

Roosevelt's New Deal...

Gift from Above, or Push from Below?

by Duane Calhoun

Most Americans believe that Franklin Delano Roosevelt was the man who pulled our country out of the Depression. In school, we're taught that FDR gave the unemployed jobs and relief checks, gave the elderly Social Security pensions, and gave workers the right to form unions. This belief in Roosevelt and the New Deal is one of the reasons why many workers still believe that genuine change can be achieved through the Democratic Party. But this version of events in the 1930's is a myth.

Roosevelt and the Democrats gave the American people very little. Working people fought for the New Deal reforms, at the cost of many dead from police and National Guard bullets. Roosevelt's administration gave as little to this grassroots revolt as they felt they could get away with.

Raymond Moley, one of Roosevelt's "Brain Trust" advisors, said: "Remember, Roosevelt at the start was a very conservative President. People didn't realize that. In the first place, he was a very prudent governor of New York. He balanced his budget. He was not a spender. We resisted all the efforts of radicals... to spend a lot of money in public works. Roosevelt said: 'there aren't more than a billion dollars of public works that are worth doing.' They wanted five billion dollars. So he compromised on three billion... a split between what he said and what they wanted."

THE FIGHT FOR JOBS

When FDR took office in 1933, there were over 12 million unemployed — one in every four workers. In many places the crisis was worse yet — only one in ten garment workers in New York City had a job. The average yearly earnings of those who had jobs was only \$1086 — down from \$1543 in 1929. Nearly 70% of all families in Philadelphia were over a month behind on their rent; the story was about the same everywhere.

Back then, there was no such thing as welfare or unemployment compensation. The poor could beg for money from local private charities, and they would get whatever the administrator decided to give, if they got anything at all. The other choice was to go to the public workhouse, which was very much like prison. In 14 states "paupers" were denied the right to vote.

But working people didn't just quietly starve while waiting for the 1932 elections and Roosevelt. From the beginning of the Depression, organized looting of food by hungry workers broke out in every major city.

The Communist Party called for a demonstration of the jobless on March 6, 1930, and one million unemployed workers turned out in New York, Washington, Philadelphia, Boston, Cleveland, Detroit, Milwaukee, Chicago, San Francisco, Seattle and dozens of smaller cities. The marchers carried banners reading "Work or Wages" and "Fight-Don't Starve".

When jobless workers were evicted from their homes for falling behind in their rent or mortgages, organized groups of unemployed would move them back in again, furniture and all.

Local officials were forced to make concessions. Local relief spending went up by \$170 million from 1929 to 1932. Still, less than \$27 per year was being spent for each of the 12 million unemployed, and many jobless workers got no benefits at all.

In New York City in 1932, the average relief check was \$2.39 per week, and only 25% of the unemployed got that. It was in the middle of the growing demands of the unemployed for work or wages that FDR took office in 1933.

At first, FDR responded by starting direct Federal payments for relief. The average monthly check went from \$15 per family in 1933 to nearly \$30 in 1935. He also started the Works Progress Administration (WPA) in 1935, promising to create a job for every able-bodied worker.

By 1936, WPA employed 2½ million workers. These concessions took much of the steam out of the militant unemployed organizations. By 1938 many unemployed leaders were working for the WPA, and the anger of the average jobless worker was blunted by a feeling that FDR was really trying to help them.

But with the heat off, jobless benefits were cut. After WPA began, direct Federal relief payments were stopped, supposedly to be picked up by the states. Instead, many states cut payments or abolished relief altogether. New Jersey issued begging licenses instead of money to its jobless citizens. Meanwhile, the WPA never came near providing a job for every able-bodied worker.

In 1936, the peak year for WPA, there were 10 million still unemployed. In 1938, \$768 million was cut from the Federal relief and job programs with over 11 million still out of work. WPA funds were cut again in 1939. It took World War II to "solve" the problem of unemployment.

THE FIGHT FOR THE UNIONS

FDR's first big "reform" in Federal labor policy was the National Industrial Recovery Act (NIRA). This law guaranteed workers the right to organize unions without coercion by employers, and set minimum wages and maximum hours. It also gave industry the right to regulate

production and fix prices. The "guarantee" of workers' rights was so vague, and the benefits to industry so obvious, that even the Chamber of Commerce came out in favor of NIRA.

