The Emergence of American Liberalism

Focus/Summary

In the Great Depression of the 1930s the U.S. faced the most serious economic crisis in its history. While the New Deal reforms undertaken by the Roosevelt administration did not end the depression, they did enable the country to survive until the production demands of World War II restarted the economy. Beyond this, however, the “Roosevelt Revolution” dramatically expanded the role of government in the economic, social and political life of the nation and marked the beginning of a 50-year period of liberal dominance in American life. Today, the successful resurgent conservative movement challenges not only the policies of the New Deal, but also the philosophy that drove it. The purpose of this lesson is to 1) introduce students to the competing liberal and conservative philosophies as defined in the 30s; 2) consider how and why the debate of the 30s has reemerged in the present time.

Vital Theme and Narrative

Values, beliefs, political ideas, and institutions.

Habits of Mind

1. Understand the significance of the past to their own lives, both private and public, and to their society.
2. Comprehend the interplay of change and continuity, and avoid assuming that either is somehow more natural, or more to be expected than the other.
3. Prepare to live with uncertainties and exasperating, even perilous, unfinished business, realizing that not all problems have solutions.

Objectives

1. Students will be able to identify essential differences between liberal and conservative understanding of the purpose of government.
2. Students will be able to relate these concepts to current issues.
3. Students will evaluate the strengths and the weaknesses of the liberal and conservative views on the role of government and on the concepts of liberty and justice.
Procedures

Day 1

In advance of the lesson, for Day 1:
- Read Herbert Hoover, “Rugged Individualism Speech”
- Read FDR, “Speech to the Commonwealth Club”
- Prepare Hoover and FDR Questions for Discussion

In advance of the lesson, for Day 2:

1. Hoover v. FDR
   - Discuss in groups of 3-4
   - Report back to larger group

2. Read the Wagner Act, “Striking Flint,” the Limbaugh interview, and show a clip from the Battle of Flint
   - How are liberal and conservative philosophies reflected in the struggle to unionize the auto industry?
   - Why is the fight so deadly?

3. Assignment: Read Barbara Ehrenreich, *Nickel and Dimed*

Day 2

1. Review Ehrenreich
   - Do these people need a union?

2. See “Corporation Nation.” Call attention to FDR’s reference to the 600 major corporations v. the 200 now at the top.

3. Show Walmart anti-union clip; read the Limbaugh interview.
   - Apply Hoover and FDR to Walmart’s argument
   - Why else might Walmart resist a union?

4. What is the connection between Hoover and FDR, Flint and Walmart?

5. Begin assignment. See evaluation below.
Evaluation

Choose from A or B below.

A. Speak out for or against a Walmart union.
   • Make a TV, radio or internet commercial, make a poster or flyer, create a website, write a speech, a letter to the editor, a song or a poem or propose another idea and have it approved.
   • Address the role of government and the concepts of liberty and justice
   • Quote directly from Hoover and FDR, Ehrenreich and Limbaugh
   • Include insights from class discussion

B. Select a social issue currently at the forefront of debate between liberals and conservatives. Get it approved.
   • Research the liberal and the conservative positions on this issue
   • Write a three-page position paper relating this debate to the ideas found in Hoover’s and FDR’s speeches.
   • Address the role of government and the concepts of liberty and justice
   • Quote directly from sources, including Hoover and FDR
   • Include insights from class discussion

Resources

*Note: All documents are attached. Those available on line are identified with an asterisk.*

Herbert Hoover, “Rugged Individualism” *
Franklin D. Roosevelt, “Speech to the Commonwealth Club” *
“Striking Flint” *
The Wagner Act *
“Corporation Nation” *
Rush Limbaugh on Unions *
Questions for Discussion: Hoover and FDR
Questions for Discussion: Hoover v. FDR

Read Herbert Hoover’s “Rugged Individualism” speech and FDR’s “Speech to the Commonwealth Club” and prepare the following questions. Be able to quote directly from the documents in support of each of your responses.

Regarding Hoover:

1. Note the dates on the two Hoover speeches. Did he have any reason to be optimistic at the time he gave his first speech? Was he accurate in describing the American experience? Explain. What critical events took place in the country in the time between these two speeches? Did Hoover’s essential philosophy change based on intervening events?

2. Explain Hoover’s essential philosophy. What does he mean by “ordered liberty” and “equality of opportunity”?

3. Discussing World War I, Hoover comments, “For the preservation of the state the Federal Government became a centralized despotism which undertook unprecedented responsibilities, assumed autocratic powers, and took over the business of citizens.” What does he mean by this? Does he agree with these actions? Think about the language he uses. How would you characterize it? Do you agree with his description of the actions of the federal government? Does this attitude toward the actions of the federal government sound familiar to you?

4. What role does Hoover believe to be appropriate for the federal government? Consider the actions of the Republican administrations of the 1920s and their impact on business and labor in particular. Do these actions actually reflect Hoover’s philosophy? Why or why not?

5. Hoover states, “Every step of bureaucratizing of the business of our country poisons the very roots of liberalism that is political equality, free speech, free assembly, free press and equality of opportunity. It is not the road to more liberty, but to less liberty. Liberalism should not be striving to spread bureaucratization but striving to set bounds to it....” What does he mean by “bureaucratizing the business of our country”? Whose freedom is being limited by this bureaucratization?

6. What are the strengths and weaknesses of Hoover’s position?

Regarding FDR:

7. Pages 1-5 of the Roosevelt document recount the history of the U.S. through 1932. What kind of history is he telling here? That is, what is his historical perspective? What evidence can you draw from your own study of history to
support or contradict the story he tells here? Do you agree with his interpretation on pages 1-5?

8. Who is the villain in his historical account on pages 1-5? Who played the heroic role? Who played the parallel roles in his narrative on pages 6-9? Was it fair to draw these parallels? Was it effective? Do you agree with this interpretation? Why or why not?

9. According to FDR, what is the source of the problem facing the country in 1932? How is 1932 different from 1832?

10. FDR has been accused by some of being too radical in this speech; others accuse him of being too conservative. Identify the most radical passages in this document. What passages would radicals interpret as conservative?

11. What are the strengths and weaknesses of FDR’s position?

Regarding both:

12. These speeches are of lasting importance to the study of American political theory because they define the fundamental issue that continues to drive the debate between liberals and conservatives over what is justice, what is liberty, what is good government. What is Hoover’s position on these questions? What is FDR’s? Where do they disagree? Which of these positions makes the most sense to you?
Address to the Commonwealth Club
Franklin Delano Roosevelt
September 1932, San Francisco, CA

…I want to speak not of politics but of government. I want to speak not of parties, but of universal principles...

