
The Meaning of Unemployment.

by the American Labor Alliance for Trade Relations With Russia

Unsigned 8 page pamphlet, circa December 1920.
Copy in the Comintern Archive f. 515, op. 1, d. 84, l. 25-28.

Labor faces a terrible winter.

Already there are more than A MILLION MEN OUT OF WORK in this country according to the Department of Labor.

Labor is presently going to be “deflated.” That is what the employers call **cutting wages**.

“Deflation” is a handier word for employers to use. They do not explain that they also mean the deflation of children’s round cheeks and the pinching of their bellies. The employers say: “Prices are falling, so wages should come down. Labor shared in the good times, so labor must share in the hard times.” Did the rank and file share in the rise during the war? Did their wages increase more than prices?

You all know that that is not the case. The wages of the rank and file in many industries did not keep even with the soaring cost of living. The wages of the anthracite miners until the recent wage adjustment were 17 percent less in value than in old days. They are not yet up to the 1914 buying power. The wages in the textile industries buy less than they did before the war. Over 100,000 of the Maintenance of Ways and Railway Shopmen get but \$2.75 a day. They cannot send their children to school because they cannot buy shoes with this wage. The list of industries is long in which the workers’ wages buy less than they did before the war.

The wages of these workers will be “deflated.”

Figures show that in 1914 more than one-half of the adult workers in America did not make enough to maintain an American standard of living.

This “deflation,” this wage cutting, can occur because of the crisis of unemployment which shadows the working men and women of this country. The clothing trades are shot to pieces. The men are locked out; more factories are shut down daily. The spindles in the North and South in the textile trades are idle.

The railways are laying off their men. Machine shops of every kind are closing.

You all remember the winters of 1914 and 1915, when in all cities skilled workmen walked the streets in search of jobs. When men left their families to look for work in other cities to meet workmen from those very cities in search of employment in their town.

You remember the bread lines of 1914; the crowds of wretched men in front of municipal lodging houses, who waited for hours only to be turned away. In New York City hundreds of homeless men sought shelter in the churches. And for this they were arrested. The newspapers called these men bums and hoboes. This was a lie. The records show that a vast majority of them were capable workmen in skilled trades.

These men suffered. But what of their children left behind in cold tenements and cheerless homes? What of the mothers of young babies whose husbands were out of work? How many babies were laid in graves because starvation dried the milk in their mothers’ breasts? No one knows.

But the reformers’ magazines are filled with information of the undernourished school children. Children slept at their desks in the cities of America because of “**malnutrition**.” This is another highbrow word which can be translated into everyday language.

Its common name is SLOW STARVATION.

Death to the workers’ babies; slow starvation to the older children. That is what unemployment means.

You all know what sort of homes there are where a wife does not dare to ask her husband: “Did you get a job?” where the husband does not dare to meet his wife’s eyes when he comes back from a fruitless search for work.

The greatest home-breaker is despair. And un-

employment is despair's mother.

Employers Prepare to Reap Harvest.

When you see the wrecks left behind by a hard winter, gutted of self respect, unfitted by starvation for a steady job, death seems merciful.

The employers are talking about this. **They are getting ready for it.** Did you know that unemployment would "improve labor's morale"? That is what the employers think. This is from a circular which went the rounds of Wall Street:

"The growth of unemployment is not pleasant from a social point of view, but economically it may prove a blessing through the infusion of increased efficiency, reduced labor costs, and an IMPROVEMENT IN THE MORALE OF EMPLOYEES."

That is what the employers say in public. In private, in the employers' meetings in the Chambers of Commerce, they say: *"Before winter is over we will have labor eating out of our hand."*

The hard times are not hard times for the employers. Unemployment is going to be their strongest ally in the campaign for the scab shop, which they call the "open shop," because the doors are open to let union men out. For the past year they have been getting ready for this. New Chambers of Commerce have sprung up everywhere whose object is to smash organized labor.

