

May Day Sees "Prosperity" Boom Heraldng New Crisis

By BEN GITLOW

This May Day, 1923, finds Big Business in the United States enjoying a period of comparative prosperity. But it is a "prosperity" that will soon be followed by another industrial crisis.

From almost all industries come reports of factories running full force and producing up to the maximum of their ability. The steel mills have orders more than they can fill; the textile concerns are doing a record business and railroad freight traffic is exceedingly heavy.

Additional signs of this business prosperity is the fact that unemployment has slightly decreased, that wages in many industries have been increased and that prices have been rising steadily.

In the matter of wages the Bureau of Labor reports that in the month of February 56 wage scale increases were noted and that in the month of March the wage increases noted totalled 218. In the month of April a wage increase of 10 per cent was announced for the steel industry and a wage increase of 11½ per cent took place in the textile and packing industries.

These wage increases in most cases were either given voluntarily or to avert the threatened possibility of a strike for increased wages. The steel mills for example gave the increase voluntarily while the New England textile mills gave their increase in order to offset the possibility of a strike for a demanded wage increase of 29½ per cent. These increases were given because in times of feverish activity in industry it is more profitable to keep the labor turn-over as small as possible and to avoid a complete stoppage by a strike.

The present wave of prosperity is due in part to the building boom that took place in the spring 1922 following nearly eight years of almost complete neglect for the legitimate building requirements of the country. For the first three months of 1923 the building operations in volume and cost surpassed those of the same period last year, and for the whole of the year promises to greatly surpass the building boom of 1922. In order to get an idea of the enormous amount of money involved in the building projects now going on I will quote Bradstreet's report on the building permits issued for January, February and March of this year for an average of 155 cities. These amounted in value to \$982,862,024. When one realizes that almost a billion dollars is to be spent in three months on building operations in only 155 cities one can begin to understand the significance and importance of the building boom to the present business prosperity.

This business prosperity has resulted in greatly augmenting the fortunes of the wealthy. The business

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men, the capitalists, the industrial overlords and the idle rich that live upon dividends are deriving all the benefit of this prosperity. The joys of this prosperity have been transmitted to the worker in an increase in the cost of living far above the increases he in some instances received in wages. Without quoting statistics let me prove this assertion by quoting the New York Times Annalist, a magazine of finance, commerce and economics, published for the capitalists of the country. Says the Annalist of April 16th:

"Wages for skilled and unskilled workers have not followed the advance in commodity prices, with the result that there has existed a wide and unsettling gap between the income of the worker and the prices of the necessities of life he is obliged to purchase."

This means that in spite of prosperity due to the ever increasing cost of living the worker finds it ever harder and harder to live.

But prospects would not be so bad for the worker if he would have assurances that the present wave of prosperity would last indefinitely or at least for a long period of time. Such, however, is not the case.

There are already signs that the present building boom will end this year. In New York City for example this week a number of building projects which were to be started were indefinitely postponed and the excuse given was that building costs were too high. Manufacturers of building materials have this week tightened up on their credit and as an excuse for not filling orders have stated that their plants were unable to accommodate all customers. With the end of the building boom will come a curtailment in a great many industries that have been very busy supplying materials to the builders. The result will be a big slow down in industry all over the country and with

that slow down a great increase in the number of unemployed.

The capitalist papers, unlike their attitude to every other period of business prosperity in the country, are not very enthusiastic over this one. They are alarmed over what may happen in the future in view of the fact that some of the best business experts have predicted that the general prosperity in the country will be over in the spring of next year. The capitalist press in dealing with this wave of prosperity has continually warned the business world against the dangers of a period of deflation which will set in if a halt is not put to rapidly rising prices. The capitalist press appeals to the capitalist, and to the businessmen generally, to use their ingenuity in order to avoid the coming disaster in the industrial and business affairs of the country. Real practical suggestions to avoid the coming disastrous panic the capitalist cannot offer. All that the capitalist press can do is to appeal to the ingenuity of the capitalist of the country, but their ingenuity in the future will be as ineffective as their ingenuity in the past when dealing with an unemployed situation involving millions of men and women.

That the capitalists expect the coming crisis in the country to be a very bad one can be gleaned from the report of the president's unemployed committee which recently reported on ways and means for dealing with the coming unemployed situation in the country. This committee which during the last unemployed situation turned down the idea of a fund for the relief of the unemployed this year proposes such a fund.

This then is capitalist prosperity on May Day, 1923. Before its beneficent rays have even begun to bathe the millions of wage slaves, the black clouds of hard times with millions of unemployed, with starvation and misery faces the workers. And the unions of the country have been unable in this short period of business prosperity to take advantage of it for the worker and to increase their ranks. The workers will have to face these coming hard times disorganized, and their demands for bread will be met by injunctions, clubs and bullets.

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