The issue of government has always been whether individual men and women will have to serve some system of government or economics, or whether a system of government and economics exists to serve individual men and women. …The final word belongs to no man; yet we can still believe in change and in progress. Democracy … is a quest, a never-ending seeking for better things, and in the seeking for these things and the striving for better things, there are many roads to follow. But, if we map the course of these roads, we find that there are only two general directions.

When we look about us, we are likely to forget how hard people have worked to win the privilege of government. The growth of the national governments of Europe was a struggle for the development of a centralized force in the nation, strong enough to impose peace upon ruling barons. In many instances the victory of the central government, the creation of a strong central government, was a haven of refuge to the individual. The people preferred the master far away to the exploitation and cruelty of the smaller master near at hand.

But the creators of national government were perforce ruthless men. They were often cruel in their methods, but they did strive steadily toward something that society needed and very much wanted, a strong central state, able to keep the peace, to stamp out civil war, to put the unruly nobleman in his place, and to permit the bulk of individuals to live safely. The man of ruthless force had his place in developing a pioneer country, just as he did in fixing the power of the central government in the development of nations. Society paid him well for his services and its development. When the development among the nations of Europe, however, has been completed, ambition, and ruthlessness, having served its term tended to overstep its mark.

There came a growing feeling that government was conducted for the benefit of a few who thrived unduly at the expense of all. The people sought a balancing- a limiting force. There came gradually, through town councils, trade guilds, national parliaments, by constitution and by popular participation and control, limitations on arbitrary power.

Another factor that tended to limit the power of those who ruled, was the rise of the ethical conception that a ruler bore a responsibility for the welfare of his subjects.
The American colonies were born in this struggle. The American Revolution was a turning point in it. After the revolution the struggle continued and shaped itself in the public life of the country. There were those who because they had seen the confusion which attended the years of war for American independence surrendered to the belief that popular government was essentially dangerous and essentially unworkable. They were honest people, my friends, and we cannot deny that their experience had warranted some measure of fear. The most brilliant, honest and able exponent of this point of view was Hamilton. He was too impatient of slow moving methods. Fundamentally he believed that the safety of the republic lay in the autocratic strength of its government, that the destiny of individuals was to serve that government, and that fundamentally a great and strong group of central institutions, guided by a small group of able and public spirited citizens could best direct all government.

But Mr. Jefferson, in the summer of 1776, after drafting the Declaration of Independence turned his mind to the same problem and took a different view. He did not deceive himself with outward forms. Government to him was a means to an end, not an end in itself; it might be either a refuge and a help or a threat and a danger, depending on the circumstances. We find him carefully analyzing the society for which he was to organize a government. “We have no paupers. The great mass of our population is of laborers, our rich who cannot live without labor, either manual or professional, being few and of moderate wealth. Most of the laboring class possess property, cultivate their own lands, have families and from the demand for their labor, are enabled to exact from the rich and the competent such prices as enable them to feed abundantly, clothe above mere decency, to labor moderately and raise their families.”

These people, he considered, had two sets of rights, those of “personal competency” and those involved in acquiring and possessing property. By “personal competency” he meant the right of free thinking, freedom of forming and expressing opinions, and freedom of personal living each man according to his own lights. To insure the first set of rights, a government must so order its functions as not to interfere with the individual. But even Jefferson realized that the exercise of the property rights might so interfere with the rights of the individual that the government, without whose assistance the property rights could not exist, must intervene, not to destroy individualism but to protect it. You are familiar with the great political duel which followed, and how Hamilton, and his friends, building towards a dominant centralized power were at length defeated in the great election of 1800, by Mr. Jefferson’s party. Out of that duel came the two parties, Republican and Democratic, as we know them today.

So began, in American political life, the new day, the day of the individual against the system, the day in which individualism was made the great watchword of American life. The happiest of economic conditions made that day long and splendid. On the Western frontier, land was substantially free. No one, who did not shirk the task of earning a living, was entirely without opportunity to do so.
Depressions could, and did, come and go; but they could not alter the fundamental fact that most of the people lived partly by selling their labor and partly by extracting their livelihood from the soil, so that starvation and dislocation were practically impossible. At the very worst there was always the possibility of climbing into a covered wagon and moving west where the untilled prairies afforded a haven for men to whom the East did not provide a place. So great were our natural resources that we could offer this relief not only to our own people, but to the distressed of all the world; we could invite immigration from Europe, and welcome it with open arms. Traditionally, when a depression came, a new section of land was opened in the West; and even our temporary misfortune served our manifest destiny.

It was the middle of the 19th century that a new force was released and a new dream created. The force was what is called the industrial revolution, the advance of steam and machinery and the rise of the forerunners of the modern industrial plant. The dream was the dream of an economic machine, able to raise the standard of living for everyone; to bring luxury within the reach of the humblest; to annihilate distance by steam power and later by electricity, and to release everyone from the drudgery of the heaviest manual toil. It was to be expected that this would necessarily affect government. Heretofore, government had merely been called upon to produce conditions within which people could live happily, labor peacefully, and rest secure. Now it was called upon to aid in the consummation of this new dream. There was, however, a shadow over the dream. To be made real, it required use of the talents of men of tremendous will, and tremendous ambition, since by no other force could the problems of financing and engineering and new developments be brought to a consummation.

So manifest were the advantages of the machine age, however, that the United States fearlessly, cheerfully, and, I think, rightly, accepted the bitter with the sweet. It was thought that no price was too high to pay for the advantages which we could draw from a finished industrial system. The history of the last half century is accordingly in large measure a history of a group of financial Titans, whose methods were not scrutinized with too much care, and who were honored in proportion as they produced the results, irrespective of the means they used. The financiers who pushed the railroads to the Pacific were always ruthless, we have them today. It has been estimated that the American investor paid for the American railway system more than three times over in the process; but despite that fact the net advantage was to the United States. As long as we had free land; as long as population was growing by leaps and bounds; as long as our industrial plants were insufficient to supply our needs, society chose to give the ambitious man free play and unlimited reward provided only that he produced the economic plant so much desired.