The employers are looking forward to unemployment as a moment to undermine your courage and your self respect. They think fear will tame you. They count on your wife's anxious look and the pale cheeks of your children to do the job for them. *They have hunger as an ally and they know it.*

So now you are going to take your share of the hard times; starving your children and suffering starvation yourself, having your home destroyed by despair. That is the workman's share in hard times. And when your self respect is dead your "morale" will be increased so you will eat out of your employer's hand. You will then have ceased to fight about little matters like "deflation" and your right to belong to a union. For in your fight for mere existence the employers think that you will be compelled to give up all other thoughts.

What a contrast from last year!

Over-Production and Under-Consumption.

It seems more than a year ago that the employers were crying: "PRODUCE, PRODUCE!"

They called on you then to speed up in the name of Prosperity and in the name of Patriotism. They called upon you to produce in the name of Suffering Humanity. They explained that during the war everything had been worn out. War had stopped or slowed many of the factories which made things of use to society. Everything was worn out, everything was broken. Europe needed everything. So it was our duty to produce.

"If you produce you will be rich" was what the workers were told last year. The more goods, the more money and the more leisure and the more happiness for everybody. That sounds reasonable. The producer, who is also the consumer, produces, and the more he produces the more he consumes. So went the employers' merry-go-round. This is how things would be if everybody consumed what he produced. But you all know this is not the way things are in this world.

All the workers in your factories or your trade manufacture more goods than they can buy back with their wages. With their wages they could only buy back a small percentage of the things they make. It is the same in every trade. The workers cannot nearly buy back what they make.

If they received all they produced wage slavery would be dead and Abraham Lincoln's idea would have been fulfilled, when he said:

"And inasmuch as all good things are produced by labor, it follows then, by right, that those things belong to those whose labor has to produce them. To ASSURE TO THE WORKMAN THE FULL PRODUCT OF HIS TOIL, or as much as is practical, should be the object of good government."

But you do not get the full product of your toil. You must make a profit for the employer.

This is business.

Business isn't about human beings and their welfare. Business is about profits.

If human happiness is manufactured through business it is an accidental by-product. Business does not care what happens to the individual man or woman

who is engaged in manufacturing the goods which mean wealth and prosperity. The goods manufactured do not mean wealth and prosperity to the workman. During the time of prosperity it was the employer, the merchant, and the goods broker, or middleman, who got rich.

You were not making yourselves rich last year when you produced goods.

BY YOUR EFFORTS AT INCREASED PRODUCTION YOU WERE DIGGING THE GRAVE OF YOUR JOBS.

What caused this situation to change? How did it happen that in so few months that instead of there being more jobs than men there were so many more men than jobs?

The answer is "OVERPRODUCTION."

Does this mean that all of us have more than we need? Does overproduction mean that more goods have been produced than can be used? You don't need any figures to tell you that this is not so. All you have to do is to take a look at your home or at your children's clothes. If overproduction meant that everybody had what they needed the result would be leisure and a holiday; we could all go on a vacation.

No people have ever yet PRODUCED more than they could CONSUME AND ENJOY.

If ever they did the result would not be misery and the degradation that follows on the heels of unemployment.

Overproduction of that kind would be like money in the bank, it would mean that everyone could live on last year's labor and take a holiday until the goods so overproduced were used up.

There is only one country where overproduction would result in happiness, and that is Russia.

Overproduction in the business civilization based on profits means something quite different. Overproduction means that more goods have been produced than CAN BE SOLD AT A PROFIT.

The Search for Markets.

Now what happens? The goods remain on shelves.

When they cried to you, "Produce," there was an apparent scarcity of goods.

This scarcity was an illusion.

They were merely being held for high prices.

But goods on shelves do not bring in money.

The manufacturer and merchant borrow. The goods were held behind a credit dam.

A sort of blind warfare went on between the consumer on the one hand, the merchant and manufacturer on the other.

What happened next was that credit became exhausted. The dam broke.

Goods flooded the market. There was a scramble for trade.

The factories begin closing down.

The workers always made a surplus of goods beyond their buying capacity. That surplus is the profit. That profit must be reinvested to keep the merry-go-round going. Some of it can be reinvested in luxury trades.

