

Labor, Wake Up!

By FRANCIS NEILSON

MANY OF THE QUESTIONS about the present state of affairs, which are put to one during the course of the day by the perplexed taxpayers, indicate clearly that very little thought is given to the problems that affect them. "What can we do to change for the better?" Surely there is implied in this inquiry the idea that the questioner has not thought very deeply about the crises in politics, industry, and society that harass the minds of the people. This seems to be an entirely new phase in the history of human behavior, and from it we may infer that bewilderment has taken the place of the exercise of reason that brought about reforms during the last century.

Clear-cut Issues

PERHAPS THERE WERE THEN not so many defects in the political system as are noticed today. Most of the issues in the past were clear, and the workers had little difficulty in understanding the problems that bore in upon them. For example, the basic ones such as land reform, tariff reform, the suffrage, the housing problem, industrial practices (such as hours and wages), unsanitary conditions—all these were considered and debated by the people when what is called "education" was hard to get.

Even so late as the first decade of this century it was a simple matter to put before the English people the grave questions of the fiscal powers of the House of Commons versus the House of Lords, the restraints on production that were exacted by landlordism, and also whether the veto of the House of Lords could be invoked against a revenue bill. In this country also there were many evidences of the interest of the general public in political and economic affairs. For example,

there were platforms upon which individualism versus socialism was debated. Interest in the tariff had not ceased. Some of the books on this question that were read and deeply considered were George L. Bolen's "The Plain Facts as to the Trusts and the Tariff,"¹ Lee Francis Lyberger's "The Tariff,"² and Henry George's "Protection or Free Trade."³ As late as the presidential election of 1912 there were many indications that the people generally were interested in attending meetings where the problems that affected them were discussed. These are instances which ought to be well known but, according to the nature of the questions that are put as to what should be done to change affairs, few seem to have given them any consideration.

Government Paternalism

WHAT HAS BROUGHT this lack of thought to pass? Undoubtedly one of the chief reasons for it is that since the advent of sentimental liberalism, paternal governments have striven to bribe the people by dole to vote for the men and party that make the biggest promises. Every legislative step that has been taken in the direction of bureaucratic control and incipient socialism has to a great extent undermined the dignity of the individual. It is said that today something like 40 per cent of the voters of Great Britain and the United States look to the government to do their thinking for them. These figures may seem an exaggeration, but in support of them it is only necessary to direct attention to the methods in vogue which have been adopted by the state and the federal governments since the depression caused by the crash in 1929. The vast hordes of so-called unemployed who for years were to be seen in every state in the Union idling on make-work jobs that one-fifth of their number could easily have per-

¹ New York, The Macmillan Company, 1903.

² Chicago, *The Platform, The Lyceum and Chautauqua Magazine*, 1914.

³ Published first in 1886; available now in the Robert Schalkenbach Foundation edition (New York), 1941.

formed were indicative of the electoral value the guardians placed upon the men they employed. It was paternalism in its crudest and ugliest form. And who would deny that the majority of the voters were in favor of it and little thought that those who were at legitimate work had to foot the bill?

Another reason why so many people give scarcely any thought to these questions is that the radio, the newspaper, and the movie leave them little time to think things out for themselves. There are few avenues of information today that do not attempt to direct the thought of the taxpayer. The paralyzing influence of the radio, the newspaper, and the movie is admitted by those who have studied this matter, and no less a person than Sir Richard Livingstone and other educationists have pointed this out to their readers. It may be that the whole system of education is largely to blame for the lack of thought by a large percentage of the voters on the problems that distress them every day of their lives.

Lack of Definitive Party Platforms

THE MEANING OF THE RESULT of the election of November, 1946, is interpreted in so many ways that it is hard to learn just what the people decided. There was no difference of opinion among the candidates on foreign policy. Perhaps the shortage of supplies of meat and the high prices had more to do with putting the "outs" in than any other question that had to be decided. Many of the riddle guessers were quite sure that the results did not indicate any return to isolationism. And, yet, it was the first real test of public opinion at the polls since the war ended. Some few interpreters of the mind of the voter reminded us that it should not be overlooked that since 70 per cent of the voters were opposed before Pearl Harbor to American participation in the war, the result last November was quite in line with the feeling of the electors as expressed up to the summer of 1941. However this

may be, there are wide differences of opinion and no one of political influence has claimed that the new Congress has been given a mandate for any particular legislation. Perhaps the slogan "Had enough?" used by one of the parties reflects the thought of the electors.

One thing, however, was quite evident during the campaign: no clear-cut issue was presented to the people. And furthermore, neither party produced a platform which contained a proposal foreshadowing legislation that would remedy, let alone solve, any of the distresses borne by the vast majority of the taxpayers.

It was once accepted by the leaders of the parties that when all was said and done, the people made the programs. But that must have been long ago—as far back as the famous Newcastle Program in the days of Gladstone. Platforms for the parties are now caucus exercises the people know little or nothing about until the election is upon them. Everything is changed in the organizations. Party managers are no longer in touch with the leaders of districts who are held responsible by the local association for their dealings with platform-makers.

Need for an Informed Electorate

IF THIS BE a fair description of what takes place today, then it seems futile to ask: "What can we do to change for the better?" The essential for taking action in such a matter is surely an informed electorate. There has not been anything worth calling political education since the close of the first World War. On some rare occasions an editor may lament that the Socialists and the Communists have it all to themselves and that they can always get an audience. Their work in pamphleteering, in pushing the circulation of their papers, and making addresses is an example that ought to be followed by the two old political parties, for it is utterly impossible to think of what we can do to change for the better until the

taxpayers know what is wrong and show sufficient interest in the problem to find means of setting it right.

