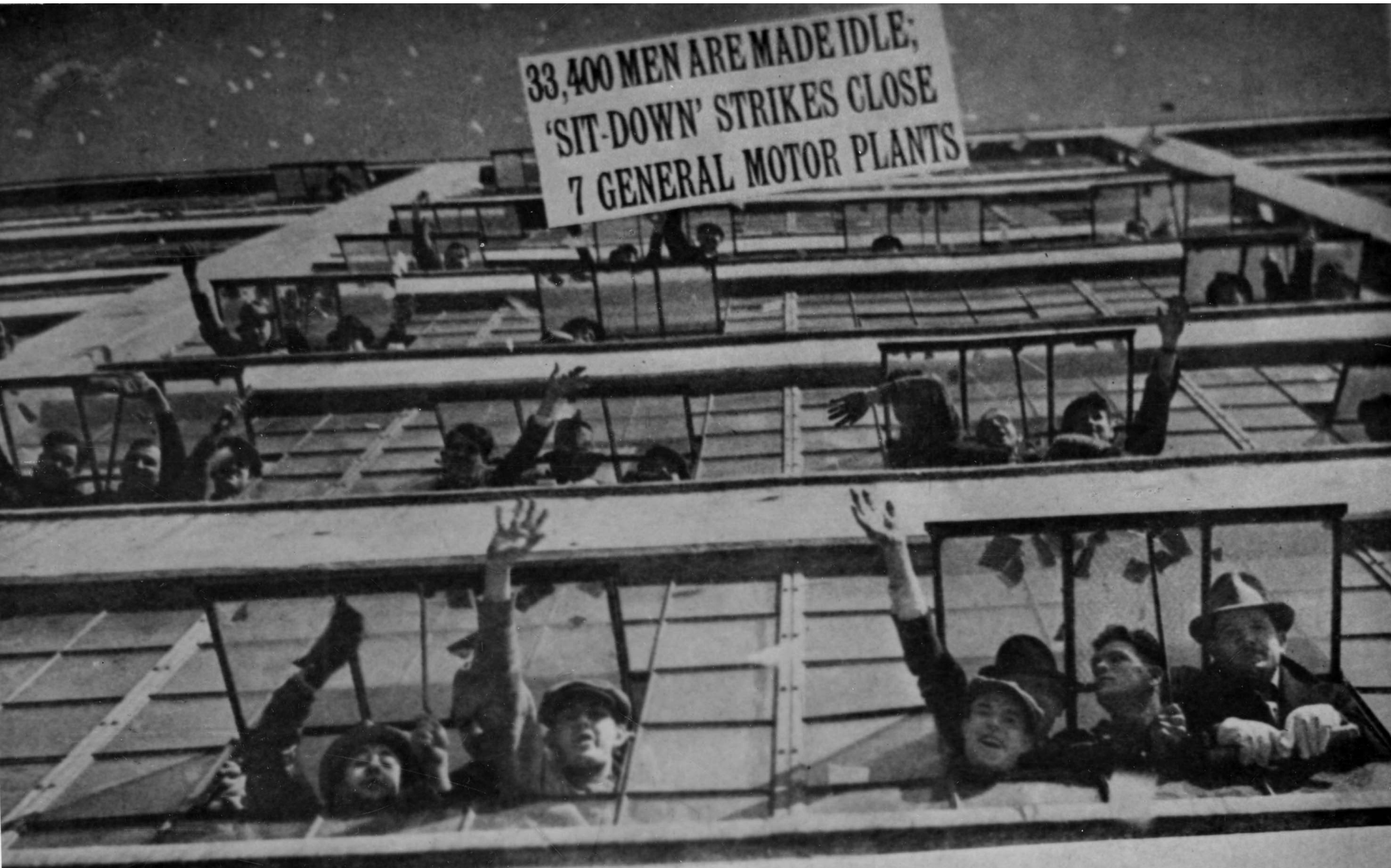
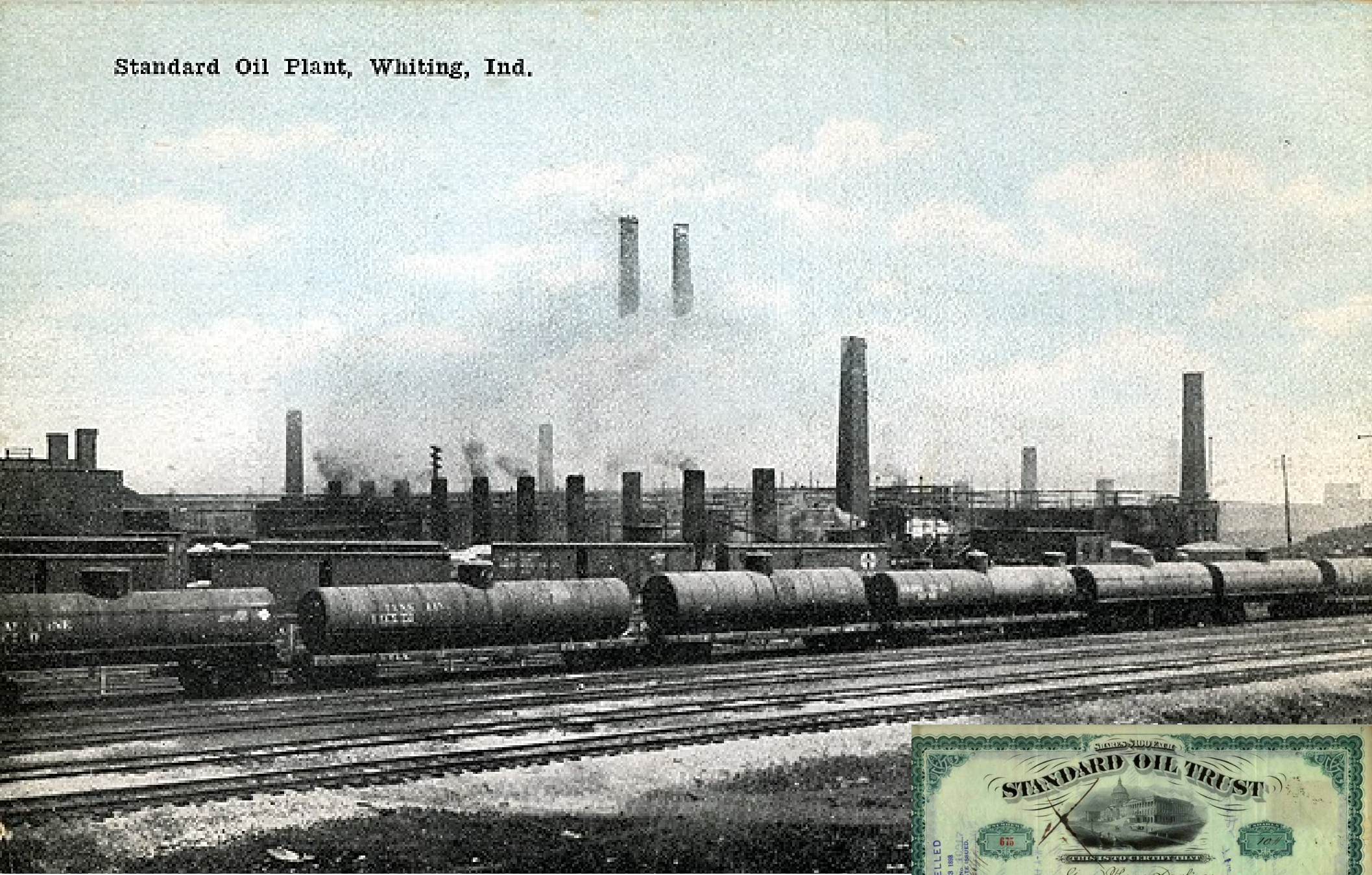


“Organization at the Bottom”

Grassroots Demands and the New Deal State



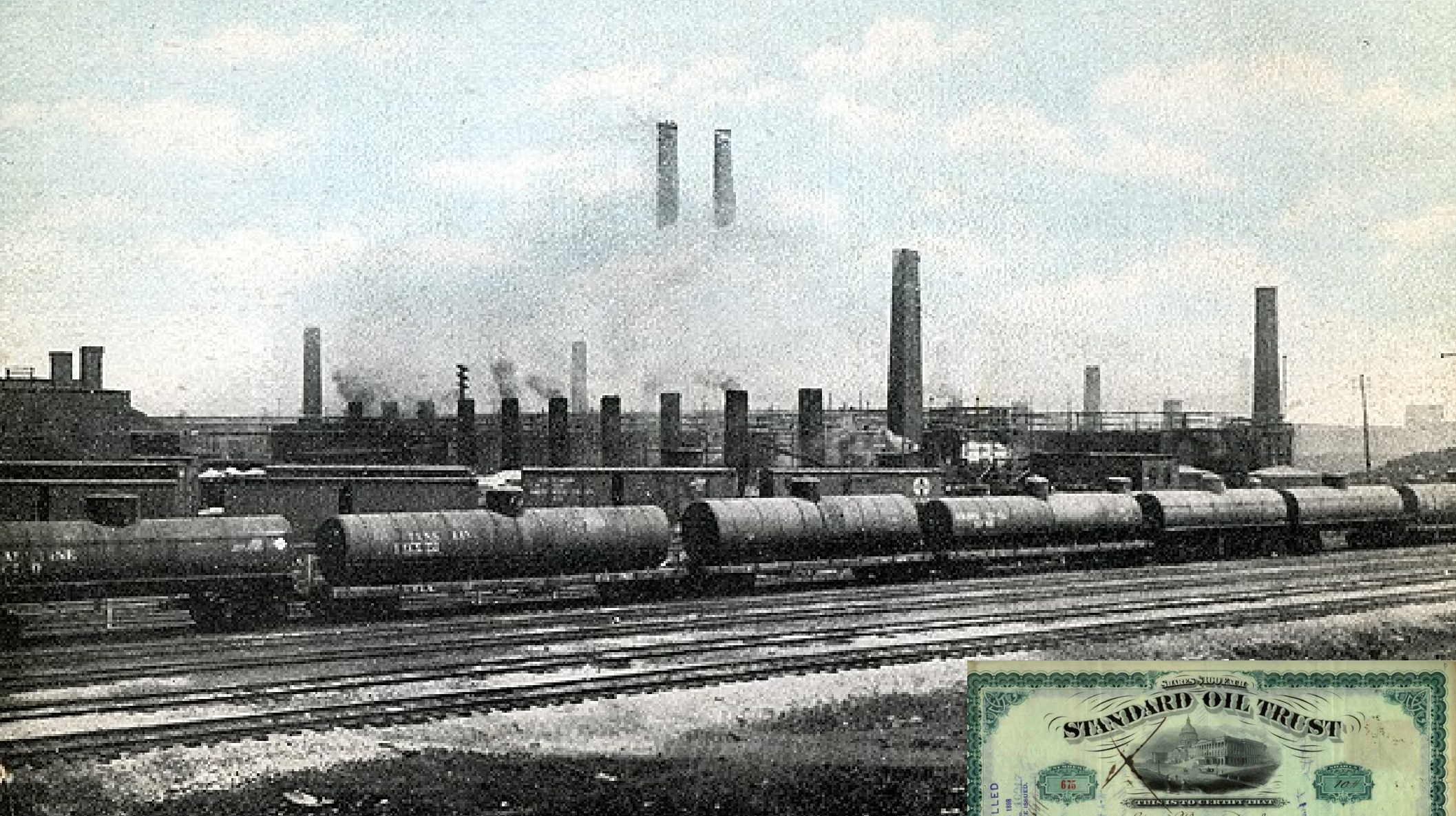
Standard Oil Plant, Whiting, Ind.



