

# Bankers Order Congress To Place Crisis Burden on Workers and Farmers

By James Casey

Finance Capital has poised its forces to shackle the nation's toilers with a mass of new legislative chains before the end of the Winter.

The Wall Street bourbons have this three-fold purpose:

First to place the entire burden of the current crisis upon the shoulders of the workers and farmers.

Second, to cut wages, curb government relief for the unemployed, arrest the rising power of the trade unions, stimulate company union organization, and lower the living standard of the American masses.

Third, to procure congressional legislation for this program, which is designed to end the "business recession" and blast the path for new and bigger dividends.

## View of Press

Walter Lippman, David Lawrence, Hugh S. Johnson and other mouth-pieces of Reaction write with a cynical bluntness of these plans of the monopoly capitalists and of Roosevelt's open capitulation to the "economic royalists." In three different publications, but at the same time, the three mentioned writers say that the imperative need, "if depression is to be averted and a sound economy is to be induced, is a revision of New Deal policies aimed at stimulating private credit and investment."

They concede that monopoly capitalists, thrown into confusion by the depth of the last crisis, found in 1933 a most valuable prop in Roosevelt's New Deal policies. This New Deal, however, had given a few sops to labor in the form of government relief projects and encouragement to trade unionism.

Now, after five years, the country is again floundering through an economic morass. Wall Streeters and their legislators have found that the recurrence of business "depression" cannot be prevented by any "democratic" new deal. They are preparing now to out-Hoover Hoover with their plans toward unprecedented reaction.

Discussing the "united front" of Big Business interests and their plans in Congress, Ray Tucker, one of Finance Capital's leading spokesmen writes in the last issue of the Magazine of Wall Street:

## Attitude of Capitol Hill

"The reasons for the changed mental status on Capitol Hill are ironic, and yet natural. Five years ago the market collapse and subsequent industrial depression frightened the politicians into blind subservience to Roosevelt. He seemed to have both the right answers and the right questions, and they amended him by enacting his proposals without knowing the titles of the bills. He was the one and only saviour. They expected miracles.

"None has come. On the contrary, business and industry have gone into another tailspin which, in some respects, is sharper than the original dive. In some industries the decline in production has been more precipitate than it was in the early days of the original depression. Never before in Rooseveltian days was

there such a cynical and questioning attitude on Capitol Hill." Having said this, Tucker proceeds to reveal how the members of Congress have decided to perform their jobs for Big Business, while turning their backs on the needs of the increasing number of unemployed and their families.

"They will demand revision of all laws believed to dampen and discourage private enterprise," Tucker writes. "They will aim first at the modification of corporate taxes, especially capital gains and losses and the undistributed surplus levy. To revive the building industry they will urge resumption of the home modernization campaign and seek better FHA terms for home builders. Drastic amendment of the Wagner Act so as to make it less pro-labor is almost a certainty.

## Proposed Legislation

It is seen from the foregoing that Wall Street intends to have the government meet its budgetary expenses by taxing those in the lower income brackets and, in the course of procedure, slash relief and force the jobless to depend on local charities and the employed workers. Tucker discloses, also, that Roosevelt's much-touted housing program has its origin and support in Wall Street and is calculated, primarily to serve the big contractors and realtors, rather than give aid to millions of slum dwellers and prospective small home owners.

Then there is to be "drastic amendment" of the Wagner Act and Tucker makes no effort to conceal its aims. The amendment is to be wholly in the interests of the bosses, which means its motive is to weaken and, if possible, block the work of trade union organization, suppress strikes, curtail picketing and benefit company unionism.

Nor is that all. Wall Street is insistent that even the semblance of proposed pro-labor legislation must be revamped to the satisfaction of the bosses. Read what Tucker writes of such proposed legislation:

"The wages-and-hours measure, if passed at all, will be only a shadow of its first form. Whereas the original White House aim was a 40-40 proposition with sliding, regional scales administered by a Federal board, Congress will probably provide for a 40-hour week and a \$12 minimum weekly wage to be administered under hard and fast rules. It will not permit any Federal agency to fix regional and industrial differentials in accordance with its investigatorial whims."

## Wages to Be Lowered

Since employers always insist that the minimum also be the maximum, it is patent that Wall Street has struck upon this ruse as one of the quick ways to end the new crisis. Thus, if the bankers' drive is not stopped, a \$12 minimum wage would be established as the average standard for the American worker. Neither would there even be recourse to

a Federal agency against arbitrary slashing of wages by business, large and small.

Moreover, with a rejection of the thirty or even the thirty-five our week, it is clear that "private enterprise" in accordance with its inherent nature, is concerned first and foremost with the quick return to big dividends and is turning a deaf ear to the pleas of "liberals" for absorption of the jobless as a means of stemming the "recession."

Finally, the public utilities are to be permitted to raise rates anew and swell profits.

## Compromise with Power Trusts

"Of all the economic royalists most violently denounced by the New Deal preachers, the public utilities stand to gain most in view of the more subdued and realistic attitude on Capitol Hill," says the Wall Street spokesman. Declaring that the plan for seven additional TVAs may be ditched, Tucker writes:

"Even the President seems to be weakening on that sector, and if he can negotiate a 50-50 compromise with the power boys, he will gladly withdraw from this costly and controversial scheme."