But the bulk of the surplus product must find a foreign market. Must find a foreign country that can buy the goods.

But France, Germany, Italy, Belgium, Austria-Hungary, Poland, or Czecho-Slovakia cannot buy. They cannot buy because they have no gold to pay nor goods to exchange.

When Europe went to war her markets were shattered, her hold on raw materials was loosened and their money has ceased to have value and is no longer a medium for exchange. The wealth it represented has been shot away or used up in the war.

There was no foreign market in which American surplus products could be sold.

The crisis of unemployment follows.

Understand this:

You are unemployed now not because you produced too much, but because you did not receive enough wages to buy back what you produced and because there was no foreign market that can buy — THAT MARKET IS RUSSIA.

The employers overreached themselves, as they have many times. Did they know this when they cried "Produce!" last year? Probably not. Business knows nothing but profits. Every man is for himself and the devil take the hindmost. But the big employers do not care; the profiteering of the last few years made them fabulously rich. They can rest easy on their past profits — and watch labor's "morale" as it gets better.

There have always been "seasons of depression." Hard times are part of the unbusinesslike way in which business is run. It will always be this way until labor learns the lesson of Solidarity as firmly as have the employers. There will always be hard times until industry is run for service instead of profits.

Profiteering Cause of High Prices.

The manufacturers are of course claiming that it is all labor's fault again. It was high wages that did it, so they say. High wages made the prices so high.

Do you realize that even WORKING PEOPLE believe that the reason things have cost so much is because LABOR COSTS SO MUCH?

The working people in this country are bitter against the working people in the city. The unorganized country workers blame the city workers for the high cost of shoes and clothing and food. The miners think that they have to pay high prices because workers in the city are getting rich. And the city workers think they must pay \$22 a ton for coal because miners are profiteering, and that it is the farmers' fault food costs soar; so much so that the public mind has already been prepared to believe that it is labor's fault that things have cost so much.

The corporations of the United States, from figures based on the income tax returns, earned \$4,800,000,000 more per year than in the three years preceding the war.

The clothing group made THREE TIMES as much as they did before the war.

The clothing workers get between \$5.20 and \$11.60 out of a suit of clothes that sells for \$65.00. Only 44-1/4 cents goes to a shirt maker out of the price of a \$9.00 silk shirt.

The accumulation of the manufacturers of certain building products for four years, 1916-19, WAS OVER A BILLION DOLLARS.

The EXCESS war PROFITS of the basic metal trades amounted to \$400,000,000.

LABOR MADE ONLY 15 CENTS MORE A PAID on a standard pair of shoes whose price had risen from \$3.50 to \$7.00. During the last strike of the coal miners a few months ago, the *NY Times* in an editorial said that the cost of digging, hoisting, etc., a ton of coal which sells for prices varying from \$15.00 to

\$22.00 is \$2.00 a ton.

Was the cost of sugar labor's fault? If the retailer and producer had been content with labor's share, sugar would never have cost more than 11-1/2 cents A POUND.

Beef increased in price 47 percent in three years. The total LABOR COST on 100 lbs. of beef in August 1919 was 69 cents. The increase in price was eight times greater than the labor cost.

These are but a few examples. The surveys of all industries tell the same story.

High wages were not responsible for high prices. The increased labor cost was always the smallest item.

The high prices were caused by shameless profiteering. This profiteering finally overreached itself. During the past four years each profit taker, from dealer in raw materials to the retailer, has been charging too much. The rank and file of labor, the farmers, the clerks and small salaried employees, that is to say the majority of the population, the workers, had come to a point where they could not buy any more.

The goose that laid the golden egg was killed. The riot of profiteering had GUTTED THE BUYING POWER OF THE PEOPLE. So unemployment stares Labor in the face.

Russia Ready to Buy from United States.

No one is going to help us in this. As always, LABOR MUST HELP ITSELF. The only great market which can pay in raw materials and gold is now closed to us. THAT MARKET IS RUSSIA.

