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This program is an intercollegiate debate between Western Kentucky State Teachers College, here in Bowling Green, and Asbury College, in Wilmore, Kentucky. The speakers on the two teams are about one hundred seventy-five miles apart. Each speaker will be heard from the campus of his own college.

The chairman is Dr. Louis B. Salomon, of the Department of English of Western Teachers College. I take pleasure in presenting Dr. Salomon.

The subject for the debate this afternoon is a very timely one—Resolved: that Congress should be empowered to fix minimum wages and maximum working hours for industry. The affirmative will be upheld by Asbury College, and the negative by Western Teachers College. We take you now to Wilmore, Kentucky, where Mr. Charles Crain, of Asbury, will open the case for the affirmative.

(From Wilmore)

The case for the negative will be opened by Mr. B. H. Henard, of Western Teachers College.

In questioning the advisability of the affirmative plan we do not contend that there is no need to modify some of the existing conditions in industry, but we do say that theirs is not the right way in which to correct these conditions. We must carefully contemplate the harmful results of such a metamorphosis as the affirmative would bring about. In a blind desire to improve present conditions we should not enact legislation which will have such a far-reaching and disastrous effect on the entire
nation that we will be far worse off than we are today. Simply because it is a proposed solution offered to an admitted problem, we should not adopt the unproved and reactionary program of Congressional regulation of maximum hours and minimum wages, and utterly disregard the appalling consequences of such a measure.

We admit the presence of a problem—that a solution is needed—but we do not approve the affirmative plan because of the dire results which would be immediately apparent. Their "cure" would actually be far worse than the present evil itself. We do not try to find a solution. That is not our problem. The affirmative is attempting to answer the question by giving to Congress the power to regulate maximum hours and minimum wages. We say that there must be a further search for a solution because the disastrous effects of their plan would be infinitely worse than the conditions which they are trying to remedy.

In the first place, if the plan of the affirmative were adopted our export trade would be wiped away. If we have less work and more pay, then the price of our goods on the world market will be raised. There is no getting around that fact. The result would be that we could not even hope to sell our products to foreign nations, for if we paid 50¢ per hour and worked 30 hours a week, how could we compete in South American market with similar Japanese products made by laborers receiving 10¢ an hour for a 60 hour work week? We could not sell abroad. Think of the loss of our two and one-half billion dollar export trade and the unemployment that would result from the stoppage of this market.

But the ill effects of such an increase in costs of production would not stop with the ruining of our sales in foreign markets. They would destroy our import trade and prevent other nations from sending to us the
goods which are vital to our present day economy, and then would follow us into our own country and raise the prices of our own goods, to us.

International trade is conducted by the exchange of commodities—not money itself. International trade is reciprocal. A country can not buy abroad if it does not sell abroad and the only way in which we can hope to buy goods is to sell our products to other nations, in order that we may exchange commodities. American prices will be so high in the world market that other nations will have to trade a much larger amount of goods for a certain amount of artificially high American products. They would lose in the exchange, for they would actually have to send us articles worth, say $10 in return for goods which in other countries would cost them only $7 or $8. They would not get full value in return for the goods which they sent us, and the result would be that they would not trade with us at all. Because of our high costs of production we could not sell abroad, and having no exports we could not import. Our foreign trade would be destroyed! Economically we would be isolated from the rest of the world. We would be compelled to become self-sufficient, and that we can not do and retain productivity of the goods which we manufacture today.

The United States is a great country, but it is impossible for it to adopt the policy of economic isolation which the affirmative plan would bring about, and at the same time to retain its status as a great nation. What would happen were we to lose our import trade? Picture an America without automobile tires—or anything made from rubber. No electric lights—for we could not get the indispensable tungsten from China. No potash to fertilize our farm lands; no tin; no silk; no coffee, tea, or chocolate;
no cane sugar nor bananas. Such a land is inconceivable. It would be unbearable and unlivable. Yet—that is what would happen, for if our production costs are raised we can not sell abroad, and if we do not sell we can not buy. Such a proposal as is advocated by the affirmative would kill our foreign trade and America would become decadent.

I have shown that our foreign trade would be completely wrecked by the adoption of a plan such as the affirmative propose. Just what would happen right here inside the United States? Why even in our own country our products would not be sold at a price anything like as low as that of foreign made goods, and so in order to protect the manufacturers from a destruction of their domestic trade as well as their foreign commerce, we would have to raise our tariff—which incidentally is the highest in our history—to yet higher levels, and the cost of our own goods—to us—would be almost prohibitive. And so, just as their proposal raises the wages of employees it will increase the cost of the goods which they buy, and when employers raise the price of their goods in order to receive the same proportion of profit that they formerly enjoyed, the cost of goods to the workingman will be doubly increased.