In such a process it might be possible for the candidates themselves to learn something that will be of service to them whether they be returned to Congress or not. Many an aspiring statesman in the past has learned more in addressing a political meeting than he gathered from the books he used in preparing his speech. That was in the day when politicians had to submit to questions and during the address deal as best they could with the hecklers who interrupted them.

It is quite new to hear many of the small taxpayers say that they do not see how the reduction of debt and relief from taxation are to benefit them. It is amazing to find shopkeepers who cater to the people of low incomes inquiring about fiscal matters with which people generally used to be acquainted and in which they took an intelligent interest. One would have thought that the well-advertised proposals of the new Congress to deal with the reduction and the relief of taxation would have caused more than a passing consideration among those who were so hard hit by the severities of the Treasury. It does not seem to be a question of apathy or pessimism so much as it is that they are not at all familiar with the fiscal processes that reduce the purchasing power of wage and the demands of labor for an increase in nominal wage. It might be of service for those who come in contact with such people to carry in the vest pocket a little card upon which they could take figures from Treasury statements to show the ignorant what has happened in the not remote past.

The Effect of the Public Debt

TAKE THE MATTER of the public debt of the United States. After the close of World War I, the 1919 statement showed that it amounted to \$25,482,000,000, and more, and that it was reduced during a period of eleven years to \$16,186,000,000—a reduction of about nine billion dollars. For these

years the annual statements of the Treasury Department on government revenues and expenditures reveal a relief to the taxpayers of 4½ billion dollars—or a drop from \$6,694,000,000 in 1920 to \$2,005,000,000 in 1932. Yet, there were two severe depressions during this time. It must, however, be taken into consideration when these figures are presented to an inquirer that the taxation upon the individual income and that of the head of a family was comparatively light.

In 1926 the personal exemption for an individual was \$1,500 and for the head of a family \$3,500—\$400 for each dependent. After 1933 the exemptions were speedily reduced, and during World War II income tax was imposed on the individual earning \$501. And the lowest exemption has been \$500 for the individual until this day.

A return filed for the year 1945 shows that upon total wages of \$2,340 an income tax of \$374.40 was paid. This left no savings for the person, for prices were rising upon nearly all requirements, and there were other fiscal fines such as federal social security and local taxes to be paid besides. These figures indicate that the persons of small income and the shopkeepers who do business with them should put on their thinking caps and take a deeper interest in taxation. They should be vitally interested in relief because it may make all the difference between saving a bit and short commons. Moreover, an important thing for them to consider is that any relief that is forthcoming must be positive; that the politicians must not add to their burdens in other directions. One thing that is essential for them to demand is a sharp reduction in the personnel of the bureaucracy, the parasites who add nothing to the production of wealth but thrive upon the revenue taken from the taxpayers.

Taxation, the Key to Industrial Problems

PRESUMABLY IT IS USELESS to advise the average man that it is his duty to examine the government's balance sheet. The

taxpayer who scarcely knows how to fill in the return the Treasury sends to him will not know how to set about the study of these important matters. Yet that is the way he can learn how a change can be made for the better. As the vast majority of the taxpayers are small income earning people, relief in this direction will go a long way toward solving some of their troubles. To raise the purchasing power of the dollar by twenty-five cents would mean impeding inflation and eliminating, to some degree, the reason for strikes.

Nothing of any positive value can be done for these people until they study these questions for themselves. Formerly, in leaflet and pamphlet, the two opposing parties gave to the electors some economic and fiscal facts that enabled them to make up their minds for whom they should vote. These methods of circulating information, however, have been superseded by the radio and the newspaper, which distribute so much irrelevant matter that the confused reader or listener is in no mind to take in the political data which would enable him to understand some of his problems. What he is to do about altering his position without the benefit of the knowledge his father received in pamphlet and leaflet, to say nothing of the instruction given at political meetings, no one can tell.⁴ He can, however, make his plight known on a postcard addressed to his representative or senator. In some cases during the past ten or twelve years he has made his presence felt in Washington, and he should have learned from these experiences what power he has of communicating directly with legislators.

No particular organization is required for this purpose. The individual can act for himself. A postcard costs one cent. During a recent crisis a member of Congress said that he had never seen so many postcards in his life as turned up at his office at the capital for three consecutive days. If such action

⁴ For a further discussion of this problem, see my forthcoming essay, "Tolstoy's Message for Our Times."

can be taken by individuals when they cannot get meat, surely they can do it when they want relief from taxation.

The virtues that trade unionism had in the distant past have been completely overshadowed by the evils that have arisen, not only in the conduct of the unions themselves but by the stress that has been put upon what is called the profit system. In the attempt to saddle the defects of the wage system upon industrial concerns, they have let the politicians escape without censure. Indeed, for nearly two generations the worker's mind has been directed by his leaders against the group—the so-called capitalists—that is suffering from the very ills that afflict the taxpayers of low income.

This mistaken policy is largely responsible for the conditions that affect us today. Trade unionism itself has not shown the slightest interest in raising the purchasing power of wage since the turn of the century. Every strike asks for an increase in nominal wage, which is shortly followed by a rise in the price of commodities.⁵ At last, however, some of the leaders are beginning to see daylight, to realize that such methods are utterly ineffectual. But it is to be doubted whether they have the understanding and, having that, the courage to turn their batteries upon the real enemy who protects the system of landlordism and, at the same time, exacts from wage the billions of dollars that keep the workers impoverished.

It is time for labor to wake up and realize the force it has to fight, if it seeks amelioration. But this means study, serious reflection. The hour has come when labor itself can do a lot to make a change for the better.

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⁵ See Francis Neilson, "The Failure of Industrial Strikes," *AM. J. ECON. SOCIO.*, Vol. V, No. 3 (April, 1946), pp. 285-95.