American clothing workers walk the streets while every man, woman, and child in Russia needs clothes. Our shops close down and Russia needs every kind of machinery. Unemployment in all industries increases while the Russia market cries aloud for everything that can be worn or used and for all the machinery which makes things which can be worn or used.

Why can we not trade with this great market?

THE STATE DEPARTMENT DOES NOT PERMIT IT. The State Department declared the blockade lifted on July 7th, but its lifting was only A MOCKERY. The blockade **is lifted, but no communication by wireless, telegraph, or letter is permitted.**

Travellers are not permitted to go from Russia

to America or from America to Russia. We are not allowed to send money to Russia nor to receive money from Russia. We are not even allowed to send money to and FROM ESTHONIA FOR FEAR THIS MONEY MIGHT BE FORWARDED. Further than that, this Government will not permit the landing of Russian gold which has not been come by legitimately. We are so particular all of a sudden as to the source from which money comes that we will not receive on these immaculate shores money confiscated from a useless and corrupt nobility.

THESE ARE THE RESTRICTIONS WHICH STAND BETWEEN YOU AND YOUR JOB. THESE ARE THE REASONS WHY AMERICAN HANDS ARE NOT BUSY AT WORK MANUFACTURING THINGS FOR THE RUSSIAN WORKERS' REPUBLIC.

If labor protests, as it should, if from the East to the West it raises its voice, it can change this state of things.

LABOR HAS A MIGHTY POWER WHEN IT CHOOSES TO USE IT.

IT SHOULD USE IT NOW.

LABOR HAS IT IN ITS POWER TO LIFT THE BLOCKADE.

American workers must organize in every city and town. They must join forces with the State Federations of Labor, with the International Unions, the Central Labor Bodies, and the AMERICAN LABOR ALLIANCE FOR TRADE RELATIONS WITH RUSSIA, representing the workers of Greater New York, to protest against the blockade with Russia.

Without SOLIDARITY we will accomplish nothing.

Issued by

American Labor Alliance for Trade Relations With Russia

31 Union Square (Room 303), New York City

Telephone: Stuyvesant 4867

Chairman

Timothy Healy
Pres., Int'l Bro. of Eccentric
& Stationary Firemen.

Vice-Chairmen

Jerome T. DeHunt
Bro. Railroad and Steamship Clerks.

Arturo Giovannitti
Sec'y., Italian Chamber of Labor.

Sidney Hillman
Pres., Amalgamated Clothing
Workers of America.

William A. Maher
Masters, Mates and Pilots.

Treasurer

A Baroff
Sec'y.-Treas., International Ladies
Garment Workers Union.

Secretary

Alexander Trachtenberg
Associated Teachers Union.

Executive Committee:

V. Buhr
Bro. of Painters and Decorators.

Valentine Bausch
Int'l. Assn. of Machinists.

Alfred Boulton
Central Labor Union of Brooklyn.

J.M. Budish
Cloth Hat and Capmakers Union.

John P. Coughlin
Pres., Central Labor Union of
Brooklyn.

Israel Feinberg
Mgr., NY Jt. Bd. Cloakmakers'
Union.

M. Feinstone
Sec'y., United Hebrew Trades.

Edward I. Hannah
Pres., Central Federated Union
of New York.

Max Kaufman
Pres., Int'l. Fur Workers Union.

William Kohn
Upholsterers Union.

A. Lefkowitz
Teachers Union.

Jack Melhado
Cigarmakers Union.

John Riley
Int'l. Longshoremen's Union.

Ed. C. Rybicki
Typographical Union.

Benj. Schlesinger
Pres., International Ladies
Garment Workers Union.

Rose Schneiderman
Pres., Women's Trade Union League.

A. Shiplacoff
Mgr. Jt. Bd. Amalgamated
Clothing Workers.

Philip Zausner
Sec'y., Bro. of Painters and
Decorators.

Edited by Tim Davenport.

Published by 1000 Flowers Publishing, Corvallis, OR, 2005. • Free reproduction permitted.