Standard Oil Trust
established in 1882 - antitrust dispersal in 1911



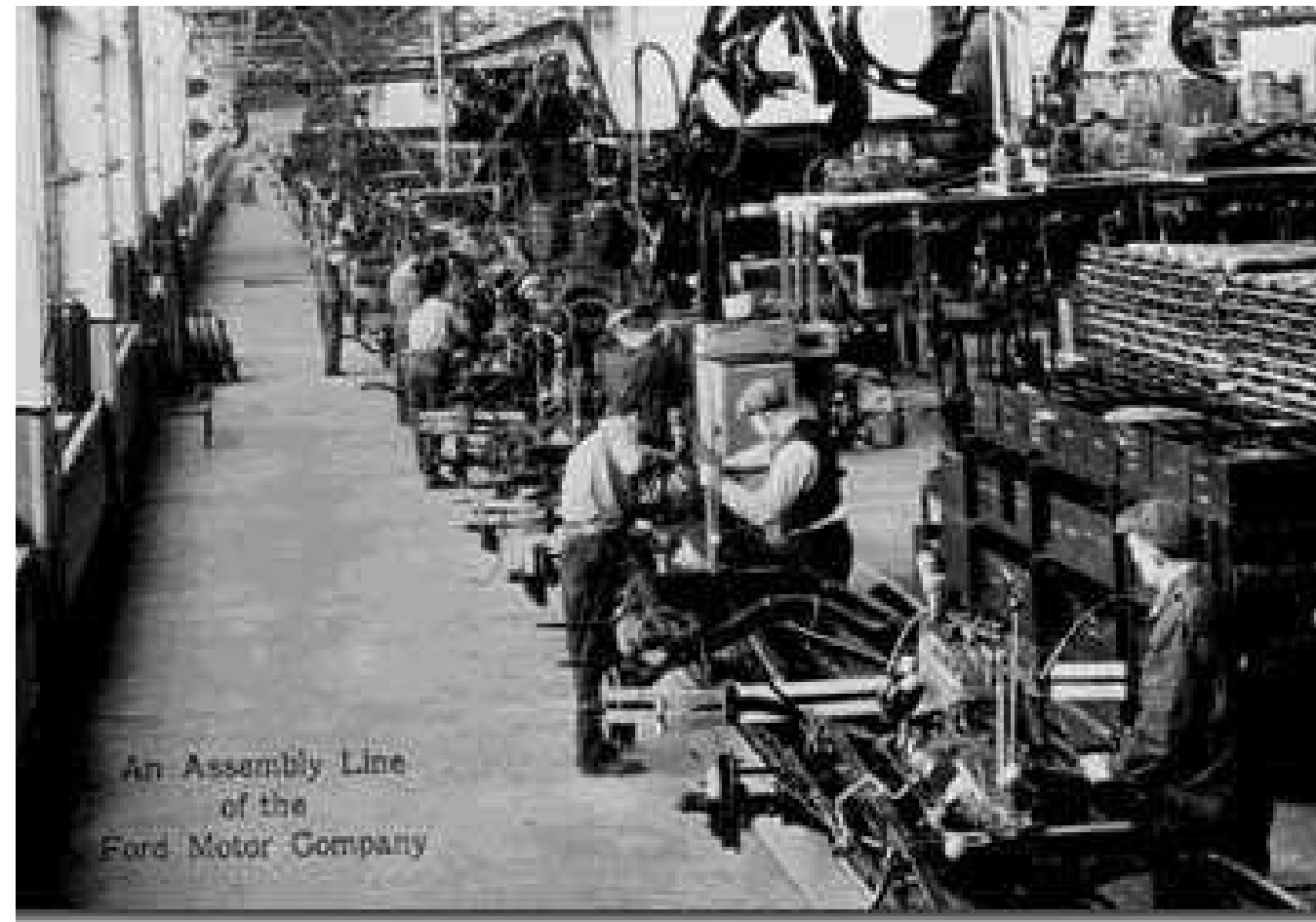
Standard Oil Plant, Whiting, Ind.



The model of the owner-entrepreneur had been liquidated by the century's turn. It was replaced by quasi-monopolies of continental scale - Standard Oil, US Steel, American Tobacco, International Harvester, AT&T, General Electric - assembled by bankers like Morgan and Rockefeller. However, these "trusts" were mere conglomerates, without deep reorganization.

Once adopted into the production process of capital, the means of labor passes through different metamorphoses, whose culmination is the machine, or rather, an automatic system of machinery, set in motion by an automaton, a moving power that moves itself; this automaton consisting of numerous mechanical and intellectual organs, so that the workers themselves are cast merely as its conscious linkages.

Marx, Grundrisse, 1858



An Assembly Line
of the
Ford Motor Company

To manage the stress of rationalization and the extenuating increase in speed, Ford doubled the wage to the five-dollar day, reduced the standard workday by an hour (allowing for three 8-hour shifts) and instituted a sociology department in the plant, to school and surveil the workers in matters of hygiene, alcoholism, thrift, domestic order and proper English. “We want to make men in this factory as well as automobiles,” he declared.



DuPont and GM



DuPont

1802 Gunpowder company
1903 Experimental Station:
research for chemical production
1912 Antitrust suit; break-up
1928-35 Wallace Carothers
develops nylon in the lab

General Motors

1908 founded in Flint, Michigan
1919 GMAC financing by credit
1920 P. Du Pont president of GM
1920-23 reorganization by
Alfred P. Sloan: decentralized
operations & coordinated control

DuPont and GM

“To understand both nylon’s history and DuPont’s research and development, one must comprehend that since 1921 the company has been a decentralized firm, managed multidivisionally. This means DuPont is a company of many companies; a president and an executive committee are responsible for the development of overall corporate strategy. They maintain responsibility for oversight of relatively autonomous industrial or manufacturing departments and direct responsibility over several staff departments, including engineering and central research.”

-Big Science: The Growth of Large-Scale Research



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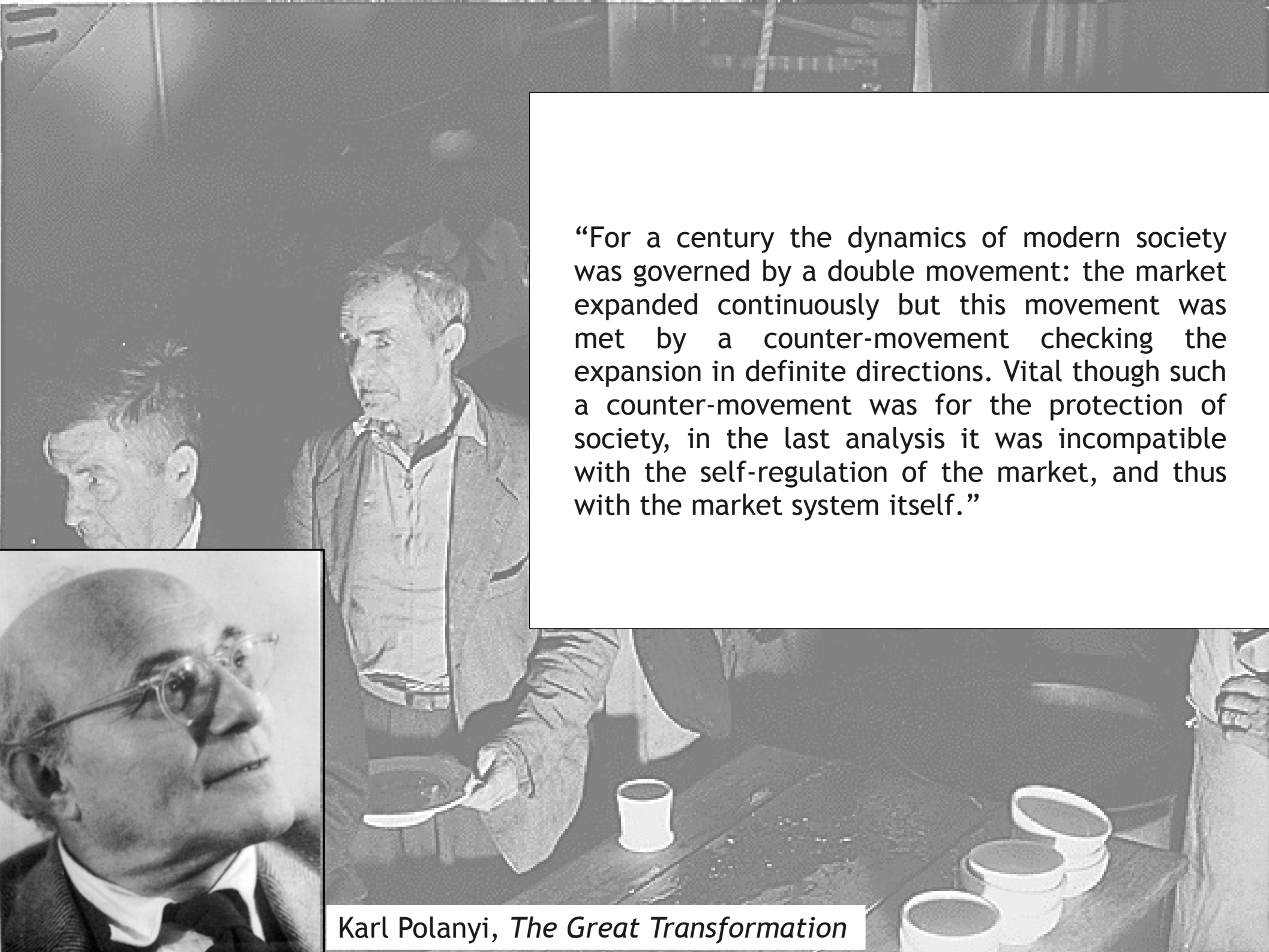
WORLD'S HIGHEST STANDARD OF LIVING