During this period of expansion, there was equal opportunity for all and the business of government was not to interfere but to assist in the development of
industry. This was done at the request of businessmen themselves. The tariff was originally imposed for the purpose of “fostering our infant industry”, a phrase I think the older among you will remember as a political issue not so long ago. The railroads were subsidized, sometimes by grants of money, oftener by grants of land; some of the most valuable oil lands in the United States were granted to assist the financing of the railroad which pushed through the Southwest. A nascent merchant marine was assisted by grants of money, or by mail subsidies, so that our steam shipping might ply the seven seas. Some of my friends tell me that they do not want the Government in business. With this I agree; but I wonder whether they realize the implications of the past. For while it has been American doctrine that the government must not go into business in competition with private enterprises, still it has been traditional particularly in Republican administrations for business urgently to ask the government to put at private disposal all kinds of government assistance.

The same man who tells you that he does not want to see the government interfere in business—and he means it, and has plenty of good reasons for saying so—is the first to go to Washington and ask the government for a prohibitory tariff on his product. When things get just bad enough—as they did two years ago—he will go with equal speed to the United States government and ask for a loan; and the Reconstruction Finance Corporation is the outcome of it. Each group has sought protection from the government for its own special interest, without realizing that the function of government must be to favor no small group at the expense of its duty to protect the rights of personal freedom and of private property of all its citizens.

In retrospect we can now see that the turn of the tide came with the turn of the century. We were reaching our last frontier; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the state. Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living. In that hour, our antitrust laws were born. The cry was raised against the great corporations. Theodore Roosevelt, the first great Republican progressive, fought a Presidential campaign on the issue of “trust busting” and talked freely about malefactors of great wealth. If the government had a policy it was rather to turn the clock back, to destroy the large combinations and to return to the time when every man owned his individual small business. This was impossible; Theodore Roosevelt, abandoning the idea of “trust busting”, was forced to work out a difference between “good” trusts and “bad” trusts. The Supreme Court set forth the famous “rule of reason” by which it seems to have meant that a concentration of industrial power was permissible if the method by which it got its power, and the use it made of that power, was reasonable. Woodrow Wilson, elected in 1912, saw the situation more clearly. Where Jefferson had feared the encroachment of political power on the lives of individuals, Wilson knew that the new power was financial. He saw, in the highly
centralized economic system, the depot of the twentieth century, on whom great masses of individuals relied for their safety and their livelihood, and whose irresponsibility and greed (if it were not controlled) would reduce them to starvation and penury. The concentration of financial power had not proceeded so far in 1912 as it has today; but it had grown far enough for Mr. Wilson to realize fully its implications. It is interesting, now, to read his speeches. What is called “radical” today (and I have reason to know whereof I speak) is mild compared to the campaign of Mr. Wilson. “No man can deny,” he said, “that the lines of endeavor have more and more narrowed and stiffened; no man who knows anything about the development of industry in this country can have failed to observe that the larger kinds of credit are more and more difficult to obtain unless you obtain them upon terms of uniting your efforts with those who already control the industry of the country, and nobody can fail to observe that every man who tries to set himself up in competition with any process of manufacture which has taken place under the control of large combinations of capital will presently find himself either squeezed out or obliged to sell and allow himself to be absorbed.”

Had there been no World War -- had Mr. Wilson been able to devote eight years to domestic instead of to international affairs- we might have had a wholly different situation at the present time. However, the then distant roar of European cannon, growing ever louder, forced him to abandon the study of this issue. The problem he saw so clearly is left with us as a legacy; and no one of us on either side of the political controversy can deny that it is a matter of grave concern to the government.

A glance at the situation today only too clearly indicates that equality of opportunity as we have known it no longer exists. Our industrial plant is built; the problem just now is whether under existing conditions it is not overbuilt. Our last frontier has long since been reached, and there is practically no more free land. More than half of our people do not live on the farms or on lands and cannot derive a living by cultivating their own property. There is no safety valve in the from of a Western prairie to which those thrown out of work by the Eastern economic machines can go for a new start. We are not able to invite the immigration from Europe to share our endless plenty. We are now providing a drab living for our own people.

Our system of constantly rising tariffs has at last reacted against us to the point of closing our Canadian frontier on the north, our European markets on the east, many of our Latin American markets to the south, and a goodly proportion of our Pacific markets on the west, through the retaliatory tariffs of those countries. It has forced many of our great industrial institutions who exported their surplus production to such countries, to establish plants in such countries within the tariff walls. This has resulted in the reduction of the operation of their American plants, and opportunity for employment.
Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has been preempted altogether by the great corporations, and even in the fields which still have no great concerns, the small man starts with a handicap. The unfeeling statistics of the past three decades show that the independent businessman is running a losing race. Perhaps he is forced to the wall; perhaps he cannot command credit; perhaps he is “squeezed out,” in Mr. Wilson’s words, by highly organized corporate competitors, as your corner grocery man can tell you.

Recently a careful study was made of the concentration of business in the United States. It showed that our economic life was dominated by some six hundred odd corporations who controlled two-thirds of American industry. Ten million small business men divided the other third. More striking still, it appeared that if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations, and run by perhaps a hundred men. Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

Clearly, all this calls for a re-appraisal of values. A mere builder of more industrial plants, a creator of more railroad systems, and organizer of more corporations, is as likely to be a danger as a help. The day of the great promoter or the financial Titan, to whom we granted anything if only he would build, or develop, is over. Our task now is not discovery or exploitation of natural resources, or necessarily producing more goods. It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of under consumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people. The day of enlightened administration has come.

Just as in older times the central government was first a haven of refuge, and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire, but a danger. I would draw the parallel one step farther. We did not think because national government had become a threat in the 18th century that therefore we should abandon the principle of national government. Nor today should we abandon the principle of strong economic units called corporations, merely because their power is susceptible of easy abuse. In other times we dealt with the problem of an unduly ambitious central government by modifying it gradually into a constitutional democratic government. So today we are modifying and controlling our economic units.

As I see it, the task of government in its relation to business is to assist the development of an economic declaration of rights, an economic
constitutional order. This is the common task of statesman and businessman. It is the minimum requirement of a more permanently safe order of things.

**Every man has a right to life; and this means that he has also a right to make a comfortable living.** He may by sloth or crime decline to exercise that right; but it may not be denied him. We have no actual famine or death; our industrial and agricultural mechanism can produce enough and to spare. Our government formal and informal, political and economic, owes to everyone an avenue to possess himself of a portion of that plenty sufficient for his needs, through his own work.

Every man has a right to his own property; which means a right to be assured, to the fullest extent attainable, in the safety of his savings. By no other means can men carry the burdens of those parts of life which, in the nature of things afford no chance of labor; childhood, sickness, old age. In all thought of property, this right is paramount; all other property rights must yield to it. If, in accord with this principle, we must restrict the operations of the speculator, the manipulator, even the financier, I believe we must accept the restriction as needful, not to hamper individualism but to protect it.

