

The Road to Recovery

By David Lasser

The following is the second half of a statement made by David Lasser, National President of the Workers' Alliance, before the Senate Committee on Unemployment, on March 8.

THE question which is before this committee now, and which I want to deal with, is the road to recovery. Firstly, how far are we from actual recovery and where do we want to go?

Much talk has taken place of late about a \$100,000,000,000 national income as a goal. In 1929 we had a national income of about \$80,000,000,000. Since then there has been a 20 percent increase in individual productivity and a 7 percent increase in population. This means that we should be able today to produce nearly 30 percent more than in 1929, or an income of \$104,000,000,000. In other words, if we operated our economic order only as well—or shall we say as badly—as we did in 1929, we should pass that \$100,000,000,000 goal. With a national income in the recovery year 1937 of about \$67,000,000,000, we were getting only about 60 percent of what we were entitled to, even on the stupid scale of 1929. How can we get to that \$104,000,000,000 mark?

We want to make our own position crystal clear. We have been painted as an organization whose sole purpose is to make continual raids on the federal treasury and somehow, by producing national bankruptcy, promote chaos or bloody revolution. The American people who know us do not take this fairy tale seriously. We are ready and willing to cooperate with every genuine effort to bring this nation on to the highway of recovery, and to return the unemployed to private industry.

We know, as the gentlemen of this committee must know, that one fundamental condition is necessary. That condition is the opportunity of the American people to produce and to buy back what they produce. We can no more have any genuine or lasting recovery without sufficient mass consuming power than we can defy the law of gravitation or the laws of arithmetic.

Government can and must do its part toward this end. It must do its part—first, to convince business of its fundamental responsibility for employment and wages; and, secondly, to take firm action upon the refusal of business to assume its responsibilities.

We could point out one simple road to recovery that could put an end to the present depression in three months. That would be a concerted agreement on the part of our industrial and financial leaders to start production and re-employ the unemployed. A 30 percent increase in production would mean the reabsorption of about 10,000,000 unemployed. The increased purchasing power that

would flow from this increase would serve to re-employ millions more.

What is required is a sincere determination on the part of those who own and control industry to employ their idle capital, their idle factories, and their idle men. What is required of them is that "faith in America" that they ask of their workers. What is required is an investment in the future of America.

This re-employment must be accompanied by reduction in the hours of labor and sufficient increases in wages to balance the increase in productivity of labor. This means the enactment of an adequate wages and hours bill. The opposition of big business to the legislation that would uniformly raise wages and lower hours cannot be justified on the grounds of its economic effect. The opposition of big business is actually an opposition to government's touching that sacred cow, private initiative.

Do we not all know that increases in wages go principally into the channels of trade? A \$1,000,000,000 increase in wages actually may mean \$5,000,000,000 more national income; and from this increase the owners of industry would share abundantly.

I have outlined the job of business. What if it continues to refuse to assert its faith in America and leaves idle capital, idle factories, and idle men to go to mutual ruin? Shall government disclaim its responsibility for the common welfare?

We believe that upon the continued refusal of business to shoulder its responsibilities the government must step in—to a greater degree than before and with more conscious planning. Government should borrow idle capital, employ idle men, and set both to work producing what is most needed in our national life.

We know this much with certainty. Today we have about 13,000,000 unemployed, of which more than 5,000,000 are absolutely without family income from private employment. These 5,000,000 represent a minimum responsibility of the federal government, for the utilization of their skill and productive power and for their physical maintenance.

What is needed now is a conscious plan, based on our experience over the last eight and a half years—a coordinated plan to put to work as many of these five million as possible, supplying the most essential social needs.

We believe that this committee and Congress should face the staggering problem bravely—and authorize a plan of public works, direct relief, and liberalization of the social security laws.

With regard to public works. Here we suggest a sharp departure from the present

scheme. Although roads, golf courses, airports are important, there are other public works which are of much greater importance. On the basis of the more essential necessities, a five-year plan should be authorized by Congress which would employ at least 3,000,000 unemployed, so long as that number are in need and available for work. Congress should authorize the types of work to be prosecuted and should make an initial appropriation for the coming fiscal year to start the work.

In other words, we need a "planning for recovery program," and not hand-to-mouth appropriations.

What are the most essential needs that should be included in a works program?

I should list decent housing as the greatest of all. Five to six million family units are urgently needed to replace those unfit for human beings. This would require twenty-five to thirty billions of dollars. We suggest approval of the proposal of the Steel Workers' Organizing Committee for a five-billion-dollar public housing program, to be built by the government in cooperation with local public bodies and rented at costs the workers can afford to pay.

Hundreds of millions of dollars are required for hospitals; hundreds of millions for schools. I have a report from New York City which indicates that hundreds of schools there are firetraps and should be rebuilt.

With floods again sweeping the nation, we still find ourselves unprepared to meet them. Again hundreds of people drown, tens of thousands are made homeless—because of our unwillingness to provide for common sense needs. The National Resources Committee in a report to President Roosevelt has accumulated \$465,000,000 of urgently needed flood control projects, the prosecution of which will save thousands of lives and hundreds of millions of dollars in property.

Some \$2,000,000,000 of additional municipal sewage systems are needed to provide for the health and safety of Americans. An official report indicates that 10,000,000 people do not have sewage collection systems, and that more than 45,000,000 people have no sewage treatment plants.

There is an additional phase of this works program that I wish to mention. Workers have a right not only to work, but to work at their own trades. After all, a worker's skill is his entire capital and cannot readily be transferred, as can the capital of a financier. Hundreds of thousands of workers have cheerfully gone to work with pick and shovel when their occupations formerly might have been in radio, in shoes, in textiles.

They have not only lost their skills, but the nation has lost the product of their toil. Why



Relief

Drawings by John Heliker



Food Check

Home Investigation