*There's no way
like the
American Way*

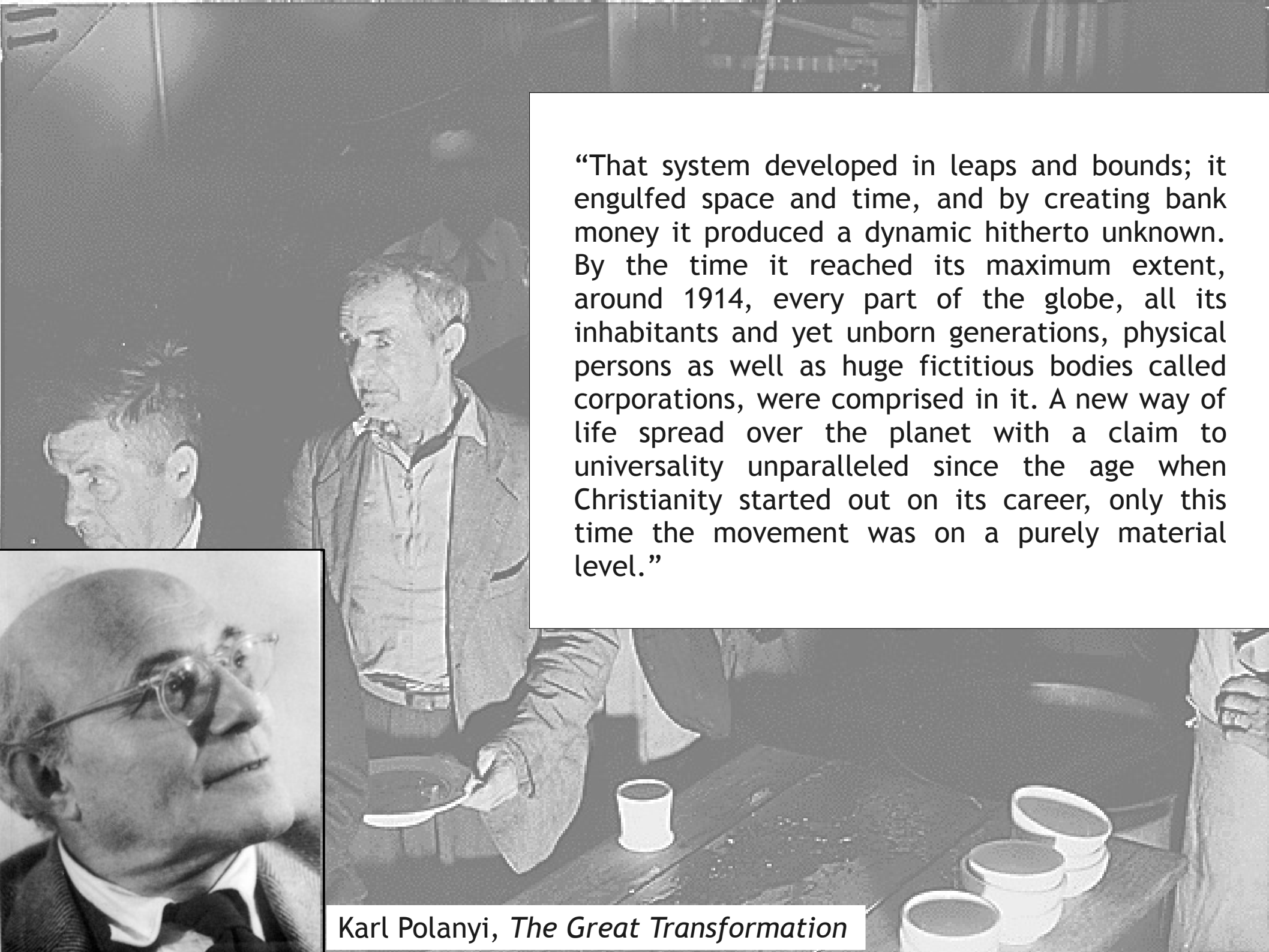






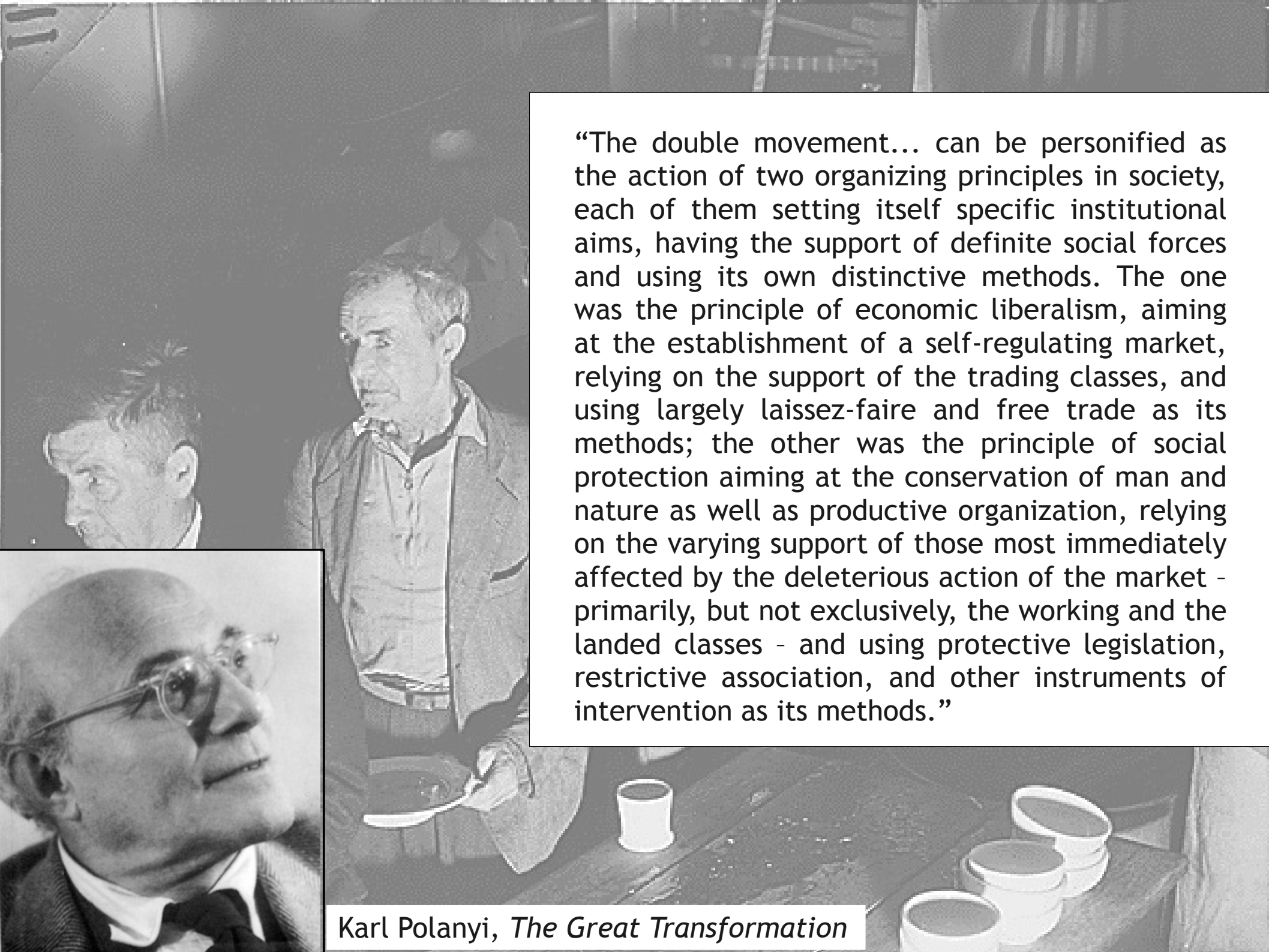
“For a century the dynamics of modern society was governed by a double movement: the market expanded continuously but this movement was met by a counter-movement checking the expansion in definite directions. Vital though such a counter-movement was for the protection of society, in the last analysis it was incompatible with the self-regulation of the market, and thus with the market system itself.”

Karl Polanyi, *The Great Transformation*



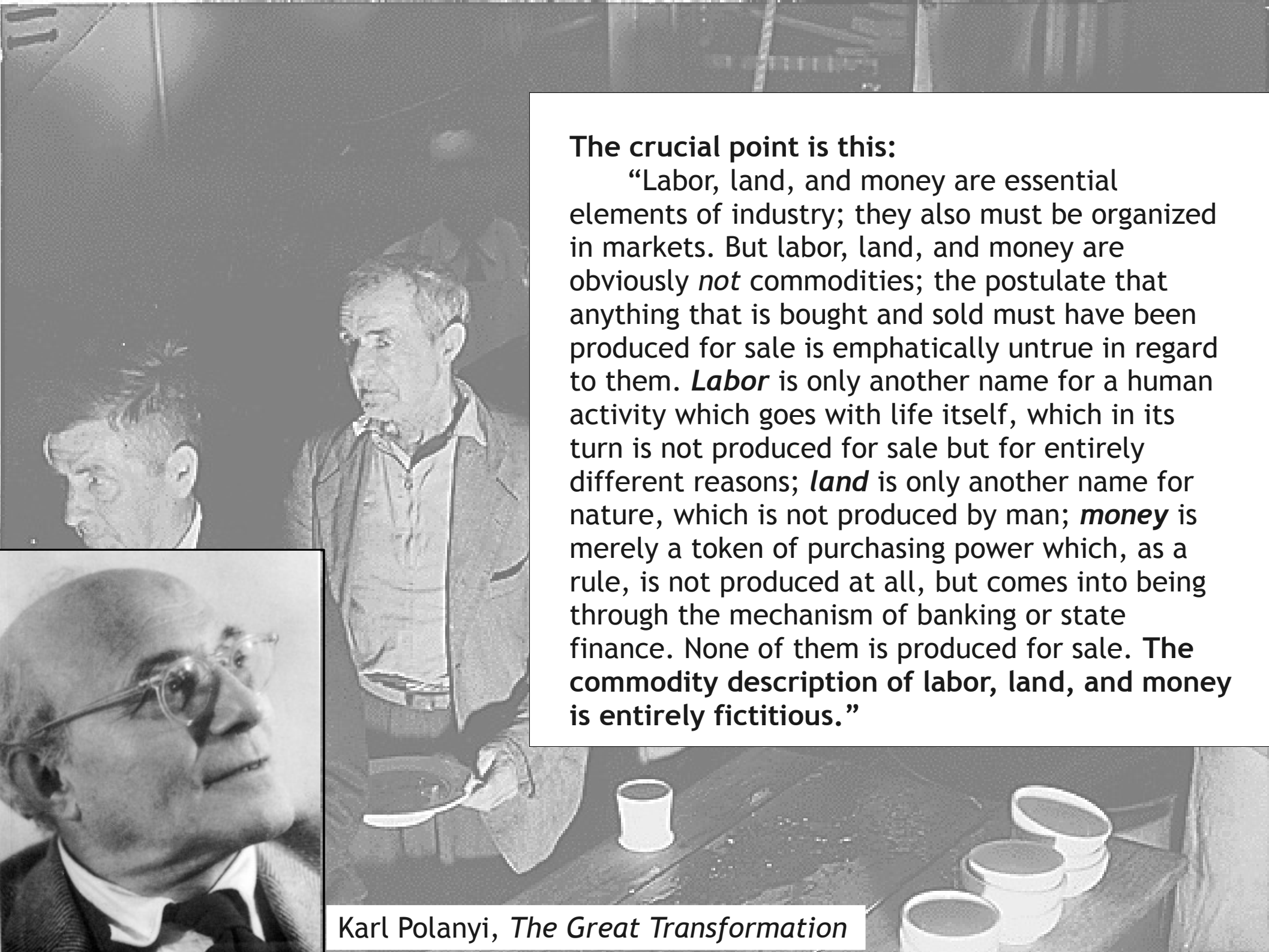
“That system developed in leaps and bounds; it engulfed space and time, and by creating bank money it produced a dynamic hitherto unknown. By the time it reached its maximum extent, around 1914, every part of the globe, all its inhabitants and yet unborn generations, physical persons as well as huge fictitious bodies called corporations, were comprised in it. A new way of life spread over the planet with a claim to universality unparalleled since the age when Christianity started out on its career, only this time the movement was on a purely material level.”

Karl Polanyi, *The Great Transformation*



“The double movement... can be personified as the action of two organizing principles in society, each of them setting itself specific institutional aims, having the support of definite social forces and using its own distinctive methods. The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market, relying on the support of the trading classes, and using largely laissez-faire and free trade as its methods; the other was the principle of social protection aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market - primarily, but not exclusively, the working and the landed classes - and using protective legislation, restrictive association, and other instruments of intervention as its methods.”

