuomintang armies will stop their attacks on the Soviet districts and if their forces will fight the Japanese invasion, then, regardless of the animosity and difference of opinion on internal problems that have existed between them and the Red Army in the past, the Red Army will not only immediately cease its action against them, but is ready to join hands with them to carry on a joint fight for the salvation of our country. . . . The Soviet Government and the Communist Party are willing to initiate a national defense government and are willing to discuss and negotiate with all organizations . . . , all prominent people, scholars and politicians, and all local military and administrative units—in a word, with all those who are willing to participate in the mission of fighting against the Japanese invasion and for the salvation of China. The national defense government formed as a result of such negotiations should be the provisional leading organ of the struggle for national existence."

The effect of the military successes of the Red Army and of the social and economic achievements in the Soviet districts together with the appeal to a wide united front against Japanese imperialism was to broaden the base of the movement for national liberation and to narrow the political support for Chiang Kai-shek's policy of capitulation and non-resistance.

The territorial extent and military strength of the Chinese Soviet movement is indicated as of the late summer of 1935 in the table on page 216. The figures convey meaning only when used in con-

nection with the dynamics of the movement which we have here attempted to suggest.

TERRITORIAL DISTRIBUTION OF THE ARMED FORCES OF THE REVOLUTION,
SUMMER, 1935

Provinces	Totals		Revolutionary Centers			Number of Armed Forces of the Revolution		
	Counties	Popula- tion *	Perma- nent Counties	Popula- tion *	Parti- san Counties	Popula- tion *	Regular Red Armies	Partisans
Shensi	91	11	21	2.0	7	0.5	355,000 ^a	35,000
Kansu	77	10	4	0.5	4	0.2		16,000
Szechwan ...	146	70	62	25.0	38	15.0		130,000
Sikang	33	8	20	3.7	..	..	..	3,000
Yunnan	97	15	6	1.8	4	0.4	65,000 ^b	16,000
Kweichow ..	81	9	8	1.6	33	4.0		38,000
Hunan	75	30	18	6.2	13	3.5		90,000
Hupeh	69	35	6	1.6	20	5.0	50,000 ^c	40,000
Kwangsi	89	12	1	0.1	3	0.2		4,000
Kwangtung ..	90	32	2	0.3	8	1.2		14,000
Kiangsi	81	23	28	8.8	24	7.0	15,000	350,000
Fukien	63	22	15	5.2	14	4.5		180,000
Anhui	60	23	4	0.2	4	1.5		18,000
Chekiang	75	20	1	0.3	20	5.5	..	40,000
Honan	108	35	3	0.2	3	0.5	..	18,000
Shansi	105	12	..	..	4	0.2	..	3,000
TOTALS	1,340	367	199	57.4	199	49.2	485,000	995,000

* In millions.

^a United forces of Chu Teh and Hsu Hsiang-chien were 340,000 of this number.

^b United forces of Ho Lung and Hsiao Keh were 50,000 of this number.

^c Under the general command of Hsiang Ying were 35,000 of this number.

American Friends of the Chinese People: This organization, with headquarters at 168 West 23rd Street, New York, was organized in 1933 to support the Chinese people's fight for national liberation and their resistance to Japanese imperialist military invasion; to demand the withdrawal of American armed forces in China and the abolition of all privileges of Americans in China which hinder the struggles of the Chinese people against foreign invasion; to prevent the United States from being involved in a war for the partition of China and to oppose its interference in the internal struggles of the Chinese people.

The organization has branches in New York, Philadelphia, Chicago and Los Angeles. Similar organizations exist in England, Canada, France and Mexico. *China Today* is the monthly magazine of the American organization. It covers significant facts and provides source material of unusual value on the Chinese soviets and on the whole Far Eastern situation.