The "scheme" is "controversial" because it proposes to lower light and power rates for millions of consumers throughout the country and cut into the profits of the Morgan-Rockefeller corporations, who control more than 60 per cent of the utilities in America. Also, the "scheme" would provide employment for thousands in agencies not directly controlled by the big interests. Therefore, it is to be tabooed.

The enactment of even a part of the program, as outlined by Tucker, would be a deadly blow to the American workers. It would erase many, if not all, the concessions wrung from the corporations in the last few years through strenuous trade union activity. It would set the labor movement back a couple of decades. The American toilers must act at once to put a check on Congress and the bosses.

(The next article on the crisis will deal with the mobilization of the nation's workers and farmers.)

# Futile Debates in Capitol Reveal Coming Party Rifts

By James Burnham

The Special Session of Congress has now been going on for nearly a month. To date, its score in work accomplished is exactly—zero. A remarkable fact when placed against the headlines which we read every day. There is, evidently, no lack of problems that might be dealt with.

And yet the Congressmen have spent by far the greater part of their time in debating "points of procedure." The Congressional Record these days is a rich laboratory book in the intricacies of the rules of order.

## Purpose of Special Session

Roosevelt called this Special Session, early in the autumn, to enact a four-point "social program": Farm Aid, Housing, Wages and Hours, Reorganization of the Executive Branch of the Government. No one will deny that each of these matters is of the utmost importance, bound up with the interests and needs of large sections of the American people. No one should be so foolish as to imagine that Roosevelt actually intended that these questions should be genuinely solved by the Special Session. What was needed was a gesture in each field sufficient to arouse the hopes and illusions of the masses, to reinforce their faith in Roosevelt, but at the same time so vague and limited as to guarantee no breach in bourgeois economy and no real break with bourgeois tradition. This is the perennial method of the New Deal policy and New Deal demagoguery.

But when the Special Session was called, the business "recession" was just beginning, and there was still confidence that it was only a minor drop of a few weeks, to be quickly "corrected." During the intervening weeks, the index of production, along with the prices on the Stock Exchange, hurtled downward, at a rate twice as rapid as that during the last months of 1929. Wide-scale layoffs began. Whether or not a new major cyclical crisis has begun, no one any longer doubts the seriousness of the current drop. And, in addition, the war question thrust itself heavily and abruptly forward, not as a distant cloud, but as a heavy present shadow.

The real issues in the face of which the Session gathered were simple and direct: the downward swing of the business cycle, long before the optimistically anticipated upswing had been completed according to the norms of the bourgeois statisticians; and the approach of the war.

And with these issues, so intimately affecting the lives of the masses, in face of the lay-offs, the lowering of wages, the whole gathering storm of "economic crisis" and the untold human misery which it brings with it, Congress debates points of order. The President has a toothache (one always does well to be suspicious of the toothaches of politicians) and goes fishing off Miami. Senator Connally makes wise cracks about the Anti-Lynching Bill. No clearer symbols of the decay of capitalism could be found. Confronted with genuine social problems, the bourgeoisie itself, and its spokesmen, are dismayed and floundering.

Their attitude betrays the fact that, consciously or unconsciously, they have lost confidence in their own answer, the answer which in an earlier era they had so con-

fidently ready. Their aim was once the progressive one of expanding the productive forces of society. This is no longer possible—for them. And now they seek only rationalizing formulas for preserving their social power and privilege, before going over to the open brutality of fascism.

## Battle Behind The Scenes

It should not, however, be imagined that nothing is happening in Washington. Beneath the surface debate in Congress, a real and far-reaching battle is now going on; a battle which emerged in an earlier stage last Spring during the fight over the Court Bill. The first bone of contention, from the point of view of each group, is; how to slough off responsibility for the new crisis which seems to impend?

Roosevelt must seek to attribute it to the sabotage of "economic Tories" and to a recalcitrant Congress. The "economic Tories" and their immediate spokesmen, on the other hand, must try to make New Dealism responsible in the public mind. Thus Roosevelt, by giving the rope to Congress and making "concessions to business" (himself meanwhile having toothaches and going fishing), jockeys into a position where, if it seems desirable at a later stage, he can again denounce the Tories, prove that cooperation with them was the cause of all evil, and reassert New Dealism on a "new and higher plane."

One point, however, and by far the most important point, Roosevelt, the various factions in Congress and the "Tories" have completely in common: namely, the necessity for attributing the new crisis to something, anything, other than its true cause which is, of course, simply the capitalist system itself. At all costs, they must hide this conclusion. The real importance of the present crisis is in providing the final proof (if one is needed) that reformism (represented by the New Deal) is no more capable than *laissez faire* of solving the great social problems of our time.

As in the Court fight, so in the Special Session, the most bitter exchanges take place not between Republicans and Democrats, but between the different factions of the Democratic Party. The division between the Republican and Democratic Parties founded in the issues focussed during the Civil War has reduced itself to a Tweedledum-Tweedledee contest; and the political framework it has provided is no longer convincing enough to sustain the illusions of capitalist politics in this country. The pressure of the Labor Party movement, containing beneath its distorted and bureaucratic surface the incipient class movement of the masses, is being felt; and the need for coming to terms with it in a way that will guarantee its harmless development. If the Republican and Democratic Parties are still in the field in 1940, they will not be the same parties that have been known since the Civil War.

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