Karl Polanyi, *The Great Transformation*



The crucial point is this:

“Labor, land, and money are essential elements of industry; they also must be organized in markets. But labor, land, and money are obviously *not* commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. *Labor* is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons; *land* is only another name for nature, which is not produced by man; *money* is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance. None of them is produced for sale. **The commodity description of labor, land, and money is entirely fictitious.**”

Karl Polanyi, *The Great Transformation*

British Gold Standard

1816-1831

1816, Great Recoinage: standard coinage of gold sovereigns and crowns
1844, Bank Charter Act: Bank of England notes are backed by gold
1870-1914, Gold Exchange Standard: silver currencies pegged to gold
1925-1931, Gold Bullion Standard: only banknotes circulate, but they are backed by gold

- Domestic economy: banknotes and coins limited by gold supply
- Foreign trade: banknotes redeemable in gold coin or ingots
- International clearinghouse: bars are shifted between vaults beneath Bank of England and New York Fed



Vaults beneath the Bank of England



Wall Street 1929
Financial crisis

Kreditanstalt 1931
Global depression / Rival blocs

Great Depression 1929-38



UNDER EXECUTIVE ORDER OF THE PRESIDENT

issued April 5, 1933

all persons are required to deliver ON OR BEFORE MAY 1, 1933 all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

FORBIDDING THE HOLDING OF GOLD COIN, GOLD BULLION AND GOLD CERTIFICATES.

By virtue of the authority vested in me by Section 302 of the Act of October 3, 1917, as amended by Section 2 of the Act of March 3, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes," in which section it is provided that I, Franklin D. Roosevelt, President of the United States of America, do further and more national emergency shall continue to exist and pursuant to said section do hereby prohibit the holding of gold coin, gold bullion, and gold certificates, hereinafter in this Executive Order referred to as gold coin, bullion, and certificates, and do hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal Reserve Bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their possession on or before April 28, 1933, except the following:

- Such amount of gold as may be required for legal-tender and monetary use in industry, profession or art within a reasonable time, including gold paper for making and stocks of gold in reasonable amounts for the usual needs of persons engaged in various mining and mining work.
- Gold coin and gold certificates in an amount not exceeding the aggregate \$100.00 holdings in any one person and gold coins having a recognized special value to collectors of rare and unusual coins.
- Gold coins and bullion accumulated or held in trust for a married and foreign agreement or foreign central bank or the Bank for International Settlements.
- Gold coin and bullion treated for other proper reasons as being exempt from hoarding, including gold coin and bullion imported for export or held pending action on application for exportation.

Section 3. Until otherwise ordered my person (including the owner of any gold coin, gold bullion, or gold certificate) after April 28, 1933, shall within three days after receipt thereof, deliver the same to the institution specified in Section 2, unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2, or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a trustee or agent for someone pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal Reserve Bank or member bank will pay transfer an equivalent amount of any other form of currency entitled to legal tender under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (under their own stamp) under the provisions of Section 2, to the Federal Reserve Bank of their respective districts and receive credit in paying accounts therefor.

Section 6. The Secretary of the Treasury, out of the sum made available in the Provisions by Section 302 of the Act of March 3, 1933, will as appropriate make any reasonable issue of transportation of gold coin, gold bullion or gold certificates delivered to a Federal Reserve Bank or Federal Reserve Bank in accordance with Sections 2, 3 or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary upon production of satisfactory evidence of such costs. Wherever feasible for this purpose may be received from Federal Reserve Bank.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owner thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extension must be made in writing under seal, addressed to the Secretary of the Treasury and filed with the Federal Reserve Bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made, and the facts showing that it is necessary to avoid extraordinary hardship or difficulty.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder through such officers or agencies as he may designate, including license permitting the Federal Reserve Bank and member banks of the Federal Reserve System to prepare for an equivalent amount of paper money currency in kind, to deliver, transport or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (b) and (d) of Section 2 of this regulation.

Section 9. Whoever violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued hereunder may be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than two years, or both; and any officer, director, or agent of any corporation who knowingly participating in any such violation may be punished by a fine not exceeding \$10,000.

This order and these regulations may be modified or revoked at any time.

The White House
April 4, 1933.
FRANKLIN D. ROOSEVELT
Secretary of the Treasury.

For Further Information Consult Your Local Bank

GOLD CERTIFICATES may be identified by the words "GOLD CERTIFICATE" appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Be careful not to confuse GOLD CERTIFICATES with other issues which are redeemable in gold but which are not GOLD CERTIFICATES. Federal Reserve Notes and United States Notes are "redeemable in gold" but are not "GOLD CERTIFICATES" and are not required to be surrendered.

Special attention is directed to the exceptions allowed under Section 2 of the Executive Order

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER \$10,000 fine or 10 years imprisonment, or both, as provided in Section 9 of the order

U.S. Government Printing Office: 1933-2-15024

The 1920's saw the prestige of economic liberalism at its height. Hundreds of millions of people had been afflicted by the scourge of inflation; whole social classes, whole nations had been expropriated. Stabilization of currencies became the focal point in the political thought of peoples and governments; the restoration of the gold standard became the supreme aim of all organized effort in the economic field. The repayment of foreign loans and the return to stable currencies were recognized as the touchstones of rationality in politics; and no private suffering, no infringement of sovereignty, was deemed too great a sacrifice for the recovery of monetary integrity. The privations of the unemployed made jobless by deflation; the destitution of public servants dismissed without a pittance; even the relinquishment of national rights and the loss of constitutional liberties were judged a fair price to pay for the fulfillment of the requirement of sound budgets and sound currencies.

Karl Polanyi

The New York Times.

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NEW YORK, THURSDAY, APRIL 20, 1933. TWO CENTS

XXII... No. 27,480.

BRITAIN ORDERS BAN ON CHIEF IMPORTS FROM SOVIET UNION

Embargo, Effective in a Week, Would Bar 80 Per Cent of Goods From Russia.

AIM IS TO AID 2 PRISONERS

The Action May Be Revoked if Russia Commutes Their Sentences to Exile.

PLEA IS MADE IN MOSCOW

One of Four Britons Preparing to

Farms Lose 1,000,000 Bock; Population Breaks Record

By The Associated Press.

WASHINGTON, April 19.—The back-to-the-land movement was credited today with boosting the American farm population by more than 1,000,000 in the past year, giving the nation its largest agricultural population in history. The Bureau of Agricultural Economics estimated the farm population on Jan. 1 as 31,243,000, compared with 31,241,000 on the same date in 1932.

This is the largest increase for a single year since 1925 and contributes a net gain of more than 2,000,000 people on American farms since 1930. The previous high mark in estimated farm population was in 1920 when the Census Bureau credited farms with 31,078,900 people.

SPECIAL TAX URGED TO FINANCE RELIEF

GOLD STANDARD DROPPED TEMPORARILY TO AID PRICES AND OUR WORLD POSITION; BILL READY FOR CONTROLLED INFLATION

WORLD MARKETS BOOSTED

Stocks and Commodities Soar in Buying Rush to Gain by Inflation.

DOLLAR HIT ON EXCHANGE

Dollar Developments

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NEW YORK—The dollar fell to a discount of 1 1/2 per cent in terms of European gold currencies. In expectation of inflation, stocks rose 1 to 3 1/2 points in the most active trading since last September. Total volume on the New York Stock Exchange was 3,088,000 shares. United States Government and other high-grade bonds were sharply depressed, while speculative issues were in demand at higher prices. Cotton advanced 1/2 a cent. Silver bullion rose 3 1/2 cents, to 32 1/2 cents an ounce, and silver futures advanced the maximum of 300

PRESIDENT TAKES ACTION

Moves to Bring Dollar Closer to the Pound and Raise Prices.

CURRENCY STEP CHARTED

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issued April 5, 1933

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FORBIDDING THE BOARDING OF GOLD COIN, GOLD BULLION AND GOLD CERTIFICATES.

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The 1930s lived to see the absolutes of the 1920s called in question. After several years during which currencies were practically restored and budgets balanced, the two most powerful countries, Great Britain and the United States, found themselves in difficulties, dismissed the gold standard, and started out on the management of their currencies. International debts were repudiated wholesale and the tenets of economic liberalism were disregarded by the wealthiest and most respectable. By the middle of the thirties France and some other states still adhering to gold were actually forced off the standard by the Treasuries of Great Britain and the United States, formerly jealous guardians of the liberal creed.

Karl Polanyi, *The Great Transformation*

"All the News That's Fit to Print."

The New York Times.

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XXII... No. 27,480. NEW YORK, THURSDAY, APRIL 20, 1933. TWO CENTS

Based on Standard Time. Published, New York, N. Y.

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Moves to Bring Dollar Closer to the Pound and Raise Prices.

CURRENCY STEP CHARTED



Great Plains Dust Bowl

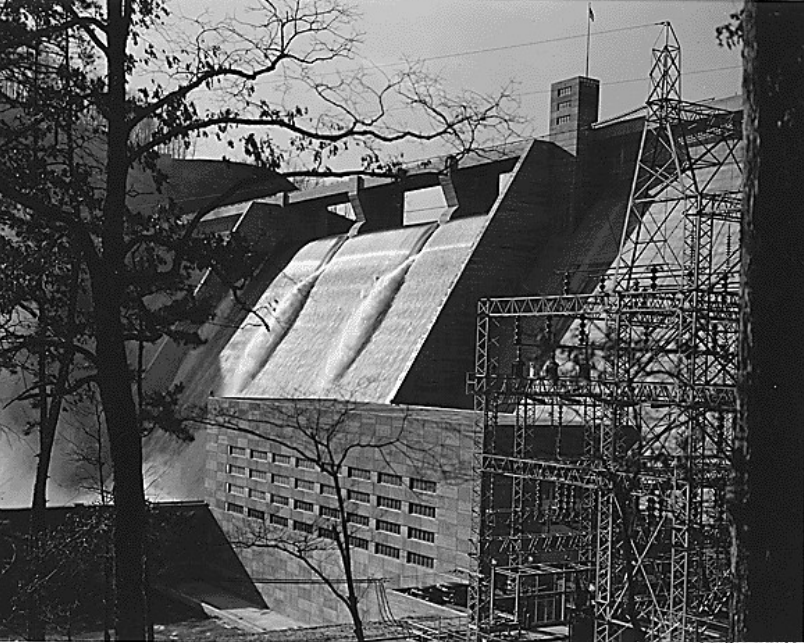
ecological catastrophe of capitalist agriculture

- Drought followed by major storms in 1934 and 1936
- 2.5 million Americans displaced by 1940
- Drought Relief and Soil Conservation services established
- 220 million trees planted by 1942





*Farmer walking in dust storm
Cimarron County, Oklahoma
Arthur Rothstein, 1936 (FSA)*