INDEX

- Academic freedom, violations of, 158.
 Actors, 115.
 Agricultural Adjustment Act, 46-47, 122-123, 128, 132, 133, 141-142.
 Agriculture, in Soviet Union, 204;
see also Farmers, Farm workers.
 Air forces, 192-193.
 Airplane companies, 195, 196.
 Alaska case, 185.
 Aliens, 178 *ff.*
 Amalgamated Association of Iron, Steel & Tin Workers, 88, 89.
 Amalgamated Clothing Workers, 93.
 American Alliance, 165.
 American Artists Congress, 117.
 American Association of Social Workers, 53, 115.
 American Association of University Professors, 110, 114.
 American Bar Association, 118.
 American Civil Liberties Union, 8, 156, 157.
 American Coalition of Patriotic, Civic and Fraternal Societies, 165.
 American Committee for the Protection of Foreign Born, 182.
 American Concentration, Inc., 165.
 American Defenders, 165.
 American Farm Bureau, 137-138.
American Federationist, 97.
 American Federation of Government Employees, 114.
 American Federation of Labor, 9, 11, 64, 86, 93 *ff.*, 197; farm workers' unions in, 143-144; on Father Coughlin, 163.
 American Federation of Musicians, 93, 112, 113.
 American Federation of Teachers, 113-114.
 American Friends of the Chinese People, 216.
 American Iron and Steel Institute, 88.
 American League Against War and Fascism, 118, 197-198.
 American Legion, 161-162.
 American Liberty League, 159-161.
 American Medical Association, 117.
 American National Socialist League, 165.
 American Newspaper Guild, 101, 116, 164.
 American Nurses Association, 118.
 American Student Union, 154.
 American Vigilant Intelligence Federation, 165.
 American Writers Congress, 117.
 American Youth Act, 70-71.
 American Youth Congress, 70-71.
 Anti-labor bills, 155 *ff.*
 Anti-war actions, 198 *ff.*
 Architects, 116.
 Army, expenditures on, 188-190.
 Arrests, 168.
 Artists Union, 117.
 Associated Actors and Artistes of America, 115-116.
 Association of Federation Workers, 99, 115.
 Association of Hospital and Medical Professionals, 118.
 Association of Workers in Public Relief Agencies, 101, 115.
 Assaults, 168, 169.
 Authors League of America, 116.
 Automobile, production, 11; sales, dollar value of, 14; workers' wages, 61; workers' unions, 86, 95.
 Automobile Labor Board, 84, 85 *ff.*
 Banking, 18 *ff.*; concentration in, 20.
 Bankruptcies, of farms, 124, 125.
 Banks, deposits of, 18 *ff.*; failures of, 18; farm holdings of, 125; loans of, 19; number of, 19, 20; reserves of, 21.
 Bethlehem Shipbuilding Co., 197.
 Book and Magazine Guild of America, 117.
 Brookings Institution, on excess capacity, 12.
 Brophy, John, 98.
 Browder, Earl, 150.
 Budget, federal, 28 *ff.*; relief, 56.
 Burlington case, 184.
 Burnham, Grace M., pamphlet on *Dangerous Jobs*, 66.