But workers believed in that guarantee, and responded with a hurricane of union organizing. The United Mineworkers increased its membership from 60,000 in 1933 to 529,000 in 1934. The Amalgamated Clothing Workers went from 7000 members in 1932 to 132,000 in 1934. Three times as many workers went out on strike after NIRA was passed in 1933 than in 1932.

The corporations fought back. They set up company unions and intimidated their workers into joining. Ninety percent of the half-million steelworkers were signed up in these "employee representation plans". GM announced that they would only deal with employees through such a plan, and would never recognize a union. They fired union supporters right and left. They spent \$80 million on labor spies in 1936 alone. And Roosevelt, "labor's champion", did little or nothing about it.

The NIRA did lead to a slight increase in wages and a decrease in hours. But the Code Authorities that set wage and hour standards in each industry were packed with corporate executives. Only 23 of the 51 Code Authorities had any voting labor representatives at all.

Many companies violated the law, but by March of 1935 none of the violations cited by the National Labor Board had been stopped or punished by the courts. Bethlehem Steel defied the law outright by publicly refusing to obey an NLR order. They were never prosecuted. Then, in May 1935, the Supreme Court declared NIRA unconstitutional.

The result of this corporate offensive (and of FDR's hands off attitude) was the decline of union membership as quickly as it had risen. In 1935, the number of

union members reached a new low point — less than one in ten workers. Workers didn't stop fighting back, however; the number of strikes grew every year from 1933 through 1935.

Meanwhile, Senator Robert Wagner was pushing his National Labor Relations Act in Congress. When he first proposed it in 1934, FDR opposed it, and the bill was defeated. Wagner tried again in 1935.

During the hearings, supporters of the bill gave some telling reasons why Congress should pass it. Legal protection of workers' right to organize was one. Another was that by increasing workers' purchasing power through union organization, more goods could be sold at a profit.

Wagner also argued that if the bill were not passed, the communists (already the key leaders in most of the union drives) would win over millions of workers to the idea of revolution in America. The only members of FDR's cabinet to testify did not support or oppose the bill, and Roosevelt himself was silent on the subject. He didn't come out in favor until he signed the bill (passed by Congress) into law on July 5, 1935.

The Wagner Act was an important victory for labor, but it did not give workers real rights unless they were ready to fight for them. Employers continued to fire pro-union workers and continued to use scabs and spies. Local and state governments still used police and National Guardsmen against strikes. For the most part, Roosevelt and his administration did not try to stop them. Unions were won in the major industries by winning strikes, often paid for in blood.

The first major victories were in 1934, when barely organized workers struck and won — auto parts in Toledo, truck drivers in Minneapolis, and longshoremen in San Francisco. These three

(continued on following page)



Breadline 1937. Jobless workers got little, if any, relief from the federal or state governments. Various programs were implemented by the Roosevelt administration, but they were unable to solve the unemployment problem. Only all-out war was able to end the Depression.

Roosevelt's New Deal . . .

(continued from previous page)

strikes, all led by socialist or communist workers, riveted the attention of the American people and were a big boost to workers' morale.

The fight for unions was decisively won by the wave of strikes in 1936 and 1937. The most important of these was the Flint sit-down strike against General Motors that began December 30th, 1936. Starting in the Flint, Michigan Fisher Body plant, the strike spread overnight to 112,000 GM workers, from Kansas City to Detroit to Toledo. Flint was the center of GM's empire, and GM was the biggest corporation in the US. Once the open shop was broken at GM, a wave of unionism swept through the rest of industry.

Before the sit-downers victoriously marched out of the plants on February 3, 1937, they and thousands of other union members picketing outside fought a hand-to-hand battle with the GM guards and Flint police. When the courts ordered the plants cleared, Democratic Governor Murphy sent the National Guard. The Guard set up machine guns and howitzers, pointing at the key plant. The strikers welded the doors shut, and made piles of bolts and iron bars near the windows.

Ten thousand workers, many from other union and as far away as Ohio, marched outside carrying American flags and two-by-fours. The Women's Emergency Brigades, carrying pipes and baseball bats, stood in front. The Governor and the Guard backed down, and Roosevelt asked GM management to meet with the United Auto Workers Union.