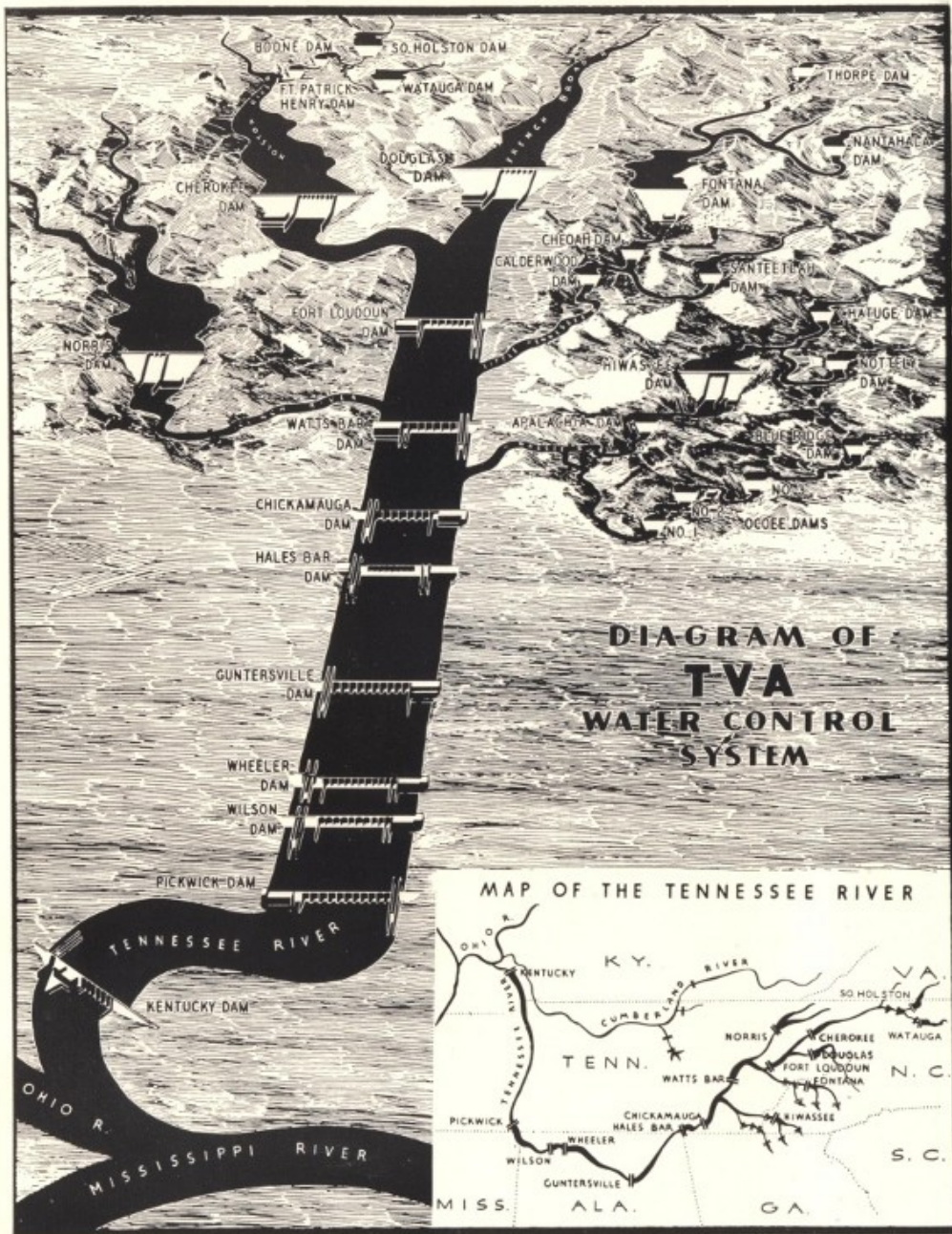


K474



STARVED
BY LACK OF
PLANT FOOD

NOURISHED
ON
PHOSPHATE
AND LIME



TVA

DEMOCRACY ON THE MARCH

TWENTIETH ANNIVERSARY EDITION

by
DAVID E. LILIENTHAL
*former Chairman,
 Tennessee Valley Authority*

627.1
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 C.2



HARPER & ROW, PUBLISHERS

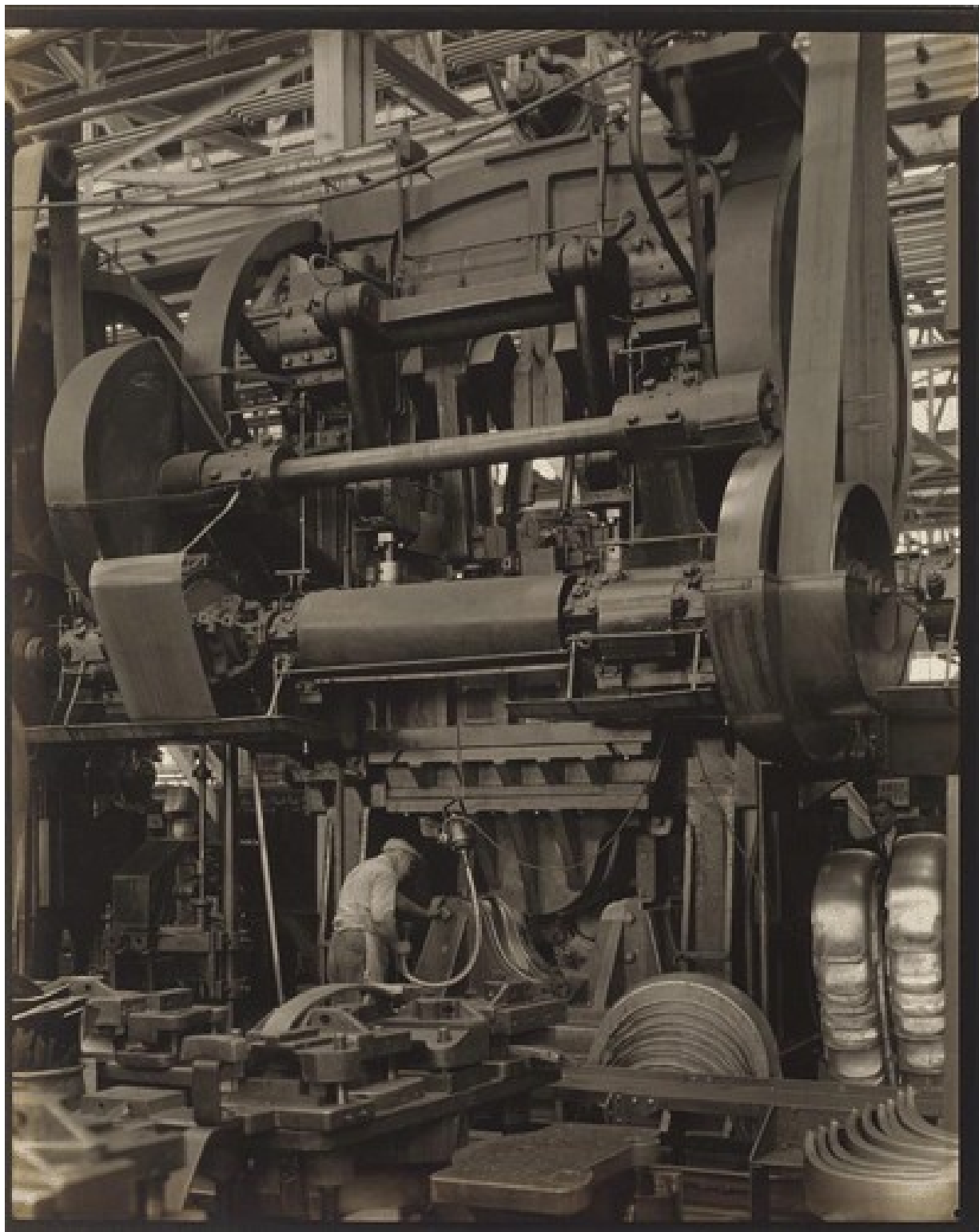
New York, Evanston, and London

Sit-Down Strikes

GM Plants in Flint, Michigan

Dec. 30, 1936 - Feb. 11, 1937



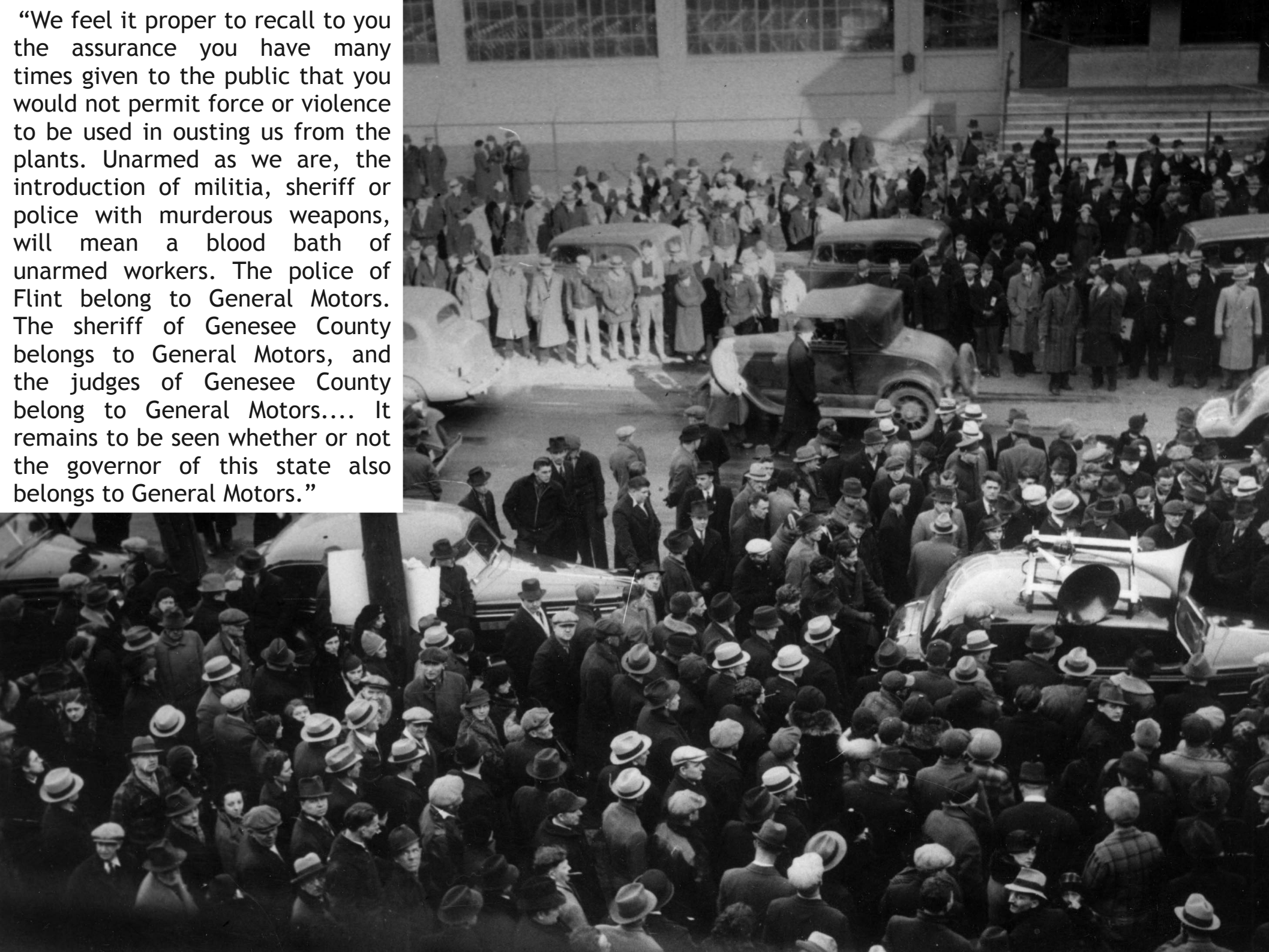


Charles Scheeler

Stamping Press



“We feel it proper to recall to you the assurance you have many times given to the public that you would not permit force or violence to be used in ousting us from the plants. Unarmed as we are, the introduction of militia, sheriff or police with murderous weapons, will mean a blood bath of unarmed workers. The police of Flint belong to General Motors. The sheriff of Genesee County belongs to General Motors, and the judges of Genesee County belong to General Motors.... It remains to be seen whether or not the governor of this state also belongs to General Motors.”



“We have decided to stay in the plants. We have no illusions what sacrifices this decision will entail. We fully expect that if violent efforts are used to put us out, many of us will be killed. We take this method to make it known to our wives, our children, and to the people of the state and country, that if this result follows from the attempts to eject us, you are the one who must be held responsible for our death.”

*Telegram to Michigan governor
Feb. 3, 1936*



GMC HEAD, LEWIS MEET AT 'ORDER' OF MR. ROOSEVELT

Peace Proposals Offered by Gov. Murphy at
Request of President; Evacuation
Of Plants Delayed

[See General Motors and United Auto Workers' strike; the auto labor war in the "on Page" two & Page 3]

Flint

B. T. United Press

FLINT, Feb. 3—Gov. Frank Murphy today instructed the Sheriff of Genesee County to delay eviction of sit-down strikers from General Motors plant here.