- Business activity, 9, 10 *ff.*
 Butler, Smedley D., 159.
- California, child labor in, 68; criminal syndicalism cases, 183.
 Callaway Mills, 90.
 Cannon Mills Co., 68.
 Capacity, productive, 12, 13.
 Capital flotations, 15-16.
 Carnegie Steel Co., 89.
 Chamber of Commerce of the United States, 161.
 Chiang Kai-shek, 212 *ff.*
 Child labor, 67 *ff.*; amendment, 69.
 China, 211 *ff.*; silver crisis in, 18; Soviets in, 211 *ff.*
 Civilian Conservation Corps, 188.
 Civil rights, Ch. IX.
 Coal, bituminous, production, 11.
 Coal strike of 1935, 82-83.
 Collective bargaining, 83 *ff.*
 Committee for Industrial Organization, 94-95.
 Communist International, 147, 148.
 Communist parties, 147 *ff.*
 Communist Party, of China, 215; of United States, 150-151.
 Company unions, 83, 84, 86, 105-106.
 Concentration, in banking, 20.
 Connecticut, wages of laundry workers in, 62.
 Constitution, of U. S., 44 *ff.*
 Constitutional Educational League, 165-166.
 Constitution Society of the United States, 165.
 Construction, contracts, 11, 12.
 Consumers' goods industries, 11, 13; in Soviet Union, 205.
 Consumers Research, 119, 120.
 Corsi, Edward, on malnutrition, 57-58.
 Cost of living, 63, 131.
 Costs, of business, 9; of war, 187.
 Cotton Textile National Industrial Relations Board, 81.
 Coughlin, Father, 18, 98, 162-163.
 Credit, to farmers, 126 *ff.*
 Criminal syndicalism cases, 183 *ff.*
 Crisis, 9; taxation during, 31.
 Crop reduction, under AAA, 130.
 Crusaders, 166.
 Currency situation, 16 *ff.*
 Curtiss-Wright Corp., 195.
- Davis, John P., on tobacco workers' wages, 62.
 Debt, farmers, 123, 125; federal, 19, 28, 31.
 Defense organizations, 150-151, 154, 182 *ff.*
 Demagoguery, 159 *ff.*
 Democratic Party, 161, 176; *see also* "New Deal," Roosevelt.
 Dentists, 117.
 Department stores, sales of, 14.
 Deportations, 178 *ff.*
 Deposits, bank, 18-19, 20.
 Dern, Secretary of War, 188, 190.
 Dies, Congressman Martin, 178, 181.
 Diets, 124; of American people, 131; of unemployed, 56-57.
 Dimitrov, Georgi, 147, 148.
 Dividends, 21.
 Doctors, 117.
 Dollar, devaluation of, 16 *ff.*
 Domestic trade, 14 *ff.*
 Dressmakers, wages of, 61.
 Drought, 128 *ff.*
 Duncel-Baldwin Bill, 157.
 duPont de Nemours & Co., E. I., 187, 193, 194, 195.
 duPonts, 33, 159-160.
- Elections, Labor Party in, 153; united front in, 149-150.
 Electric Boat Co., 194, 195.
 Employers' tactics, against unions, 83, 92, 168 *ff.*, 196.
 Employment, of professionals, 109; of wage earners, 109.
 Engineers, 116.
 Ethiopian war, 162, 201; struggles against, 201-203.
 Eureka case, 183.
 Expenditures, federal, 29-31.
 Exports, 14, 15.
- Facts for Farmers*, 42, 43, 121.
 Farm Credit Administration, 125 *ff.*
 Farmer-Labor Party, 139; movement, 152 *ff.*; *see also* Labor Party.
 Farmer-Labor Party of Minnesota, 154.
 Farmers, Ch. VII; housing of, 38; organizations, 137 *ff.*; and Tennessee Valley Authority, 42-44.
 Farmers Emergency Relief Bill, 140.
 Farmers Holiday Association, 139.

- Farmers National Committee for Action, 139-140.
Farmers National Weekly, 140.
 Farmers Union, 138.
 Farm Research, Inc., 8, 42, 43, 121.
 Farm workers, 140 *ff.*
 Fascism, 147 *ff.*; A. F. of L. resolutions on, 98, 99.
 Fascist trends, in U. S., Ch. IX.
 Federal debt, 19, 28, 31.
 Federal Emergency Relief Administration, 53, 55, 133; budgets of, 56.
 Federal Housing Administration, 39.
 Federal Laboratories, Inc., 194, 196.
 Federal Land Banks, 126; mortgage holdings of, 125.
 Federal Relief and Work Project Standards Bill, 53.
 Federation of Architects, Engineers, Chemists and Technicians, 102, 116.
 "Flying squadrons," 81.
 Food, budgets, 57; cost of, 63, 131; production of in Soviet Union, 205; sales of, 14.
 Forced sales, of farms, 124.
 Foreclosures, farm, 121.
 Foreign-born, 178 *ff.*
 Foreign exchange markets, 17.
 Foreign markets, 14.
 Foreign trade, 14 *ff.*
 France, united front in, 148-149.
 Frazier, Senator Lynn J., 26.
 Frazier-Lemke Bill, 138.
 Frick, H. C. Coke Co., 82.
 Friends of New Germany, 166.