These two requirements must be satisfied, in the main, by the individuals who claim and hold control of the great industrial and financial combinations which dominate so large a part of our industrial life. They have undertaken to be, not businessmen, but princes-princes of property. I am not prepared to say that the system which produces them is wrong. I am very clear that they must fearlessly and competently assume the responsibility which goes with the power. So many enlightened businessmen know this that the statement would be little more that a platitude, were it not for an added implication.

This implication is, briefly, that the responsible heads of finance and industry instead of acting each for himself, must work together to achieve the common end. They must, where necessary, sacrifice this or that private advantage; and in reciprocal self-denial must seek a general advantage. It is here that formal government-political government, if you choose, comes in. **Whenever in the pursuit of this objective the lone wolf, the unethical competitor, the reckless promoter, the Ishmael or Insull whose hand is against every man’s, declines to join in achieving and end recognized as being for the public welfare, and threatens to drag the industry back to a state of anarchy, the government may properly be asked to apply restraint.** Likewise, should the group ever use its collective power contrary to public welfare, the government must be swift to enter and protect the public interest.

The government should assume the function of economic regulation only as a last resort, to be tried only when private initiative, inspired by high responsibility, with such assistance and balance as government can give, has finally failed. As yet there has been no final failure, because there has been
no attempt, and I decline to assume that this nation is unable to meet the situation.

The final term of the high contract was for liberty and the pursuit of happiness. We have learnt a great deal of both in the past century. **We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man's meat is not another man's poison.** We know that the old "rights of personal competency"-the right to read, to think, to speak to choose and live a mode of life, must be respected at all hazards. We know that liberty to do anything which deprives others of those elemental rights is outside the protection of any compact; and that government in this regard is the maintenance of a balance, within which every individual may have a place if he will take it; in which every individual may find safety if he wishes it; in which every individual may attain such power as his ability permits, consistent with his assuming the accompanying responsibility...

Faith in America, faith in our tradition of personal responsibility, faith in our institutions, faith in ourselves demands that we recognize the new terms of the old social contract. We shall fulfill them, as we fulfilled the obligation of the apparent Utopia which Jefferson imagined for us in 1776, and which Jefferson, Roosevelt and Wilson sought to bring to realization. We must do so, lest a rising tide of misery engendered by our common failure, engulf us all. But failure is not an American habit; and in the strength of great hope we must all shoulder our common load.
Address to the Commonwealth Club
Franklin Delano Roosevelt
September 1932, San Francisco, CA

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The issue of government has always been whether individual men and women will have to serve some system of government or economics, or whether a system of government and economics exists to serve individual men and women. …The final word belongs to no man; yet we can still believe in change and in progress. Democracy … is a quest, a never-ending seeking for better things, and in the seeking for these things and the striving for better things, there are many roads to follow. But, if we map the course of these roads, we find that there are only two general directions.

When we look about us, we are likely to forget how hard people have worked to win the privilege of government. The growth of the national governments of Europe was a struggle for the development of a centralized force in the nation, strong enough to impose peace upon ruling barons. In many instances the victory of the central government, the creation of a strong central government, was a haven of refuge to the individual. The people preferred the master far away to the exploitation and cruelty of the smaller master near at hand.

But the creators of national government were perforce ruthless men. They were often cruel in their methods, but they did strive steadily toward something that society needed and very much wanted, a strong central state, able to keep the peace, to stamp out civil war, to put the unruly nobleman in his place, and to permit the bulk of individuals to live safely. The man of ruthless force had his place in developing a pioneer country, just as he did in fixing the power of the central government in the development of nations. Society paid him well for his services and its development. When the development among the nations of Europe, however, has been completed, ambition, and ruthlessness, having served its term tended to overstep its mark.

There came a growing feeling that government was conducted for the benefit of a few who thrived unduly at the expense of all. The people sought a balancing- a limiting force. There came gradually, through town councils, trade guilds, national parliaments, by constitution and by popular participation and control, limitations on arbitrary power.

Another factor that tended to limit the power of those who ruled, was the rise of the ethical conception that a ruler bore a responsibility for the welfare of his subjects.
The American colonies were born in this struggle. The American Revolution was a turning point in it. After the revolution the struggle continued and shaped itself
in the public life of the country. There were those who because they had seen the confusion which attended the years of war for American independence surrendered to the belief that popular government was essentially dangerous and essentially unworkable. They were honest people, my friends, and we cannot deny that their experience had warranted some measure of fear. The most brilliant, honest and able exponent of this point of view was Hamilton. He was too impatient of slow moving methods. Fundamentally he believed that the safety of the republic lay in the autocratic strength of its government, that the destiny of individuals was to serve that government, and that fundamentally a great and strong group of central institutions, guided by a small group of able and public spirited citizens could best direct all government.

But Mr. Jefferson, in the summer of 1776, after drafting the Declaration of Independence turned his mind to the same problem and took a different view. He did not deceive himself with outward forms. Government to him was a means to an end, not an end in itself; it might be either a refuge and a help or a threat and a danger, depending on the circumstances. We find him carefully analyzing the society for which he was to organize a government. "We have no paupers. The great mass of our population is of laborers, our rich who cannot live without labor, either manual or professional, being few and of moderate wealth. Most of the laboring class possess property, cultivate their own lands, have families and from the demand for their labor, are enabled to exact from the rich and the competent such prices as enable them to feed abundantly, clothe above mere decency, to labor moderately and raise their families."

These people, he considered, had two sets of rights, those of "personal competency" and those involved in acquiring and possessing property. By "personal competency" he meant the right of free thinking, freedom of forming and expressing opinions, and freedom of personal living each man according to his own lights. To insure the first set of rights, a government must so order its functions as not to interfere with the individual. But even Jefferson realized that the exercise of the property rights might so interfere with the rights of the individual that the government, without whose assistance the property rights could not exist, must intervene, not to destroy individualism but to protect it. You are familiar with the great political duel which followed, and how Hamilton, and his friends, building towards a dominant centralized power were at length defeated in the great election of 1800, by Mr. Jefferson’s party. Out of that duel came the two parties, Republican and Democratic, as we know them today.