Under a court order the strikers were to have left at 3 p. m. or be held in contempt of court. Peace conferences between John L. Lewis, head of the Committee for Industrial Organization, and William S. Knudsen, executive vice president of General Motors Corp. were to be resumed in Detroit at 3:30 p. m.

To prevent an incident at the plants which might upset the whole delicate fabric of negotiations, Gov. Murphy telephoned Sheriff Thomas W. Wolcott and instructed him to defer action.

Sheriff Wolcott confirmed he would not attempt to evict the sit-downers.

Meanwhile, the 2000 strikers in the plants were unaware of the peace negotiations.

Earlier in the day the strikers warned Gov. Frank Murphy they

Detroit

B. T. United Press

DETROIT, Feb. 3—Gov. Frank Murphy, acting under special authority from President Roosevelt, made two propositions to General Motors and the United Auto Workers today in an eleventh hour effort to end the 34-day-old strike without further bloodshed.

The propositions as outlined to The United Press by a prominent figure in the negotiations:

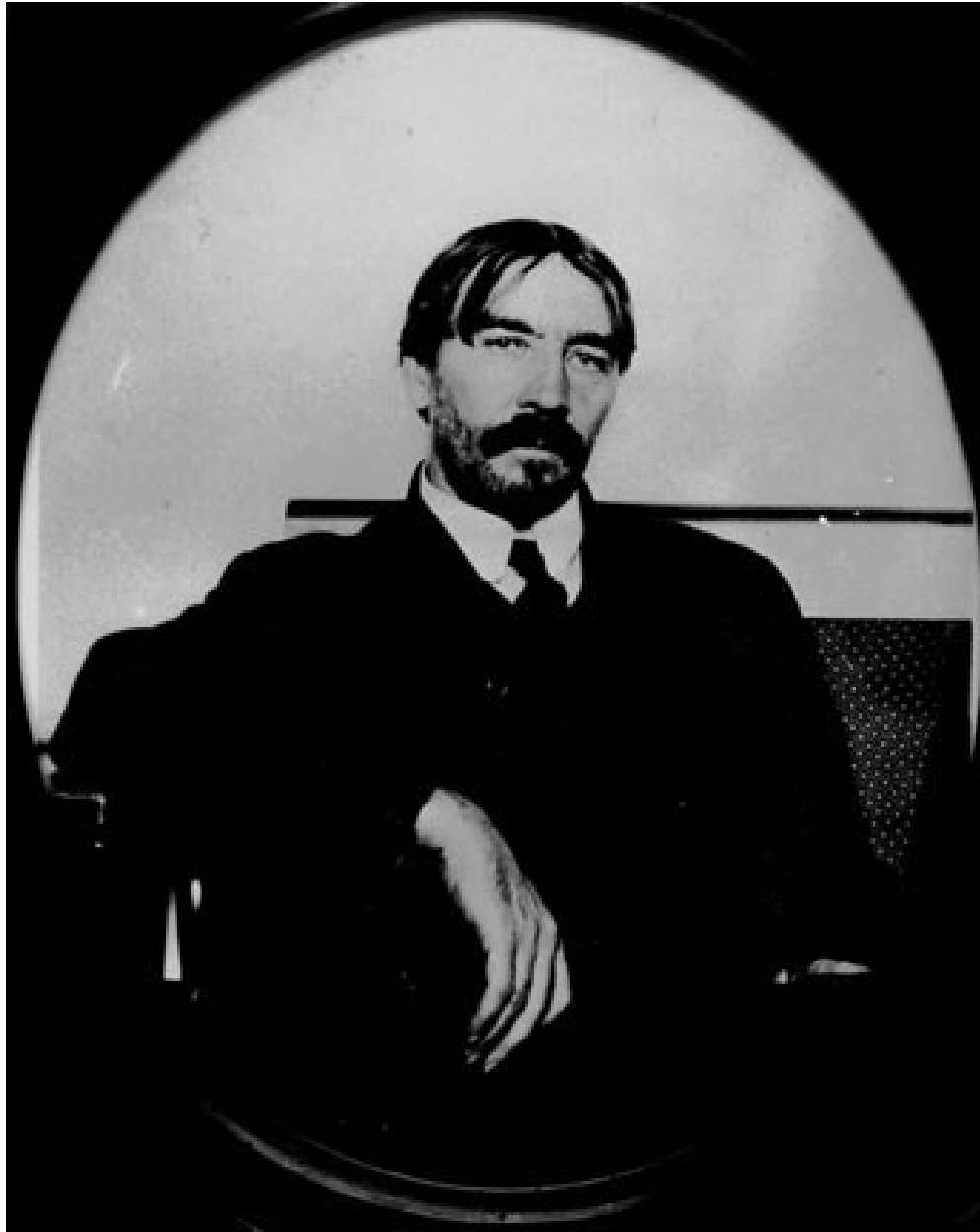
To General Motors—the United Auto Workers of America must be recognized as the only agency involved in this dispute.

To the union—the union shall withdraw all sit-down strikers from General Motors plants at Flint in return for the governor's flat guarantee, backed by the National Guard, that General Motors will not resume production in those plants.

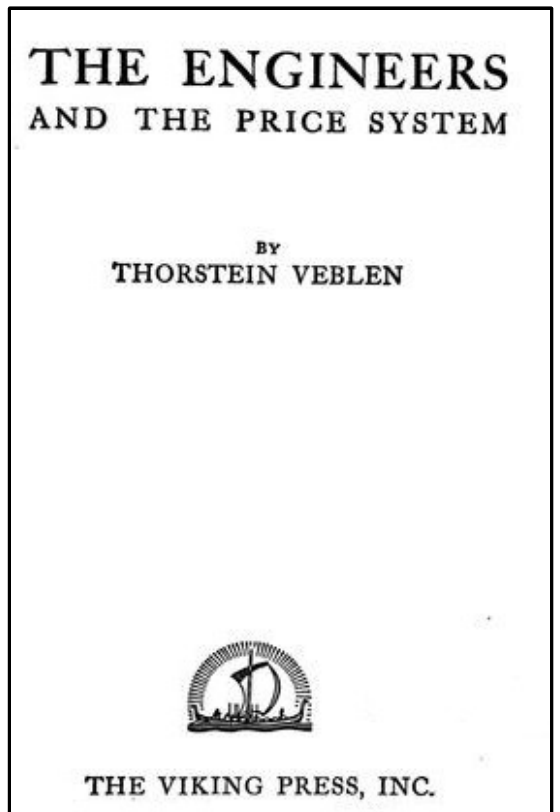


33,400 MEN ARE MADE IDLE;
'SIT-DOWN' STRIKES CLOSE
7 GENERAL MOTOR PLANTS





Radical sociologist Thorstein Veblen in 1920:
A theory of industrial work as productive cooperation
and business enterprise as profit-seeking “sabotage.”



15 CENTS

The Technocrats' Magazine

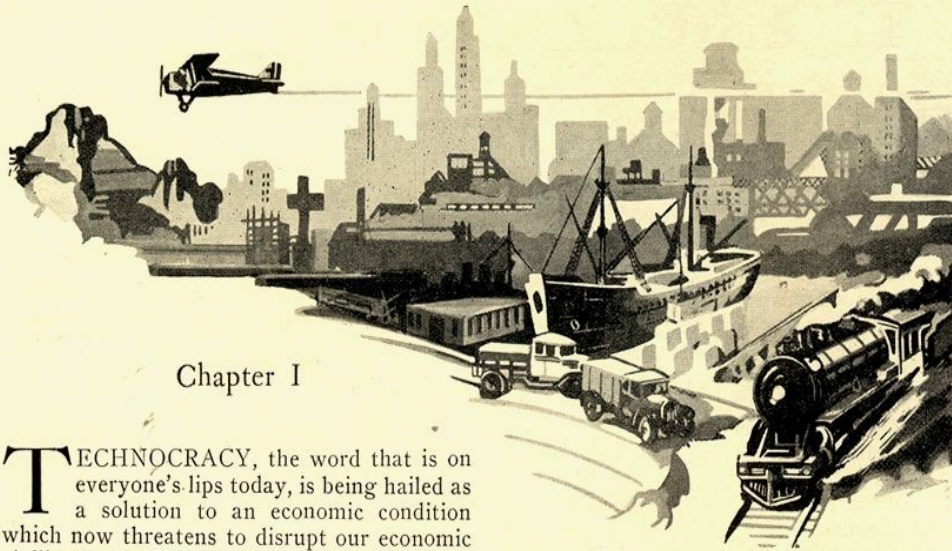
THIRTY MILLION
OUT OF WORK
IN 1933—
OR
\$20,000 A YEAR
INCOME FOR
EVERY
FAMILY—
WHICH?



EXPLAINING TECHNOCRACY
A REVOLUTION WITHOUT BLOODSHED

TECHNOCRACY

A Bloodless



Chapter I

TECHNOCRACY, the word that is on everyone's lips today, is being hailed as a solution to an economic condition which now threatens to disrupt our economic civilization. These conditions, according to the theory of Technocracy, are pointing toward:

- A revolt of the unemployed;**
- Half of population dispossessed of homes;**
- Unemployment doubling and tripling;**
- Debts repudiated.**

This is a startling picture. And yet, figures indicate that unless a vast change is made in the political and economic system of this country we may soon face a collapse of our present social structure, the downfall of currency, and utter chaos taking the place of orderly government.

What are the forces which might bring us to such a pass?

Technocracy now points out why we are coming face to face with ruin unless steps are taken to avert the disasters which threaten America.

Bluntly speaking, Technocrats have declared that the development of machinery is increasing at such a rapid pace that within a few years so many men will have been discharged that the few remaining workers can no longer afford to support the unemployed by charity and the unemployed will arise in revolt to take by

force the necessities of life which they are no longer able to earn by their own efforts.

Up until the past fifty years our methods of social regulation and government sufficed. Now one machine after another has been or is being perfected to take the place of the worker. Huge ditch-digging machines are in operation to take the place of, not a few hundred, but a thousand men at a time.

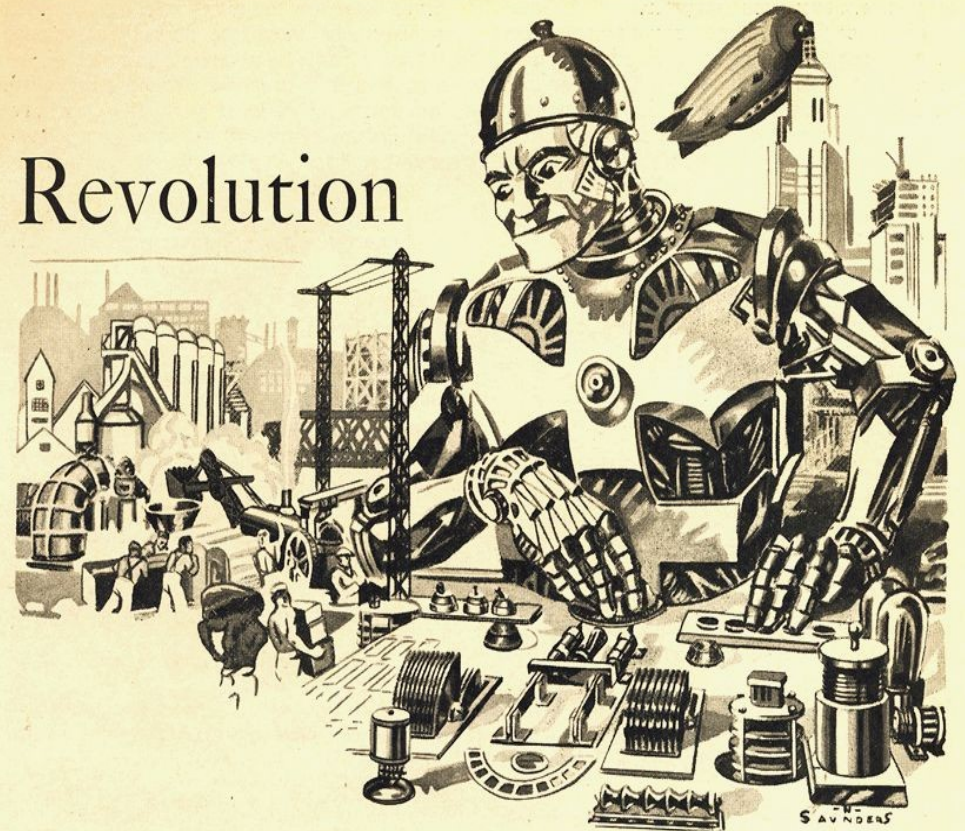
Adding machines, more accurate than human brains and many times faster, have taken the place of bookkeepers and can multiply, divide and subtract in an instant, where hours of labor were formerly involved.