 Gallup case, 180, 184.
 Gases, used against strikers, 196.
 Gauley Bridge, W. Va., 65, 66.
 General Electric Co., 66.
 General Motors Corp., 86.
 General strikes, 78 *ff.*
 Germany, 147.
 Gold Reserve Act, 16.
 Gold stocks, 16, 17.
 Gorman, Francis J., 81, 152.
 Government employees, 114.
 Governors, and National Guard, 176.
 Great Western Sugar Co., 144.
 Green, William, 80, 89, 95.
 Grocery chains, sales of, 14.

 Halowax poisoning, 66.
 Hapgood, Powers, 81.

 Hardin County, Ohio, onion pickers' strike, 145.
 Harlan case, 184.
 Hawaii, 190, 193.
 Hayhurst, Dr. Emery R., on silicosis, 65.
 Hearst, William Randolph, 80, 97, 98, 156, 161, 163-164.
 Herndon case, 150-151, 185-186.
 Hill, Sidney, pamphlet on *Housing Under Capitalism*, 37.
 Hinckley, William, on young workers, 71.
 Home Owners Loan Act, 39.
 Home Owners Loan Corporation, 38.
 Home work, 68.
 Hopkins, Harry L., 55.
 Houde Engineering Corp., 85.
 Hours of work, 58, 62, 63-64; unions and, 64.
 Housing, 37 *ff.*
 Howard, Charles P., 94.

 Illinois, wages in, 60.
 Imports, 15.
 Income, farm, 121 *ff.*; federal, 28-29; national, 13.
 Independent unions, 101 *ff.*
 Industrial Association of San Francisco, 79, 166.
 Industrial diseases, 65-67.
 Industrial unionism, 94.
 Insurance companies, farm holdings of, 125.
 Interest charges, of Home Owners Loan Corp., 39; paid by farmers, 126.
 International Juridical Association, 8, 44, 47.
 International Labor Defense, 8, 168, 171, 182.
 International Longshoremen's Association, 79, 80.
 International Transport Workers Federation, 200.
 Interne Council of Greater New York, 117.
 Inter-Professional Association, 8, 26, 107, 119-120.
 Investments, bank, 19.
 Italy, struggles against war of, 201-203; struggles against war within, 201-203; united front in, 149; war on Ethiopia of, 162, 201-203.

- Jackson, Robert H., 34.
 Johnson, General Hugh S., 79-80, 84, 88.
 Joint Committee on National Recovery, 62.
 Joint Resolution No. 44, 85, 87, 89.
 Jones & Laughlin Steel Corp., 90.
 Jones-White Act, 191, 192.
 Judicial review, 44.

 Kerr Bill, 181.
 Kidnapings, 168, 171, 184.
 Killings of workers, 79, 83, 162, 169, 170, 171 *ff.*
 Knudsen, William S., 86.
 Kramer Bill, 155-156.
 Ku Klux Klan, 166, 170.
 Kuomintang, 213 *ff.*

 Labor boards, 83 *ff.*
 Labor movement, Ch. V.
 Labor Party, 96, 99, 100, 150 *ff.*; *see also* Farmer-Labor Party.
 Labor Research Association, 20, 62, 85, 162; books and services of, 7-8; on killings of workers, 171 *ff.*; lists of strikes, 72 *ff.*; on National Guard, 176-178; unemployment estimates of, 48, 50-51.
 Labor and Socialist International, 147, 148.
 Lake Erie Chemical Co., 195, 196.
 Land banks, 125, 126.
 Land utilization, 134.
 Laundry, workers' wages, 62.
 Lawyers Security League, 118.
 League of American Writers, 117.
 League for Constitutional Government, 166-167.
 Legislation, "New Deal," Ch. II.
 Levinson, David, 184.
 Lewis, John L., 94, 95, 97.
 Librarians, 119.
 Loans, bank, 19; to cooperatives, 136; farm, 125, 126 *ff.*
 Longshoremen, struggles of against war, 198 *ff.*
 Lynchings, 171.

 Malnutrition, 57-58.
 Machine tool industry, 12.
 Manufactured goods, stocks of, 15.
 Marcantonio, Congressman, Vito, 53, 65, 155, 182.