The affirmative has excluded from their plan the 32,000,000 persons employed in agriculture. This is palpably unfair to the farmer, but let us see just how he will suffer from the proposal. I have shown clearly that the price of manufactures would be raised. That is apparent. But they are neither including the farmer in their proposal nor are they controlling prices, so he will get for his products just what he does today, and in the face of inexorably rising prices of manufactured goods. He will simply have to buy fewer things. It is useless to argue that agriculture prices necessarily go up with a general price rise. It sounds good, but it doesn't work. We know that, for it has been tried, and in pre-depression days in
the face of the greatest prosperity that the nation has ever known, the farmer was worse off than he has ever been. Do you want, through legislation, to decrease the already meagre share of the farmer in our national income, and leave him worse off than he is today? We don't, yet that is what will happen should we have the rise in prices that will occur if we have a regulation of minimum wages and maximum hours.

What will the adoption of this proposal do to our own South? I have shown how our foreign trade would be cut off through the high prices and high tariff, and how such measures would leave us economically isolated, with neither imports nor exports. The agricultural South would be ruined! Its continuance is based on its exports, and without them it would be lost. The entire situation is well summed up in Hawkes Economic History of the South, when he says, "...it appears, both cotton planters and tobacco growers are so largely dependent upon foreign markets that a further decline in exports, brought about through an ardent nationalistic program, would mean nothing short of disaster for the cotton and tobacco regions of the South..."

There, plainly, are the results of the affirmative plan. If they shorten the work week and raise wages our production costs will be materially increased. There is no alternative. And when our production costs are raised the prices of our goods abroad will be increased. Nations will no longer buy from us. They will save money and purchase elsewhere. And it is undisputable that if we do not export, we cannot import. The United States cannot adopt such a policy without an accompanying retrogression.

The high tariff to protect our manufacturers from cheaper foreign competition will cause prices to be raised. The farmer, whom the affirmative would not even consider, would lose part of his already small buying power, and the agricultural South would be ruined. Although there is a need for a change in industrial conditions we can not accept a plan which would bring about such disastrous effects as these.
Salomon The second speaker for the affirmative will be Mr. Julius Brasher, of Asbury, speaking from Wilmore.

Brasher (From Wilmore)

Salomon The second speaker for the negative will be Mr. Charles Runyan, of Western Teachers College, speaking from Bowling Green.

Runyan I shall prove that congressional control of wages and hours is not desirable for: First, such a plan as proposed by the affirmative would be exceedingly dangerous to employees who are in the bracket above the minimum wage prescribed by Congress.

I contend that the employer, in order to meet rising labor costs, will bring about a decrease in the wages of the employees in the skilled and semi-skilled groups. If the wages of the unskilled are to be increased, then the employer, in order to keep production costs at the former level, will have to cut the wages of those in the upper brackets. That would be a drastic change in distribution which would be entirely unfair to the skilled groups. For example, if the minimum wage set at $15, then the wage of the unskilled worker would be raised to the $15 level while the wage of the skilled worker would be lowered from $20 to $15. Production costs would remain stationary but at the expense of the skilled group. Such distribution of wages is not equitable. The skilled groups should not bear the burden of providing those in the lower brackets with relatively higher wages.

The industrial field is so highly characterized by competitive efforts that one can readily see why industrialists would use this method. In a realm of competition the employer must inevitably come to the realization that any increase in production costs will involve serious difficulty and will lessen his competitive strength, unless he is able to effect an increased output or shift the burden to his employees. Yes, he will shift it.
What happened when the government attempted to regulate wages and hours and to set a minimum? Did the minimum become the maximum paid to anyone? Was the skilled worker penalized? Elinor Morehouse Herrick writing in the Forum says: "Through strikes, we have discovered whole factories in which every worker received the exact minimum prescribed by the N. R. A. Codes, and not one cent more." 175 radio workers who had struck for pay increases marched in a body to the Regional Labor Board of New York and produced pay envelopes showing that each received exactly $12.80 a week—no more, no less. The foreman alone was highly paid, and he received the magnificent sum of $15 a week. Formerly some had earned as much as $13 or $20.

So it is obvious that as there is no adequate check on a decline in wages under the present economic system, as I have pointed out, the minimum tends to become the maximum; and we contend that any plan that would reduce the wages of the skilled group would not be to the best interest in American society.

My second contention is this: The plan is dangerous to Employers because of increased labor costs. It is impossible to pay more to workers without increasing costs. This will mean higher prices.