Tractors and gang plows can till a vast farm in a week where a small army of plowmen were formerly employed.

Automatic telephones are displacing telephone operators, as it is possible for all manual labor to be removed from the process of carrying out telephone connections.

Automobiles can be built by a handful of men where ten years ago hundreds were required.

Revolution



An entire home can be assembled and quickly bolted together, replacing the workmen who formerly spent months laying brick, putting on plaster and shingling the roof.

An endless list showing how machinery is displacing man-power could be presented if further proof were needed to show the menace of the machine age upon the present economic system.

It is, however, obvious that it is only a question of time when machines will have displaced so many workers that an entirely new system of providing the people of the earth with a living must be devised.

Technocrats Tackle Problem

OUR economists have been aware of the fact that the next few years must provide a solution to these problems and have been working on various theories for years.

One group of engineers and scientists now known as Technocrats have recently burst upon public consciousness with an outline of

present trends and are charting the march of events to discover, if possible, what can be done to save us from chaos. At the present rate of increasing unemployment, 30,000,000 may be out of work this year! What can be done? Here is a vast, rich country filled to overflowing with products and yet millions of men are going hungry and watching their wives and families suffer from privation.

Factories are filled with clothing, shoes, and luxuries which remain unsold.

Carload upon carload of automobiles await buyers. Billions of bushels of wheat rot in elevators and bale upon bale of cotton is left without a market. Granaries groan with loads of raw foodstuffs, while people starve.

We see armies marching upon Washington demanding relief. Penniless veterans of the World War cry for assistance, knowing not how to extract a living in a country that is overflowing with the wherewithals of life. They ask for bonuses knowing that even this request has an insecure economic foundation

The Price System Doomed?

FOURTEEN million men out of work beginning with the year 1933 are wondering if it will require a bloody revolution to give them the living they are willing to earn. They know that money is at the root of all the evil which confronts them and it is not surprising, then, that one of the sharpest swords in the hands of the Technocrats strikes at this evil.

Money as a medium of exchange is subject to fluctuating values, can be hoarded, can be passed on by inheritance, and is subject to a vast number of disadvantages which are abhorred by the Technocrats.

What substitute can be made which will overcome the disadvantages of the price system? First, let us consider the disadvantages from a standpoint of the theory of Technocracy.

The Vicious Circle

IN the first place the price system involves debts. The capitalistic price system requires that money be borrowed in order to produce goods. The consumer is the one who has lent money to the producer. When a stockholder puts the money he has earned from the original expenditure of his energy into a factory or railroad or oil well, he is lending money at interest. The manufacturer then proceeds to produce goods to pay for the money borrowed. This interest on the money borrowed mounts up at a rapid rate and the producer must turn out an increasing amount of produce to pay for the money which he has borrowed.

The next step in this vicious circle comes when the producer loses markets in this country or in the world market and has to cut down the cost of his product in order to earn enough money to pay for the interest on his borrowings. New machinery is used to increase the efficiency of the plant. For a long time it was possible to give employment to men building this machinery but the time comes when the man released through the invention of one machine cannot find a job in another field.

The next step in the circle comes when the

producer has cut wages, done away with labor, and taken many other steps to reduce the cost of his product in order to pay interest on his borrowings. It then becomes evident that the consumer has not the money to buy the product!

Finally we reach the stage where the producer has turned out a large amount of goods but because he has thrown so many men out of work trying to reduce the cost of this product he can find no one to buy it.

At this stage the entire system collapses.

The producer has borrowed money and must pay for the money with interest. If he cannot pay he must go broke. When he goes broke the stock in his company is worthless and the bank which owns some of his stock and the consumers who own some of it, lose their income. Like a house of cards, failures fall fast upon failures. The company goes into bankruptcy, the bank fails, the depositors have no money to buy goods with, another company which depends upon these people to buy goods fails and so on until the collapse is general.

Devices to Prevent Disaster

MANY devices have been tried out to forestall this disaster. The government sets up a reserve. Debt moratoriums are declared and emergency measures taken to halt failures.

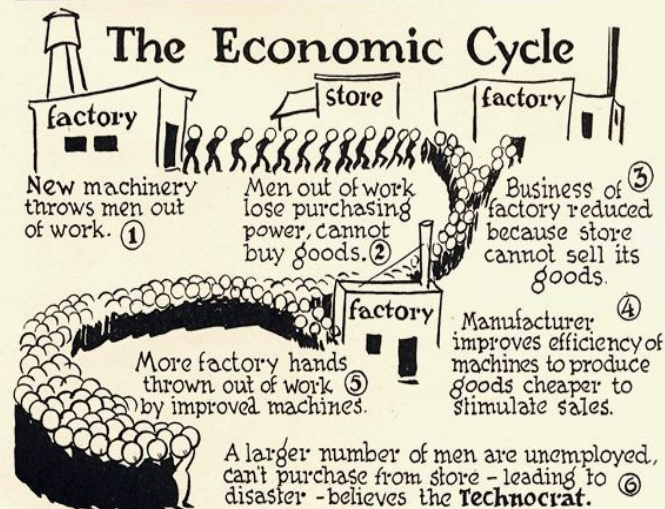
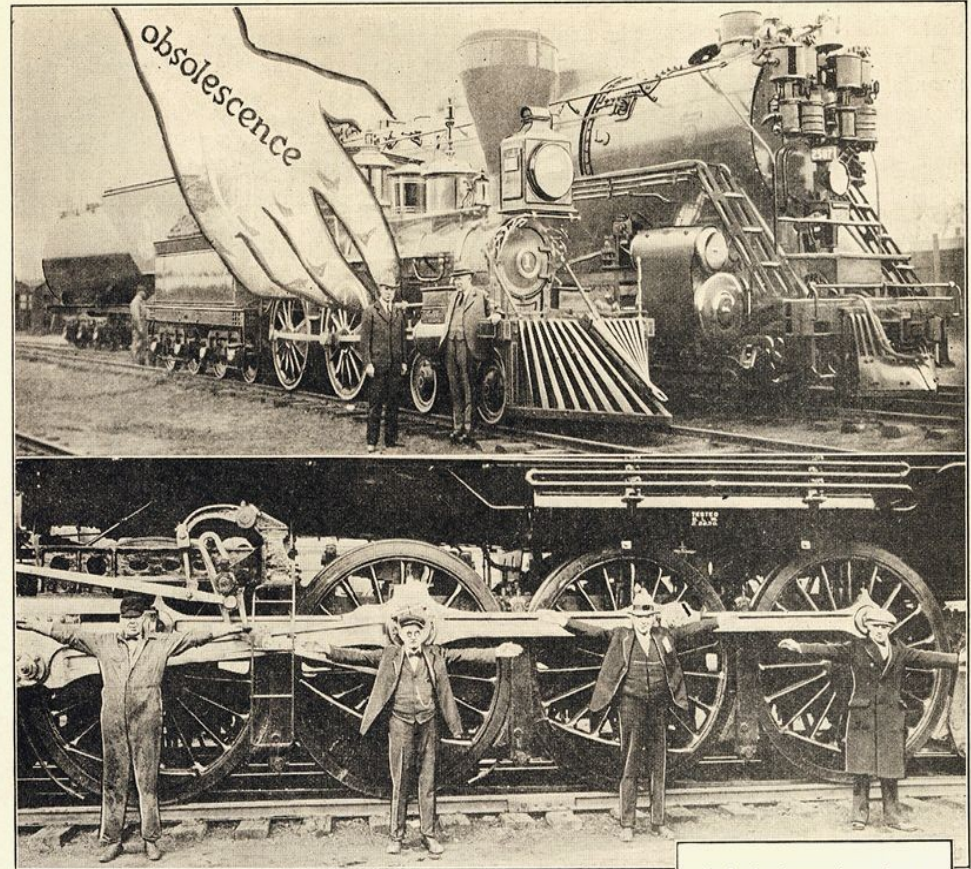
All this would be unnecessary, Technocrats declare, if the price system were abolished.

It is true that we have gone into many panics and depressions, each one more complicated and serious than the one preceding.

It is declared that renunciation of debts through bankruptcy, through failures or through moratoriums can stem the tide of depression but such a method is obviously faulty. It works tremendous hardships upon everyone and is, from a scientific point of view, ridiculous.

Economists and scientists have pointed out for years the fallacies of such a system and we know that there will always be depressions and panics following boom times unless some new economic system is devised.

We Pay for Machines Long After They're Junked



Both the locomotives shown in the above picture are in fine running order—but the smaller engine, built some 50 years ago, is unusable because it is obsolete. Technocrats point out that the monster locomotive shown alongside its smaller but older brother will likewise be obsolete in a few years—ten or twelve at the most, considering how rapidly technical advances come. Yet the bonds issued to get funds to build the big engine will draw interest for 80 years, and at the end of that time the face value of the bonds must be repaid—70 years after the locomotive is junked! Technocracy believes that the vast pyramiding of debt has outrun the country's income by fantastic leaps and bounds, and that the top-heavy structure must soon topple of its own weight.

Technocracy's Effect On Society

IN propounding the value of a government under Technocracy, we are brought face to face with the question: "How would it affect our personal affairs?"

After all, we are chiefly interested in the personal advantages that would arise in a new social system. Leaving to scientists the solution of economic problems such as the introduction of the new system of energy certificates in place of money and the new division of labor and wealth, let us consider the human equation.

What, for instance, would the effect of Technocracy be upon marriage? How can an individual be rewarded for superior ability? Would servants be replaced by machines? What would be woman's place in Technocracy?

All these are questions that have not yet been answered by Technocrats, although we are given to understand that the Technocrats are preparing an answer.

For one thing, it is easy to say that a more accurate division of wealth, giving everyone a fair and equal chance to earn a living, would have the effect of lifting the present widespread economic ban on marriage.

It is well known that one of the great moral problems of the day centers about the inability of the young man and woman to adjust their physical urge to marry with the lack of economic opportunity.

With every young man given his share of work to do and his share of the world's goods, we would remove with one sweep the present obstacles which keep him from marriage long after he is ready for it.

Trial marriages, companionate marriages and other makeshift arrangements which have been suggested because young people have not the money to get married, would not be necessary. Those who are trying to find a way out of the wilderness, believing that the morals of our young people are greatly endangered because illicit relationships are taking the place

of legal marriages, would find the problem solved by Technocracy.

Woman's Place in Technocracy

ON the other hand, maybe women will not care to give up their independence and assume the responsibilities of family life if under Technocracy everyone is assured of a luxurious living scale.