 Martial law, 81.
 Massachusetts, unemployed professionals in, 110, 111.
 McCormack, Daniel W., 179.
 McNutt, Governor Paul, 81.
 Medical profession, organizations in, 117-118.
 Mellon, Andrew, 33.
 Merchant marine, 191-192.
 Merit clause, 87.
 Merriweather, Annie May, 169.
 Methodist Federation for Social Service, 169.
 Mexico, silver crisis in, 18.
 Michigan, child labor in, 68.
 Militia, *see* National Guard.
 Mills, Ogden, 133.
 Mine, Mill & Smelter Workers Union, 94, 99.
 Ministers Union of America, 118.
 Minnesota Farmer-Labor Party, 154.
 Minor, Robert, 184.
 Mitchell, Charles E., 33.
 Modesto case, 185.
 Money, 16 *ff.*
 Mooney-Billings case, 186.
 Morgan & Co., J. P., 159.
 Mortgages, farm, 126 *ff.*; holdings, 125.
 Munitions investigation, 193 *ff.*
 Musicians, 113.
 Mussolini, 201.
 Mutinies, against war, 198 *ff.*

 National Americanization League, 167.
 National Child Labor Committee, 67, 68-69.
 National Civic Federation, 97.
 National Committee for Agricultural and Rural Workers, 143.
 National Education Association, 110, 111, 114.
 National Federation of Federal Employees, 102, 114.
 National Grange, 137.
 National Guard, 79, 81, 82, 99, 171 *ff.*, 176-178, 189.
 National income, 13.
 National Industrial Recovery Act, 45-46; labor boards under, 83 *ff.*
 National Labor Board, 83-84.
 National Labor Relations Act, 91-92.
 National Labor Relations Board, 1934, 84-85; 1935, 92.

- National Longshoremen's Board, 79, 80.
 National Negro Congress, 154.
 National Public Housing Conference, 38.
 National Radio and Allied Trades, 95.
National Republic, 167.
 National Steel Labor Relations Board, 88-90.
 National Survey of Potential Product Capacity, 13.
 National Textile Labor Relations Board, 90.
 National Unemployment Councils, 154.
 National Unemployed League, 154.
 National Union for Social Justice, 162-163.
 Navy, 190-191, 194, 195, 196-197.
 Nazis, 147; and Hearst, 163-164; in United States, 165 *ff.*
 Negroes, 65; and A. F. of L., 98; on farms, 141 *ff.*; lynchings of, 171; and Tennessee Valley Authority, 42; terror against, 169-170, 172 *ff.*; in tobacco industry, 62, 63; and unemployment compensation laws, 25; and unemployment relief, 52.
 "New Deal," 9-10, 16; housing program, 37 *ff.*; legislation, Ch. II; *see also* Roosevelt.
 Newport News Shipbuilding & Dry Dock Co., 197.
 New York City, food budgets in, 57; housing in, 38; malnutrition in, 57; relief budgets in, 56; unemployed youth in, 70; WPA wages in, 54.
 New York Shipbuilding Corp., 197.
 New York State, banking in, 19; wages in, 60.
 North Carolina, tobacco workers on relief in, 62.
 Nurses, 118.
 Nye, Gerald P., 193.
 O'Connor, Harvey, 61.
 Occupational diseases, 65-67.
 Office workers, wages of, 60.
 Old-age benefits, 22-23.
 Oklahoma, conspiracy case, 183.
 Order of '76, 167.
 Oregon, criminal syndicalism in, 185.
 Paul Reveres, 167.
 People's Front, 149.
 Perkins, Frances, 89, 179.
 Pharmacists Union of Greater New York, 102, 118.
 Pig iron, production, 11.
 Pioneer American Home Protective Association, 167.
 "Planning," under Tennessee Valley Authority, 41 *ff.*
 Political prisoners, in Spain, 149-150; in United States, 182.
 Popular Front, 149.
 Prices, 14; farm, 131, 132 *ff.*; retail food, 14, 63, 131.
 Producers' goods industries, 11.
 Production, 58; capacity of, 13; excess, 12; farm, 123, 130-131; industrial, 9, 11; in Soviet Union, 204 *ff.*
 Productivity, increase in, 58-59.
 Professionals, Ch. VI.
 "Professional patriots," 159 *ff.*
 Progressive Miners of America, 82.
 Profits, 21; of munitions firms, 195; shipbuilding, 196-197; in World War, 187.
 Psychologists League, 118-119.
 Public Works Administration, housing under, 38.
 Public works budget, 29.
 Purchasing power, farm, 132.
 Radio industry, unions in, 95.
 Raids, 168, 169.
 Railroad Retirement Act, 45.
 Railroad, 102 *ff.*; company unions, 106; in Soviet Union, 204; strikes, 104; unions, 99-100, 102 *ff.*; workers' struggles against war, 199 *ff.*
 Randolph, A. Philip, 98.
 Raskob, John J., 160.
 Raw materials, stocks of, 15.
 Real wages, 63.
 "Recovery," Ch. I.
 Red Army, of Soviet China, 211 *ff.*
 Rehabilitation, farm, 136 *ff.*
 Relief, *see* Unemployment Relief.
 Rent, 37-38, 63; paid by farmers, 126.
 Republican Party, 160, 161, 176.
 Reserve Officers Training Corps, 189.
 Reserves, bank, 121.
 Resettlement Administration, 134 *ff.*
 Retail sales, 14.