The Union won, getting a six-month contract with only one clause — recognition of the UAW as the sole bargaining representative of the workers. That victory electrified workers everywhere, and by the end of the year the new industrial unions alone claimed over three million members. There were 170 sit-down strikes in progress in March 1937 alone, involving 170,000 workers.

Many more examples of Roosevelt's real role could be cited. When a national steel strike was called in May, 1937, 16 workers were killed and 307 injured

by scabs, company guards, police, and National Guardsmen. When the steel workers appealed to Roosevelt to stop the slaughter, he replied, "A plague on both your houses."

When workers at North American Aviation in Los Angeles struck, Roosevelt sent in troops to take over the plant and to force the workers back to work under the gun, breaking the strike. The point is that while FDR and the Democrat-controlled government did make some important concessions to labor, it was the revolt of the people from below that forced these concessions.

THE END OF THE DEPRESSION AND THE WAR

Another persistent myth is that FDR and the New Deal brought America out of the Depression, and got the economy rolling again. The New Deal did have some effect. Unemployment dropped from 12 million workers in 1933 to eight million in 1937. But the New Deal did not come near ending the crisis.

In August, 1937, the floor dropped out again. Within three months the production of manufactured goods dropped by more than 25%. The number of jobless workers shot up again to over 11 million in 1938.

In 1940, over ten million were still unemployed (one out of every six workers), even though war production had already started to gear up. War spending was increased four times over in 1941, yet four million remained unemployed. It took all-out war to provide jobs (including duty in the armed forces) for all the unemployed.

Roosevelt staff man Joe Marcus admitted this when he said, "Just think, in 1939, we were back to the industrial production of 1929. And you had a ten-year increase in population. If it weren't for the war orders from France and England, there's a question if we would ever have hit that point. The war did end the Depression."

The war years were more of the same, but hidden behind appeals to patriotism. Roosevelt's wartime "equality of sacrifice" slogan was so much hot air. Workers' real take-home pay did go up some, but mostly because workers were

putting in lots of overtime. Meanwhile, prices and profits went through the ceiling. The number of unemployed climbed back to three million right after V-J Day. Actually, the real number was closer to six million if the women workers forced out of industry are counted.

If FDR and the New Deal really served the interests of the capitalist class and not the workers, why then was Roosevelt the object of so much scorn and hatred from the rich? It is true that to many, if not most, of the members of the capitalist class, FDR was "that man in the White House".

The newspapers, taking their cue from Big Business, regularly denounced the New Deal as "socialistic" and dangerous to the morality and institutions of the free enterprise system.

But it does not follow from this that FDR was, in fact, a champion of the working class and an enemy of the monied interests. Roosevelt and that section of the capitalist class which support-

ed him were simply more farseeing representatives of Capital's interests.

They understood that the government had to play a more active and far-reaching role in the economy if the capitalist system was to survive. They grasped that a combination of concessions and populist rhetoric had to served up to the workers to undercut the growth of genuinely radical and revolutionary currents among the masses of working people.

Roosevelt's greatest service to the capitalist class, a service not fully appreciated at that time, was to create the modern Democratic Party as a political institution that could draw in and contain the dissident movements generated by the Depression.

Roosevelt's advisor, Raymond Moley, referring to his former boss, said, "My interest, as was his, was restoring confidence in the American people, confidence in their banks, in their industrial system and in their government." That's what the New Deal was all about.

Organizing Committee for an Ideological Center (OC-IC) Bulletin # 1

NOW AVAILABLE...

OC Bulletin No. 1 — The debate on Principle 18

Should Recognition of US imperialism as the Main Enemy of the World's Peoples be a line of demarcation with 'Left' Opportunism?

The first edition of the discussion bulletin of the Organizing Committee for an Ideological Center...contains 13 theses on why it is essential to demarcate with 'left' internationalism as adopted by the Steering Committee of the OC, an article on why the OC should reject principle 18 by 4 member organizations and an article in defense of principle 18 by the Steering Committee. An in depth discussion of international line and its implications for party building and the effort to build a tendency in opposition to left opportunism.

OC Bulletin No. 1 is available for \$1.00 from: SUB, Box 7275
Baltimore, Md. 21218

Write for information on bulk orders.