In answer to that we can take into account human nature which, in spite of Technocracy or despite the lack of it, still urges young men and women to marry. No new system can abolish love!

Critics of the idea of Technocracy foresee race suicide if all classes of people are raised to a high standard of living and education. It is well known that birth rates have declined alarmingly in the last fifty years and that the educated classes are restricting their offspring. Raising standards of all classes may have an important bearing on the birth rate.

Possibly scientists working out these phases of Technocracy would offer a premium for families, just as Italy is doing now.

Housewives, naturally interested in the problem of domestic help, would view with great alarm any plan which would deprive them of servants. Here we can imagine how the Technocralogical system would be applied to grade and classify all human beings so that some would be factory workers, some domestic workers, some secretaries and so on. Probably the eventual plan would call for community kitchens and neighborhood nurses. In some communities, a central cooking and heating plant has been worked out with great success. Food is cooked and transported to the house where it is served and underground pipes carry heat to the radiators, while student nurses take care of the children during the hours when the mother desires recreation. It is not hard to visualize a future in which liv-

What is a dollar? What is an erg?

Technocracy in a nutshell

① In the phrase "Life, Liberty, and the Pursuit of Happiness" the framers of the U. S. Constitution summed up what experience had proved a government should guarantee its citizens.



② To promote Life, Liberty, and the Pursuit of Happiness, they invented a medium of exchange taking as its standard the fixed amount of labor needed to produce gold from the earth, assuming that the existing gold supply was a result of this labor unit and that the supply would not change much.

oh yeah? -well

Here's the prospector and his burro—the original gold-producing labor unit.

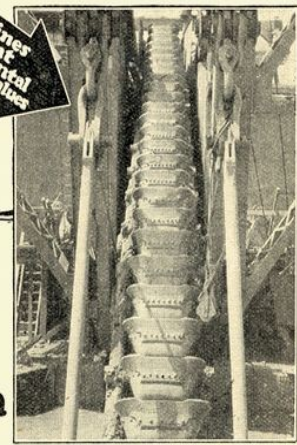


③ The prospector knew how much effort was needed to pan a certain number of grains of gold (called a dollar). The farmer knew how much wheat he would exchange for those grains of gold, which he could use to trade with the merchant, who bought from the manufacturer who borrowed from the banker, and so on. Thus values were set until the average person lost sight of what a dollar really is. With the advent of machines

Gigantic Counterfeiting of values sets in - say Technocrats

④ Machines have produced out of economic adjustment with our supposed fundamental values. Even the machine at the right, a gold dredge, has supplanted the gold-panning prospector until the original gold-producing unit has changed from a man into a machine. Technocrats believe the machine has counterfeited wealth in thousands of subtle forms until the real is indistinguishable from the spurious. Technocrats want a dollar measured in "erg tokens" (based on energy output of machines) which is in effect a sort of tax levied on machines to enable man to live in comparative leisure.

- machines supplant fundamental system of values



an erg is a unit of work that -

1 erg = 1/981 of a gram weight moved 1 centimeter.
 1 erg = 10,000,000 Joules — 1 Joule = 1 watt per sec.
 746 watts = 1 horsepower = 33,000 lbs. moved 1 ft. in 1 min.

can be applied to machines as well as men

An "erg" is the technical name for the lowest unit of energy output. As shown in this drawing, Technocrats would substitute this energy valuation for the gold basis which backs our present dollar. An "energy dollar" or "erg token" would have to be spent at once, could not be saved. It's the standard on which the dollar is based that counts, not terminology used to describe it.

Technocracy As a Government

A GOVERNMENT of engineers is the phrase popularly applied to Technocracy.

To many, such a government by scientists fails to appeal. The human emotions and values of life are apt to be divorced from a system based on science, and we all fear the picture of a robot army directed by cold, impassionate technicians. Howard Scott, the prophet of Technocracy, explains the origin of the work in a manner that leaves us in little doubt as to the type of government it would involve.

"Technocracy will take its historic place on the list following Democracy, Monarchy, Autocracy, and the like," Scott asserts.

This sounds very much like "a soviet of technicians," declares Charles E. Merriam, professor of political science at the University of Chicago.

"They speak of Technocracy as a supplantor of Democracy." Professor Merriam said in a recent interview. "Democracy means government by a demo, or people, as Autocracy means rule by an Autocrat. Technocracy would mean rule by Technicians, it seems fair to assume, although they are vague in their definitions."

Government under the rule of Technicians or Technocrats is difficult to visualize because we have little to go on except the Russian experiments. Communism comes close to being a government of Technicians, but Communism is abhorrent to the Technocrat, just as it is to the Capitalist, because Communism retains the features which Technocracy would discard. Technocracy, for instance, has no use for the price system and would not limit individual earnings or wealth to a scale so low as the one found in Russia.

However, we have the picture of a group of technical experts directing the activities of a combined political and economic government. The question naturally rises who is going to select the group of Technocrats who would rule?

Certainly a group of Technocrats could not be selected by ordinary methods such as a popular election. Technocracy is indeed a far cry from the politician form of government but it is hard to find anyone who is at present unemployed voicing much enthusiasm for present political methods and present politicians. The man in the street is very apt to say, when he casts a vote, that he is forced to choose between the lesser of two evils rather than have a chance to cast a vote for an ideal system and an ideal man.

Technocrats admit that the problem of personnel is the most acute and so far have not suggested a means for selecting a personnel. It might mean a dictatorship of technical wizards or it might mean a decentralized government of scientists. Future revelations of the Technocrats may clear up this question.

A Rule of Scientists

AT all events, there would have to be a group of men in control who, by means of statistics and graphs and all the intricate paraphernalia of science, would determine who was to work, and for how long, and for how much (measured in energy certificates), and this would be a colossal job.

Nothing is impossible, and even under our present cumbersome political system we can elect a president and count the votes in a day's time. The present system is certainly complicated considering the requirements of registration, etc., but Technocracy would call for an even more involved method of computing energy valuation of an individual and his rank in society as a unit in Technocracy.

Technocrats argue that at least we would be no worse off so far as complication of systems is concerned inasmuch as now we are supporting one person out of ten in a government, State, or municipal job.

Statistics show that every working man today devotes time amounting to a day and a

These Machines Spell "NO WORK"

To MILLIONS of MEN



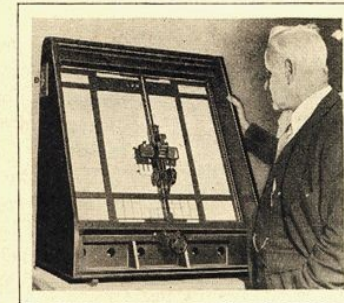
Three-color printing plates, which take 36 hours to produce by man-power, are turned out in 30 minutes by this electric machine.



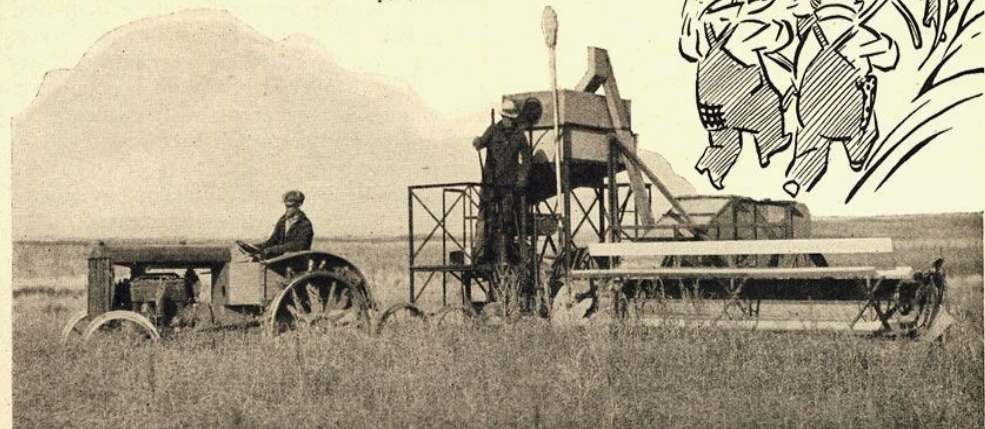
Engineering brains which designed this machine which solves complicated mathematical problems are themselves likely to be thrown out of work by it when it takes over their jobs.



No more office secretaries? This device answers the telephone for you when you are out and announces the hour of your return.



Ships without captains! This mechanical navigator calculates a ship's position at sea.



Tractor-drawn combines which cut wheat, thresh it, and sack it for delivery have consigned a host of millions of "hired hands" to oblivion. In other days a man could always earn his primary necessities of food, shelter and clothing by the sweat of his brow during harvest time. The farmer who still depends on man-power must sell his crop in competition with low-cost machines.



ERA OF PLENTY FOR LABOR

LABOR HAS VITAL STAKE IN VOTING

Hearst Real Issue in 1936
Election

By GUNNAR MICKELSEN

The two major political parties, the Republican and the Democratic, have held their conventions, nominated their candidates, written their platforms. And where does that leave organized labor? Where does it leave the 8,000 American newspapermen, reporters, photographers, artists, editors, who are soon to take their place in the official American labor movement?

The Republican platform carried a plank for the guarantee of the right to organize and bargain collectively. The Republicans nominated Gov. Landon for president. Landon is indebted more to Hearst than to any other person or group for his nomination. Landon is the Hearst candidate. If Landon is elected president, there will be a Hearst man at the head of the United States government.

Market for Man-Hours Grows Less As Techno- logical Displacement Grows Greater

Chicago Painters Local Union No. 637, realizing that every effect, be it good, bad or indifferent in character, is the result of a primal cause, decided to apply this law to the question of unemployment, commonly attributed to industrial mechanization as being productive of technological unemployment.

That even THE NON-PARTISAN POLITICAL CAMPAIGN COMMITTEE OF THE AMERICAN FEDERATION OF LABOR entertained similar convictions, was demonstrated by their inclusion in the labor planks submitted to the Committees on resolutions and platforms of both the Republican Convention at Cleveland, Ohio, and the Democratic Convention at Philadelphia, Pennsylvania, of one labeled TECHNOLOGICAL UNEMPLOYMENT which in substance was as follows:

We urge that your platform declare in favor of an investigation and study of the problem of technological unemployment by the Congress of the United States. Displacement of workers through the introduction of improved mechanical devices and an extended use of power has been going on at a rapid rate even during the last four years of unemployment. We ought to know the extent of human displacement as a result of the introduction of machinery and improved mechanical technique. This is a primary requisite to the consideration and application of a proper remedy.

SORDID CHAPTER IN GOODYEAR LORE

More Brutal Assaults on
Rubber Workers

By ADOLPH GERMER

The Goodyear Tire and Rubber Company has added another chapter to its already sordid labor record.

For the second time within the past three weeks, its hirelings brutally assaulted representatives of the United Rubber Workers of America. On June sixth, a cowardly mob, led by a professional slugger, from Birmingham, Alabama, believed to have been hired and brought into Gadsden by an underling of Goodyear, assaulted Sherman H. Dalrymple, International President of the union, and all but murdered him.

On June twenty-fifth, another mob led by the same Birmingham slugger smashed down the doors of the local union office, destroyed the office equipment, beat up four

Continued on page 3

We technocrats do not run candidates. We believe in organizing the intelligent people along functional lines.... We are not democratic in our methods.... We are looking for those who can take orders or give orders, or both. We are looking for functionally competent people in all lines, people who can contribute effectively toward a continuation of the orderly operation of our equipment, when the present price system comes to the end of the road. This is our country, isn't it? Well, let's organize it.

- Howard C. Scott of Technocracy, Inc.