So began, in American political life, the new day, the day of the individual against the system, the day in which individualism was made the great watchword of American life. The happiest of economic conditions made that day long and splendid. On the Western frontier, land was substantially free. No one, who did not shirk the task of earning a living, was entirely without opportunity to do so. Depressions could, and did, come and go; but they could not alter the fundamental fact that most of the people lived partly by selling their labor and
partly by extracting their livelihood from the soil, so that starvation and dislocation were practically impossible. At the very worst there was always the possibility of climbing into a covered wagon and moving west where the untilled prairies afforded a haven for men to whom the East did not provide a place. So great were our natural resources that we could offer this relief not only to our own people, but to the distressed of all the world; we could invite immigration from Europe, and welcome it with open arms. Traditionally, when a depression came, a new section of land was opened in the West; and even our temporary misfortune served our manifest destiny.

It was the middle of the 19th century that a new force was released and a new dream created. The force was what is called the industrial revolution, the advance of steam and machinery and the rise of the forerunners of the modern industrial plant. The dream was the dream of an economic machine, able to raise the standard of living for everyone; to bring luxury within the reach of the humblest; to annihilate distance by steam power and later by electricity, and to release everyone from the drudgery of the heaviest manual toil. It was to be expected that this would necessarily affect government. Heretofore, government had merely been called upon to produce conditions within which people could live happily, labor peacefully, and rest secure. Now it was called upon to aid in the consummation of this new dream. There was, however, a shadow over the dream. To be made real, it required use of the talents of men of tremendous will, and tremendous ambition, since by no other force could the problems of financing and engineering and new developments be brought to a consummation.

So manifest were the advantages of the machine age, however, that the United States fearlessly, cheerfully, and, I think, rightly, accepted the bitter with the sweet. It was thought that no price was too high to pay for the advantages which we could draw from a finished industrial system. The history of the last half century is accordingly in large measure a history of a group of financial Titans, whose methods were not scrutinized with too much care, and who were honored in proportion as they produced the results, irrespective of the means they used. The financiers who pushed the railroads to the Pacific were always ruthless, we have them today. It has been estimated that the American investor paid for the American railway system more than three times over in the process; but despite that fact the net advantage was to the United States. As long as we had free land; as long as population was growing by leaps and bounds; as long as our industrial plants were insufficient to supply our needs, society chose to give the ambitious man free play and unlimited reward provided only that he produced the economic plant so much desired.

During this period of expansion, there was equal opportunity for all and the business of government was not to interfere but to assist in the development of industry. This was done at the request of businessmen themselves. The tariff was originally imposed for the purpose of “fostering our infant industry”, a phrase
I think the older among you will remember as a political issue not so long ago. The railroads were subsidized, sometimes by grants of money, oftener by grants of land; some of the most valuable oil lands in the United States were granted to assist the financing of the railroad which pushed through the Southwest. A nascent merchant marine was assisted by grants of money, or by mail subsidies, so that our steam shipping might ply the seven seas. Some of my friends tell me that they do not want the Government in business. With this I agree; but I wonder whether they realize the implications of the past. For while it has been American doctrine that the government must not go into business in competition with private enterprises, still it has been traditional particularly in Republican administrations for business urgently to ask the government to put at private disposal all kinds of government assistance.

The same man who tells you that he does not want to see the government interfere in business-and he means it, and has plenty of good reasons for saying so—is the first to go to Washington and ask the government for a prohibitory tariff on his product. When things get just bad enough—as they did two years ago—he will go with equal speed to the United States government and ask for a loan; and the Reconstruction Finance Corporation is the outcome of it. Each group has sought protection from the government for its own special interest, without realizing that the function of government must be to favor no small group at the expense of its duty to protect the rights of personal freedom and of private property of all its citizens.

In retrospect we can now see that the turn of the tide came with the turn of the century. We were reaching our last frontier; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the state. Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living. In that hour, our antitrust laws were born. The cry was raised against the great corporations. Theodore Roosevelt, the first great Republican progressive, fought a Presidential campaign on the issue of “trust busting” and talked freely about malefactors of great wealth. If the government had a policy it was rather to turn the clock back, to destroy the large combinations and to return to the time when every man owned his individual small business. This was impossible; Theodore Roosevelt, abandoning the idea of “trust busting”, was forced to work out a difference between “good” trusts and “bad” trusts. The Supreme Court set forth the famous “rule of reason” by which it seems to have meant that a concentration of industrial power was permissible if the method by which it got its power, and the use it made of that power, was reasonable. Woodrow Wilson, elected in 1912, saw the situation more clearly. Where Jefferson had feared the encroachment of political power on the lives of individuals, Wilson knew that the new power was financial. He saw, in the highly centralized economic system, the depot of the twentieth century, on whom great masses of individuals relied for their safety and their livelihood, and whose
irresponsibility and greed (if it were not controlled) would reduce them to starvation and penury. The concentration of financial power had not proceeded so far in 1912 as it has today; but it had grown far enough for Mr. Wilson to realize fully its implications. It is interesting, now, to read his speeches. What is called “radical” today (and I have reason to know whereof I speak) is mild compared to the campaign of Mr. Wilson. “No man can deny,” he said, “that the lines of endeavor have more and more narrowed and stiffened; no man who knows anything about the development of industry in this country can have failed to observe that the larger kinds of credit are more and more difficult to obtain unless you obtain them upon terms of uniting your efforts with those who already control the industry of the country, and nobody can fail to observe that every man who tries to set himself up in competition with any process of manufacture which has taken place under the control of large combinations of capital will presently find himself either squeezed out or obliged to sell and allow himself to be absorbed.”

Had there been no World War -- had Mr. Wilson been able to devote eight years to domestic instead of to international affairs- we might have had a wholly different situation at the present time. However, the then distant roar of European cannon, growing ever louder, forced him to abandon the study of this issue. The problem he saw so clearly is left with us as a legacy; and no one of us on either side of the political controversy can deny that it is a matter of grave concern to the government.

A glance at the situation today only too clearly indicates that equality of opportunity as we have known it no longer exists. Our industrial plant is built; the problem just now is whether under existing conditions it is not overbuilt. Our last frontier has long since been reached, and there is practically no more free land. More than half of our people do not live on the farms or on lands and cannot derive a living by cultivating their own property. There is no safety valve in the from of a Western prairie to which those thrown out of work by the Eastern economic machines can go for a new start. We are not able to invite the immigration from Europe to share our endless plenty. We are now providing a drab living for our own people.

Our system of constantly rising tariffs has at last reacted against us to the point of closing our Canadian frontier on the north, our European markets on the east, many of our Latin American markets to the south, and a goodly proportion of our Pacific markets on the west, through the retaliatory tariffs of those countries. It has forced many of our great industrial institutions who exported their surplus production to such countries, to establish plants in such countries within the tariff walls. This has resulted in the reduction of the operation of their American plants, and opportunity for employment.

Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has
been preempted altogether by the great corporations, and even in the fields which still have no great concerns, the small man starts with a handicap. The unfeeling statistics of the past three decades show that the independent business man is running a losing race. Perhaps he is forced to the wall; perhaps he cannot command credit; perhaps he is “squeezed out,” in Mr. Wilson’s words, by highly organized corporate competitors, as your corner grocery man can tell you.

Recently a careful study was made of the concentration of business in the United States. It showed that our economic life was dominated by some six hundred odd corporations who controlled two-thirds of American industry. Ten million small business men divided the other third. More striking still, it appeared that if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations, and run by perhaps a hundred men. Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

Clearly, all this calls for a re-appraisal of values. A mere builder of more industrial plants, a creator of more railroad systems, and organizer of more corporations, is as likely to be a danger as a help. The day of the great promoter or the financial Titan, to whom we granted anything if only he would build, or develop, is over. Our task now is not discovery or exploitation of natural resources, or necessarily producing more goods. It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of under consumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people. The day of enlightened administration has come.

Just as in older times the central government was first a haven of refuge, and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire, but a danger. I would draw the parallel one step farther. We did not think because national government had become a threat in the 18th century that therefore we should abandon the principle of national government. Nor today should we abandon the principle of strong economic units called corporations, merely because their power is susceptible of easy abuse. In other times we dealt with the problem of an unduly ambitious central government by modifying it gradually into a constitutional democratic government. So today we are modifying and controlling our economic units.

As I see it, the task of government in its relation to business is to assist the development of an economic declaration of rights, an economic constitutional order. This is the common task of statesman and businessman. It is the minimum requirement of a more permanently safe order of things.
Every man has a right to life; and this means that he has also a right to make a comfortable living. He may by sloth or crime decline to exercise that right; but it may not be denied him. We have no actual famine or death; our industrial and agricultural mechanism can produce enough and to spare. Our government formal and informal, political and economic, owes to everyone an avenue to possess himself of a portion of that plenty sufficient for his needs, through his own work.

Every man has a right to his own property; which means a right to be assured, to the fullest extent attainable, in the safety of his savings. By no other means can men carry the burdens of those parts of life which, in the nature of things afford no chance of labor; childhood, sickness, old age. In all thought of property, this right is paramount; all other property rights must yield to it. If, in accord with this principle, we must restrict the operations of the speculator, the manipulator, even the financier, I believe we must accept the restriction as needful, not to hamper individualism but to protect it.

These two requirements must be satisfied, in the main, by the individuals who claim and hold control of the great industrial and financial combinations which dominate so large a part of our industrial life. They have undertaken to be, not businessmen, but princes-princes of property. I am not prepared to say that the system which produces them is wrong. I am very clear that they must fearlessly and competently assume the responsibility which goes with the power. So many enlightened businessmen know this that the statement would be little more than a platitude, were it not for an added implication.

This implication is, briefly, that the responsible heads of finance and industry instead of acting each for himself, must work together to achieve the common end. They must, where necessary, sacrifice this or that private advantage; and in reciprocal self-denial must seek a general advantage. It is here that formal government-political government, if you choose, comes in. Whenever in the pursuit of this objective the lone wolf, the unethical competitor, the reckless promoter, the Ishmael or Insull whose hand is against every man’s, declines to join in achieving and end recognized as being for the public welfare, and threatens to drag the industry back to a state of anarchy, the government may properly be asked to apply restraint. Likewise, should the group ever use its collective power contrary to public welfare, the government must be swift to enter and protect the public interest.

The government should assume the function of economic regulation only as a last resort, to be tried only when private initiative, inspired by high responsibility, with such assistance and balance as government can give, has finally failed. As yet there has been no final failure, because there has been no attempt, and I decline to assume that this nation is unable to meet the situation.
The final term of the high contract was for liberty and the pursuit of happiness. We have learnt a great deal of both in the past century. We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man’s meat is not another man’s poison. We know that the old “rights of personal competency”-the right to read, to think, to speak to choose and live a mode of life, must be respected at all hazards. We know that liberty to do anything which deprives others of those elemental rights is outside the protection of any compact; and that government in this regard is the maintenance of a balance, within which every individual may have a place if he will take it; in which every individual may find safety if he wishes it; in which every individual may attain such power as his ability permits, consistent with his assuming the accompanying responsibility...

Faith in America, faith in our tradition of personal responsibility, faith in our institutions, faith in ourselves demands that we recognize the new terms of the old social contract. We shall fulfill them, as we fulfilled the obligation of the apparent Utopia which Jefferson imagined for us in 1776, and which Jefferson, Roosevelt and Wilson sought to bring to realization. We must do so, lest a rising tide of misery engendered by our common failure, engulf us all. But failure is not an American habit; and in the strength of great hope we must all shoulder our common load.
Corporate ascendancy refers to the rise of a new weakened form of democracy in which the powers of average Americans are being transferred to vast institutions with diminishing public accountability. With the government increasingly unresponsive to popular opinion, and corporations almost entirely unaccountable to the public, corporations have begun acquiring new public powers and acting as unelected partners with governments.

Our social landscape is now dominated by corporations that are bigger and more powerful than most countries. General Motors has annual sales larger than Israel's Gross Domestic Product; Exxon's annual sales are larger than Poland's GDP. One hundred sixty-one countries have smaller annual revenues than Wal-Mart does. General Electric has hundreds of subsidiaries—giant companies such as GE Capital—which are themselves bigger than most nations.

Two hundred corporations, led by giants such as GE, Time Warner, and Philip Morris, dominate America's economy—and much of the rest of the world. Their combined sales in 1996 were larger than the combined gross national product of all but the nine largest nations. Historians speak of the twentieth century as the age of nations and nationalism. Our end of century and the next century loom as the triumphal age of corporations.

America's biggest companies—and some huge European and Japanese corporations—are an overwhelming force in our national politics. Corporations poured almost $2 billion into political campaigns in 1996 alone—only one of many measures of corporate political power. The relation between corporate power and democracy goes largely undiscussed in newspapers, schools, legislatures, and dinner conversations, as does the very nature of the corporation itself, a question that a hundred years ago was at the center of the national consciousness. It is a testament to the power of the corporate mystique that neither liberals nor conservatives have the vocabulary to raise these questions today.

http://www.thirdworldtraveler.com/Controlling_Corporations/Introduction_CN.html
RUSH: Here's Tom in Evansville, Indiana. Great to have you on the program, sir. Hello.

CALLER: How you doing today, Rush?

RUSH: Very well. Thank you.