- Rhode Island, home work in, 68.
 Rochester, Anna, 7, 20.
 Rodgers, Ward, 183.
 Roosevelt, Franklin D., 16, 17, 22, 31, 79, 82, 84, 85, 86, 89, 127, 131, 164; budget of, 28 ff.; housing activities of, 37 ff.
Rulers of America, 7, 20.
 Rural Resettlement Division, 135 ff.
 Ryan, Joseph, 79.
- Sailors, mutinies of against war, 198 ff.
 Salaries, of professionals, 111.
 San Francisco general strike, 78-80, 179.
 Sales taxes, 35 ff.
 Scalers' case, 185.
 Schools, fascist trends in, 157-158.
 Scottsboro case, 154, 186.
 Seabrook Farms, strike, 145.
 Seamen, struggles of against war, 198 ff.
 Senate munitions investigation, 193 ff.
 Sentinels of the Republic, 167.
 Share-croppers, 140 ff., 170.
 Share Croppers Union, 145-146, 169-170.
 Ship subsidies, 191.
 Shoemaker, Joseph, 170-171.
 Shouse, Jouett, 160.
 Silicosis, 65, 66.
 Silk mills, child labor in, 67.
 Silver, 17 ff.
 Silver Purchase Act, 17, 18.
 Slum clearance, 40-41.
 Socialist parties, 147 ff.
 Socialist Party, United States, 150.
 Social Security Act, 22 ff., 142; criticism of, 23-24.
Social Work Today, 71, 108.
 Social workers, 114-115.
 Soil Conservation Act, 133.
 Soldiers, killed in World War, 187; mutinies of against war, 198 ff.
 Southern Tenant Farmers Union, 144, 146, 170.
 Soviet China, 211 ff.; territorial distribution of armed forces in, 216.
 Soviet Union, 204-211; agriculture in, 204, 206; consumers' goods, 205; culture in, 208-210; education in, 208-209; foreign relations of, 211; labor conditions in, 207-208; national income of, 204; new constitution of, 210; production, in, 204-205; social insurance in, 208; Stakhanov movement in, 205-206; struggles to cripple war against, 198 ff.; wages in, 208.
 Spain, united front in, 149-150.
 Stakhanov movement, in Soviet Union, 205-206.
 Standard of living, farmers, 124.
 Starnes Bill, 181-182.
 State, anti-labor laws, 156-157; unemployment compensation laws, 24-26.
 Steel, production, 11; workers' wages, 61.
 Stock market, gains in, 21.
 Stocks on hand, 15.
 Strikebreaking, 162, 165 ff., 179; *see also* General strikes, Labor boards, National Guard.
 Strikes, 72 ff.; at Consumers Research, 119, 120; of farm workers, 144 ff.; general, 78 ff.; on railroads, 104; of teachers, 113; against war, 198 ff.; of WPA workers, 54.
 Submarginal land, government purchase of, 134.
 Suburban resettlement, 137.
 Sugar beet workers, 144.
- Tampa case, 170-171.
 Taxes, 31 ff.; farm, 124, 126, 132; paid by various classes, 28, 29; sales, 35 ff.; for Social Security Act, 22.
 Tax evasions, 32 ff.
 Tax-exempt securities, 33 ff.
 Tax Policy League, 35, 36.
 Teachers, 110, 113.
 Teachers oath bills, 157.
 Teamsters and chauffeurs union, 93.
 Tennessee Valley Authority, 41 ff.
 Terre Haute general strike, 80-81.
 Terror, 168 ff.
 Textile strike of 1934, 81-82.
 Thomas, Norman, 81, 150.
 Tobacco, workers' wages, 62.
 Trade, domestic, 14 ff.; foreign, 14 ff.
 Trade unions, 93 ff., 197; farm workers', 143 ff.; in France, 149; and hours of work, 64; and Labor Party, 152 ff.; of professionals,