Most employers have shortened the work day or week only under some sort of compulsion—from the state or their fellow-employers or unions. They were reluctant for they knew that a reduction in hours would be followed by two bad effects: on the one hand, there would be a decrease in output and an increase in labor costs, and on the other hand, machine costs would also mount. In regard to labor costs, as workers always want the same daily wage for a shortened work day, the prices of goods to consumers have to be higher. This will not only prevent American enterprisers from competing in world markets but will reduce domestic sales, as my colleague has pointed out.
So if the employee, who is at the same time a consumer, has to pay more for goods, he doesn't actually benefit by shortened hours. How could wage and hour regulation benefit the worker when, under rising labor costs, increased prices would offset any relative wage increase?

An additional increase in costs would result from the fact that machinery would be used fewer hours during the day and, because of the drop in sales brought on by increased prices, fewer days during the year. In other words, a reduction in hours would mean unemployment for machinery. Neil Carathers writing in the Congressional Digest, April, 1936, says, "a very special factor makes radical reduction of hours most dangerous. As we unceasingly mechanize our industry the capital equipment becomes more important and more expensive. Arbitrary shortening of hours reduces the working life of this machinery and increases the overhead costs. Increasing the number of shifts is not a satisfactory solution in any case, and it is not even possible in many cases. For many concerns, shortening hours means a plant idle so long that costs will wipe out returns from sales. What is the industrialist going to do? He will take the increased price route, as I have pointed out, or he may speed-up his productive process in order to meet rising labor costs. What will happen if a speed-up is effected?

An official of General Motors says: "If the pace is faster than reasonable for the worker, three things happen: quality suffers, production is slowed down because points where inspections are made become clogged, and much material must be rebuilt. Costs may be increased instead of lowered, thereby increasing the price the dealer must get for the car.

Now suppose the Employer wishes to steer clear of the ways of meeting labor costs that I have mentioned, namely, higher prices for goods and a

a speed-up, what is the other alternative? He would try the institution of improved machinery; and that means technological unemployment. Would not further unemployment offset any possible advantage of congressional control of wages and hours?

So you see that wholly undesirable effects would result from the employer's utilization of any method of meeting rising labor costs. Do we want higher prices for goods we're going to buy, technological unemployment, or a speed-up that utilizes every ounce of surplus energy that a man possesses? No!

My third contention is that the enforcement of such a plan is questionable.

In the last analysis the force of public opinion is needed behind any law. It would be difficult for the affirmative to prove that public opinion would enforce this law adequately. There is no great demand for the minimum wage at the present time. The indifference of the people and the lack of a group consciousness would make adequate enforcement impractical.

Therefore, its enforcement would depend on one of three factors, there would be either a steady survey of conditions by labor unions, a Judiciary review system, or an adequate inspectorate.

As for labor unions, there would be no strong labor agitation to keep enforcement vigorous. Recent sit-down strikes have been mainly interested in Union recognition. Many labor groups, and particularly women wage earners, have not developed a class consciousness. Women have no bargaining power. Therefore a labor union survey would be useless without internal militancy.

How could we have adequate enforcement when we would be confronted with the same conservative attitude that exists in our Supreme Court, namely,
that existing in our Federal Court system. The Supreme Court is, at present, serving to bar the enactment of social legislation. Under congressional control of hours and wages, that same conservatism would stand in the way of enforcement.

Lastly, I contend that while the American people can effect a socialistic order, such would not be desirable for it would be contrary to American principles of government. To give Congress control over the life and death of industry would mean a virtual dictatorship. Freedom of contract would be sacrificed. What is the heart of the contract? The amount of wages to be given and received. Inalienable rights would be given up to a dictatorship. When Congress gets to the point where it can dictate the wages that an employer is to give and an employee receive, it has reached a stage of socialistic development. I say that any tendency in the direction involving the subserviency of employers and employees, in relation to boards exercising discretionary power, is dangerous and socialistic. It would at least serve as a precedent for the exercise of further control.

To summarize our case: my colleague has proved that the proposal of the affirmative would ruin our foreign trade, would seriously interfere with our domestic trade, would be especially harmful to agriculture, which it does not make any provision for, and thus would not benefit commerce in any way. I have shown you that under such a plan the minimum wage tends to become the maximum wage, that increased labor costs mean higher prices, that the enforcement of such a law is very questionable, and that it would represent a highly undesirable trend toward socialism.

We admit that conditions in industry at present are not ideal, but because of the disastrous results that would follow the institution of the
affirmative plan, we contend that the answer does not lie in congressional regulation of hours and wages. There must be a further search for a solution.