CALLER: I'm just calling up because you're always ripping on the unions, and I don't understand why. I'm a rank-and-file union member myself, I have been for over 29 years now, and all we get is a decent wage, we get health insurance and a pension. What is so wrong with that that you're so dead against unions?

RUSH: Well, I'm not dead set against unions. All I ever said is that if you're going to join one you should know what you're doing.

CALLER: Well, exactly. I understand that. You know, and that makes sense there, but I mean you're always talking about the union thugs and stuff like that, I mean --

RUSH: Well, come on, now. Don't make me mention names here. I got in trouble once with the bricklayers, being right about them. I don't need to go there again. Look, I don't need a cement swimsuit tonight.

CALLER: Well, I mean, come on, Rush, you've been watching The Sopranos too much. It doesn't work that way. I mean, with the average rank-and-file member out there that's hardworking and goes out there and we build our pensions up, you have to get at least five years in to get vested, we build our pensions up but then we've got a governor of our state over here, first day in office, he gets $28,500, then they change the law where he gets $38,500.

RUSH: Yeah.

CALLER: He's a second term governor. He gets half of his money.

RUSH: Right.

CALLER: That's only eight years, I mean for eight years I would love to get $48,000 a year as a pension.

RUSH: Then leave the union. This is my point. Then leave the union.
CALLER: What's that?

RUSH: Leave the union, if you want --

CALLER: Oh, okay, and go into a 401(k) plan?

RUSH: No. No, no, no, no, no. Let me explain --

CALLER: Well, what --

RUSH: I'll explain it to you.

CALLER: Okay.

RUSH: By the way, I think what you're calling about is we had a bunch of calls here talking about the auto industry and how there are a lot of people who think the unions have bankrupted them.

CALLER: No, not that, okay, go ahead. You're wrong on that, so –

RUSH: All these auto companies, they are the ones that made the deals and people said, "Yeah, but they were thugged into it, they were strong-armed into it." The problem is that retired employees who are no longer producing anything are still getting retirements and pensions, they're still being paid. This is all come home to roost. Those kind of things just cannot sustain themselves. And the competitors do not have these stringent union rules and therefore they're a little bit freer with pricing and manufacturing and so forth. But I actually think who killed the US auto industry is the US government. CAFE standards, people like Algore putting pressure on auto designers to design cars with mileage factors and so forth that nobody wants and nobody would buy, the US government, what's happening to the auto industry, with everything involved in it, is a classic illustration of what will happen to yours if the government takes over.

CALLER: Okay.

RUSH: If the government gets to regulate it or own it or whatever, you just watch. Now, I'm going to answer your union question now.

CALLER: Okay. All right.

RUSH: What kind of job -- I'm not asking where -- what kind of work do you do in Evansville?

CALLER: I'm an operating engineer. I run heavy equipment.

RUSH: Okay, you're a heavy equipment guy. So you drive road graders and
bulldozers and this sort --

CALLER: Cranes, yes, sir.

RUSH: Cranes. Okay. Now, when you decided that that's what you wanted to do --

CALLER: Yes.

RUSH: -- you had probably no choice. You had to join a union to get that job, correct?

CALLER: No. I worked nonunion, and then I had an opportunity to get in the union doing the same thing I was doing but basically I got a pension and insurance, which I didn't have before.

RUSH: Okay. Fine. Now I say the same thing to people that go into the teaching profession, when you join a union, by definition you are scrubbing your individuality. Your job performance will matter not a whit to how much you money you make. You could be the best crane operator and somebody else could be a lackadaisical crane operator and goof up and screw up. You could show up on time every day. The only way you're going to make more money than that other guy is come in and do over time or maybe get a foreman or supervisor position. So it takes the merit out of things. Now, if you understand this going in and if the pension and health care is what's important to you, and the union provides that, that's cool, that's fine. But then at the end of the day, I don't understand the complaints about what other people make doing what they do and what their pensions are, because you went into it knowingly. You went in knowing what you were going to make. You know that you can't negotiate for your own raise, some representative is going to do that. You also know that a lot of what you contribute in form of dues is going to be taken and used to elect Democrats, you know this going in, and so if you have an individual entrepreneurial ambition, the union is not a place for you.

But if security and the security of a union contract and, like you say, the pension and so forth, if that's what's attractive to you, fine, but you should look at other industries who have made deals years and years and years ago to pay pensions and unemployment or retirement packages to people that no longer work for them, eventually the companies that have made those deals are going to be in huge trouble. That's what's happening now to the auto industry and a number of others. Airlines are trying to off-load their pensions to the federal government. They're trying to off-load their health care plans 'cause they can't afford those to stay in business. When you have a business and it makes a deal that's unionized, and it knows what its labor costs are, and as a business you want to know, get as good idea as possible your fixed labor costs, but if all they're going to do is go up, and deflationary cycle in your business or a down economic time,
then something has to give and if they're not producing enough revenue and income to pay everybody and still report a profit then they've gotta dig in and write off and lose money for a while, how long can they continue to do that, and if there's no flexibility in the workforce to help them through periods like that -- in the airlines there have been, some places there have been give-backs and so forth, but it's still pretty tenuous. And I think one of the things Obama wants to do is have this employee Freedom of Choice Act where he could unionize a shop with an open ballot, which would allow for people to be pressured into accepting the union.

CALLER: Yeah, but, Rush, there's also what's known as the management's consultant which is basically union busting companies that spend so -- a company spends so much more money to keep a union out, you know, you're making it sound like they're just coming in there, there's the a card check, here I write my name we're going to be union. You know that's just not true, Rush, you're not getting the whole story on this thing, and just like they're talking about --

RUSH: Okay.

CALLER: -- with the pension plan on Ford. For example, my union has an $8.6 billion in the pension plan. Ford was underfunded, and they held the cookie jar. They were the ones that had it, $12.9 billion underfunded. Now, if they would have came in, why didn't the government roughshod over the top of them saying, wait, you guys are a billion dollars behind today, or next year you're two billion behind or whatever it is. They overlook our union stuff all the time. I get the statements and I read it, and I know how much we're funded --

RUSH: The question you've gotta ask yourself is, why were they behind?

CALLER: Because they wrote down, they agreed upon a collective bargaining contract, but in the meantime Mr. Ford still got his bonuses, still got his paycheck, but basically collective bargaining is what they did.