- Trade Unions (cont'd)
 112 ff.; terror against, 169; *see also* General strikes.
- Trade Union Unity League, 100, 101.
- Trade war, 14-15.
- Tugwell, Rexford Guy, 134.
- Tydings-McCormack Bill, 155.
- Unemployed, organizations of, 154; terror against, 171.
- Unemployment, 10; extent of, 48-51; of professionals, 109 ff.; of teachers, 110; of young workers, 69-70.
- Unemployment benefits, 23.
- Unemployment compensation laws, of states, 24-26.
- Unemployment relief, 51 ff.; budget, 29, 30, 31; farmers on, 121, 133 ff.; farm workers on, 142; funds for war, 188 ff.; of tobacco workers, 62.
- Union Carbide & Carbon Co., 65.
- Unions, *see* Trade unions.
- United Aircraft Corp., 195.
- United Automobile Workers Union, 84, 86, 95.
- United Electrical and Radio Workers Union, 96.
- United Farmers League, 139.
- United front, Ch. VIII; abroad, 147 ff.; in United States, 150 ff.
- United Mine Workers of America, 82, 93.
- United Scenic Artists, 117.
- United Shoe and Leather Workers Union, 101, 102.
- United States, Constitution of, 44 ff.; effect of silver policy of, 17, 18; income and expenditures of, 30; war preparations of, 188 ff.
- United States Congress Against War and Fascism, 151, 197.
- United States Fascists, Inc., 167.
- United States Supreme Court, 16, 44 ff.
- United States Flag Association, 168.
- Vandeleur, Edward, 79.
- Veterans, 29.
- Wage cuts, 61.
- Wage earners, in manufacturing industry, 58, 69.
- Wages, 59 ff.; of farm workers, 142-143; on work relief, 54-55; real, 63.
- Wagner, Senator Robert F., 22, 84.
- Wallace, Secretary of Agriculture Henry, 130, 133.
- War, A. F. of L. resolutions on, 98; budget, 29, 188 ff.; preparations, Ch. X; profits, 187; struggles against, 197 ff.; World, 187.
- War Department, 188-190, 194, 195.
- Weirton Steel Co., 84.
- Western Worker*, 80.
- White collar workers, 60; organizations of, 112 ff.
- White Crusaders, 168.
- White Legion, 168.
- Wiggin, Albert H., 33.
- Williams, Aubrey, on young workers, 69-70.
- Wintringham, T. H., on mutinies, 199.
- Woll, Matthew, 94, 97.
- Wolman, Leo, 86.
- Women workers, discrimination against in Social Security Act, 23; Negro, wages of, 62; wages of, 62.
- Workers Alliance, 154, 171.
- Workers conditions, Ch. III.
- Workers Social Insurance Bill, 23, 24, 26-28, 99, 100.
- Workmen's compensation, 66, 67.
- Work relief, 53 ff.; numbers on, 49, 55.
- Works Progress Administration, 53 ff.; and farmers, 134, 135; and war, 188 ff.
- World War, 187; struggles against, 198 ff.
- Writers, organizations of, 116.
- Young Communist International, 147.
- Young workers, 69 ff.; and Social Security Act, 23; and unemployment, 69-70.
- Zioncheck, Representative, 176.

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