Salomon

This concludes the constructive arguments on the question. Because of limited time, there will be only one rebuttal speech on each side. As is customary, the negative will open the rebuttal. The speaker will be Mr. Henard.

Henard

Our opponent's strongest point, if valid, is their effort to show that their plan would work because of its similarity to the British and the Brazilian systems, which, they contend, are both practicable and enforceable.

To the British system there is no true similarity, for the English "trade board" plan includes only the comparatively few unduly low wage industries, while Congressional control embraces all manufacturing and distribution.

In the second place, the British system is not enforceable, for since 1919, a date supplanting by mine years our opponents' information of 1910, the English plan has been on a voluntary basis, and there is no compulsory enforcement machinery.

Finally, even with the efficient system, the number of unemployed in England is 9% of the total population, while the percentage in America is only half of that figure.

Therefore, the English plan differs fundamentally from Congressional control, and as it stands it is neither enforceable nor effective. What little analogy can be made is unfavorable to the affirmative proposal.

The disparity between the nations of Brazil and the United States makes a comparison out-of-place, but even so, the Brazilian plan is far
different from that of the affirmative. There are separate wage levels for each of 22 geographical districts and the very magazine from which our opponents have procured their data, The Monthly Labor Review, asserts that these districts are similar in function to one of our states. Actually, there is a state control—a system which our opponents have just denounced. Finally the Brazilian system was put into operation only a year ago and even this state control has not been given time to prove itself.

But returning to the affirmative case—they have stated that employers are not so altruistic as to reduce their own profit for the benefit of the worker. That is one of our main criticisms of their plan!!! If they decrease hours and increase wages the costs of production are bound to be raised, and the only way in which capital can get the same proportion of profit is by raising prices. If prices are raised with wages, the workman can buy no more than he does today. He will not be helped in the least! Let us see then what would happen to the specific benefits which, they say, would accrue from their plan:

(1) Employees could buy no larger amount of goods—hence they would receive no more of a subsistence wage than they get today;

(2) For a like reason purchasing power would not be increased;

(3) If people could buy no more goods, the production of necessities, or luxuries either, for that matter, would not be raised;

(4) Far from increasing employment, we have shown that our army of unemployed would be vastly added to through loss of our foreign market and the inability to import raw materials to manufacture here at home;

And if there is one thing that their plan will do, that is to increase rather than decrease taxes. The ill-fated NRA, a likeness to which our opponents would apparently recommend, since they have pointed to Mr. Wm. Green's advocacy of a similar measure, cost over one million dollars a day. Just how could such a measure decrease taxation? We are unable to understand!
Public opinion does not demand such a plan! While some of the conditions in industry are not ideal, we contend that a Congressional regulation of maximum hours and minimum wages is not the way in which to regulate them, because of the terrible consequences which would be brought about. We have shown the picture of an economically isolated America with neither imports nor exports; the great increase of prices here at home, and the ruin which such a proposal would bring to the farmer and to the entire South.

We have shown that the wages of the skilled worker would be reduced to pay for the salary of the non-skilled man; that in the final analysis the worker would be no better off because the prices of goods to him will have risen right with his wages; that technological unemployment will result; and that, lastly, such a plan is not desirable for it could not be enforced because it is contrary to American principles of government, in leading us unmistakably toward socialism. We must not "strain at a gnat and swallow a camel" and so we must still continue our search for a solution to the problem.

Salomon: The affirmative rebuttal will conclude the debate. We take you now to Wilmore, where Mr. Crain, of Asbury, will deliver the rebuttal for the affirmative.

Crain: (From Wilmore)

Salomon: This, ladies and gentlemen, concludes the debate between Asbury College and Western Teachers College. I wish to thank the young men of both colleges who have taken part in it for presenting a most interesting and timely discussion of this vital topic; and I hope that we may continue to have radio debates between the two schools. I shall now turn the program back to our regular announcer, Dr. Earl Moore.
The debate to which you have been listening has come to you from Bowling Green and Wilmore.

And now, speaking for Western Teachers College, we call your attention to a special broadcast through this station from our Bowling Green studio next Tuesday from 2:30 to 3:00 o'clock C. S. T. This program will be a presentation of the Alumni Association of Western Teachers College. The musicians and speakers will be alumni of the College. That program at 2:30 next Tuesday afternoon will bring to an end our series of broadcasts through this station for this spring.

We wish to thank the great host of listeners who have expressed from time to time by mail and otherwise their appreciation of our programs.

This is Earl Moore saying goodbye until next Tuesday at 2:30 and wishing you Life More Life.

(Strings up and continue)