RUSH: You have fallen prey to the class envy argument. Mr. Ford happens to own it. You do not. As the owner, Mr. Ford, his board can set up a compensation structure or whatever. Now, you might think that Mr. Ford's bonus and payment, I don't know what it is, is way unfair based on what the rank and file are getting, but welcome to the real world. You chose what you're doing. You probably went into this thinking management's unfair and management wants to steal from you. All I can tell you is is that I'm not going to talk you out of this. I know you love the union, and you think that there's this constant battle, which is exactly what Democrats want. They want you hating the boss, they want you distrusting the boss, and they want you thinking the purpose of the company is to provide a job, rather than anything else, but you need to look around.
There are some profitable businesses in this country. Find out if they're unionized, take a look at the businesses that are hurting the most in this country and ask yourself if they are. And, now, granted I'm not saying management's never to blame, I'm not saying that these people aren't reprobates, but there's a reality here. You go into a courtroom, the judge is the judge and the judge may live in a mansion and you don't, and just because you have a different living does not mean the judge has no right to pronounce a sentence or conduct the trial. The owner is the owner! I can't tell you how many times I had to learn this over the course of my life working for people. Who you work for is the boss and if you don't like the way they run the business, then there's other things to do. Anyway, I'm glad you called. I appreciate it.

http://www.rushlimbaugh.com/home/daily/site_111008/content/01125113.guest.html
Striking Flint: Conditions Before the Strike

Conditions in Flint before the strike were very, very depressing for working people. We had a large influx of workers come into the city from the deep South. They came north to find jobs, because there was no work back home. They came with their furniture strapped on old jalopies and they'd move into the cheapest housing that they could find. Usually these were just little one or two-room structures with no inside plumbing and no inside heating arrangements. They just had kerosene heaters to heat their wash water, their bath water, and their homes. You could smell kerosene all over their clothing. They were very poor...

When you worked in the factory in those days, no one cared what your name was. You became "Whitey" if you happened to be blonde. Or you might be "Blacky" if you had black hair. If you asked, "Well, who is he?" you'd get, "I don't know, he works in department so-and-so, Plant 4, on the line half way down." It was just "Blacky" or "Shorty" or some nickname. They were wage slaves with a complete loss of identity and rights inside the plant.

At first, when these workers were approached to join the union, they were afraid they might lose this job that was so very valuable to them. At that time, men working in the auto plants were getting around forty-five cents an hour. The younger girls that worked in the A.C. Sparkplug division of General Motors, were being paid twelve-and-a-half cents an hour to make minor car instruments. That was the only plant that employed women.

I'll tell you about the conditions of these young women. After the strike, a Senate investigating committee found that in one department of A.C. alone, the girls had all been forced to go to the county hospital and be treated for venereal disease traced to one foreman. Those were the conditions that young women had to accept in order to support their families. Sometimes they earned just enough to provide food for the family and they couldn't lose their jobs because nobody else in the family had a job.

Flint was a General Motors town- lock, stock and barrel! If you drove past one of the huge GM plants in Flint, you could see workers sitting on the front lawns
along the side of the plant just waiting for a foreman to come to the door and call
them in. And maybe they'd work them for an hour or maybe for a day, and that
was it. But workers were so desperate that they would come and sit every day on
that lawn in the hopes of being called in and possibly getting a permanent job.
That's how poor these General Motors workers really were, at least the ones in
hopes of getting a job at GM.

I had a most wonderful father-in-law, a very fine union man who had a little
college education in South Dakota, then moved to Flint to work in the auto
factories where the big money was supposed to be. Big money then was nothing
when you stop to think of it today. But compared to jobs in the rest of the country
and considering there was a national depression, it was big money. And if you
were a tool and die maker, you made a little more. But the tool-and-die men were
not in favor of organizing the plain, ordinary industrial workers. They wanted their
skilled unions kept separate. And, of course, they wanted their wages to be kept
higher.

Conditions were terrible inside the plants, which were notorious for their speed-
up systems. They had men with stop-watches timing the workers to see if they
could squeeze one or two more operations in. You saw Charlie Chaplin in the
movie, Modern Times? Well, this is exactly what happened. They did everything
but tie a broom to their tail. It was so oppressive that there were several cases of
men just cracking up completely and taking a wrench and striking their foreman.
When that happened, the worker was sentenced to what was then called an
insane asylum in Pontiac, Michigan.

The speed-up was the biggest issue. The men just couldn't take it. They would
come home at night, and they couldn't hold their forks in their swollen fingers.
They would just lie down on the floor. Many of them wound up in beer gardens to
try to forget their problems and their aches and pains.

They had many medical problems, too, because you couldn't go to the rest room
whenever you felt like you had to. When "Mother Nature" called, that was just too
bad. You had to wait for the foreman to summon a relief man to come and take
your place on the assembly line. Sometimes that took awhile. In one plant a
worker brought a chamber pot and put it on top of the assembly line. All the
workers got a big bang out of that, but he was fired. He lost his job just for that
kind of protest.

They used to say, "Once you pass the gates of General Motors, forget about the
United States Constitution." Workers had no rights when they entered that plant.
If a foreman didn't like the way you parted your hair- or whatever he didn't like
about you- you may have looked at him the wrong way, or said something that
rubbed him the wrong way- he could fire you. No recourse, no nothing. And
practically all foremen expected workers to bring them turkeys on Thanksgiving
and gifts for Christmas and repair their motor-cars and even paint their houses.
The workers were kept intimidated because if they didn't comply with what the foreman told them to do, they would lose their jobs and their families would starve. You can see what a feeling of slavery and domination workers felt inside the GM plants.

Not only that, but when workers started talking about organizing, management hired lip-readers to watch the men talk to each other, even when they were right close to each other, so they could tell if they were talking union. One of our friends who was a member of the Socialist Party wore the first UAW button into the Chevrolet plant. He was fired immediately. He didn't even get to his job. They spotted the button and that was it. If you went into a beer garden or other place like that and began to talk about unions, very often you didn't get home without getting an awful beating by GM-hired thugs.

That was the condition inside the plants. Combined with the bad conditions on the outside: poor living conditions, lack of proper food, lack of proper medical attention and everything else, the auto workers came to the conclusion that there was no way they could ever escape any of this injustice without joining a union. But they didn't all decide at one time.

http://www.marxists.org/history/etol/newspape/amersocialist/genora.htm#conditions
The Wagner Act of 1935

SEC. 7. Employees shall have the right of self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

SEC. 8. It shall be an unfair labor practice for an employer-

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: Provided, That... an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay.

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: Provided, That nothing in this Act or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this Act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees in the appropriate collective bargaining unit covered by such agreement when made.

(4) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act.

(5) To refuse to bargain collectively with the representatives of his employees.

http://www.civics-online.org/library/formatted/texts/wagner_act.html