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SEIZURE AND OPERATION OF INDUSTRIAL PLANTS
4 March 1946.

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SEIZURE AND OPERATION OF INDUSTRIAL PLANTS

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GENERAL ARMSTRONG:

Gentlemen, the speaker this morning is ordinarily a civilian but he has had to put on a uniform twice, first in 1917-1919 and then again in 1940, until very recently. But he is an exceptional civilian because he became a Brigadier General, and you know there are not many of those. The quality and effectiveness of his service are evidenced by that fact.

General Greenbaum is a graduate of Williams. Then he studied law and later practiced law, in between wars. Apparently that is his vocation. But he is a distinguished lawyer. I happen to know because when I had the Chicago Ordnance District he used to come out and quarrel with some of my contracts and put me on the right track; he probably kept me out of Leavenworth. That remains to be seen.

But at all events the Army has been very fortunate to have General Greenbaum and to have him specialize in procurement operations. Gentlemen, when I tell you that for years he was the Executive Officer for Under Secretary of War Patterson, you will all realize he is particularly well qualified to speak on any subject connected with the industrial mobilization of the United States.

The subject he speaks on particularly this morning is one on which we have had no previous information, and one on which you must have the authoritative statement that General Greenbaum can bring. He will talk on the "Seizure and Operation of Industrial Plants."

Gentlemen, General Greenbaum.

MR. GREENBAUM:

General Armstrong and gentlemen: The subject that was assigned to me is a specialized one and acquired importance, particularly in this war, on account of the volume of production we handled. It was to remove bottlenecks. That was its primary purpose.

I am going to follow a suggestion made by General Armstrong and divide my talk into these divisions:

1. Why plants were taken over. You will notice I use the words "taken over". I do not like the word "seizure", although that is the common word. It is only a seven-letter word and was splended for newspaper headlines and most always had a rather dramatic effect.
2. What plants we took over.
3. How they were taken over and operated.
4. How they were returned to private ownership.
5. What were the over-all results of these operations?

As to the first subject, namely, "Why plants were taken over". Well, the answer is a very simple one so far as the War Department and

the Navy Department were concerned. We took them over in order to get operation and production from those plants. It was just the same as if the stoppage of work was caused by labor disturbance, fire, flood, or a sickness epidemic. We were being blocked in what we needed, namely, production.

Why we took them over, I think, can be answered simply: The Army and Navy's sole interest in taking them over was to get war production from those plants. Later on there was a secondary reason for taking them over, namely, we became the enforcement agency for War Labor Board orders.

The first plant we took over was before the war. It was in June of 1941, the North American Aviation plant out in Ingleside, California. That was the time when we sort of crystallized our thinking as to why we were doing it.

In this connection Assistant Secretary McCloy gave a very good analogy. He put it this way: He said it was as if a truck were moving forward to the front loaded with supplies, ammunition or anything we needed. There was an interference with that. Therefore, we had to do everything we possibly could to get that truck moving along. That was our general concept all the way through. We wanted to have the interference removed. That is, if labor and management were fighting, or whatever it was, we wanted things cleared away so that the truck could continue to move along. That was a very helpful analogy that enabled us to go along all the way through.

On my second topic, "What plants were taken over and operated?" I think perhaps the best way in which to handle that is to give you a sort of bird's-eye view of what these plants were. But I would like, first of all, to add preliminarily here what the authority was.

You know it is a rather drastic thing for the Army or Navy to come in and take a man's property away and operate it. That stemmed from, initially, the wartime powers of the President as Commander in Chief. President Lincoln during the Civil War exercised broad powers in that respect. As all of you will recall, the Congress was not in session when the war started and he suspended the writ of habeas corpus and took other action, including the taking over of a war plant--if you could call it that at that time.

President Wilson also took a similar step when he mobilized industry and almost, you might say, had a compulsory control over industry under the War Industries Board in World War I.

As I say, the first case we had was before the war, in June 1941. Later on there was statutory authority in the War Labor Disputes Act, known as the Smith-Connally Act, which was passed in June of 1943. But it is my own personal feeling that that Act really did not create the authority. It more or less confirmed by an Act of Congress the authority that the President had already taken, and provided penalties for anyone who interfered with a plant that was taken over.

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Later on there were two court cases, one of them the Ken-Rad Company case and the other was Montgomery Ward. The courts judicially held that the President did have such power under the Constitution and the Smith-Connally Act gave power to him under a statute.

I would like to make a statement here for our colleagues in the Navy. I am only talking about the plants taken over by the Army. I have first-hand knowledge of those, you see. The Navy's operation was very similar to ours, for all intents and purposes, except for some procedural things. We worked very closely with the Navy. They did about the same. So, when I give you any numbers or facts or figures, I am only referring to the Army.

There were only 28 plants that we took over altogether. There were a lot more that we got ready for whenever we thought the situation might develop where we would have to take over a plant. It is like the story they tell of the young intern who was taking a lady to the hospital. On the way the husband said, "We've had 11 pairs of twins already". The intern then asked, "How long have you been married?" The man said, "Fifteen years". The intern then said, "My God! Do you have twins every time?" "No," said the husband, "hundreds and hundreds of times we have nothing."

That is really what we were up against. We only had 28 "twins" you might say. But we also had many, many sessions getting ready and preparing.

We had only 28 cases. That does not, however, give you a picture of the amount of work done in this building, really, on these cases.

Now I referred previously to North American Aviation. They made the B-25's. There was a sorry condition there. Sixteen thousand people were out of work for from 10 to 12 days. That company became our guinea-pig. We put it up to the President. We could not afford to lose production on those planes for one single day. Our mission was to get that plant going and back in operation.

In that case all of the local authorities--the mayor of the City of Los Angeles, the Chief of Police, and others--were trying their level best to get those people back to work, but they would not go.

The police out there were confronted with 16,000 milling workers around the plant. When evidence of violence threatened and certain accidents had already happened, the police found they were unable to cope with the situation. So they took unto themselves to see what they could do to quell any disturbance. They took tear-gas bombs and threw them into the crowds. Incidentally, they threw them against the wind. We had some nice pictures of that demonstration. I am sure the Los Angeles police learned a great deal by this strike. Pictures of another strike in "Life" magazine about two weeks ago showed the police again throwing bombs against the wind. But this time they had on gas masks.

In the final analysis we were able in that case and did, through a series of things (including good management), get the workers back. That was the big thing in all these plants.

Our machinery, which I will describe later, resulted in our going in and taking possession. We--that is, the U. S. Army--became the operating agency for those plants. But that was no good unless we could get the workers to go back to work. It is a difficult thing, but through good handling and an appeal to patriotism they did come back to work. We had a plentiful supply of troops there, which is always necessary in cases where are threats of violence. We had about 4,000 troops and there was no bloodshed or violence.

We ran the whole gamut of cases, from this first one in 1941 until the last one, which was Montgomery Ward, completed in October of 1945. You may be interested, perhaps, in the types of cases we handled. In the first place, there were only two of them before the war. The first was North American Aviation. The next one we had was the case of Air Associates, in the Summer of 1941.

There is an interesting point in connection with that case in that there were only 900 people involved. You gentlemen who have been in the supply business during the war, so to speak on the production-industrial end, know the importance of the small plant. In this case, Air Associates was nothing much more than a hardware store that made gadgets for Air Force manufacturers. We found that our whole aircraft production was bottlenecked and thrown completely out of line by this one little company with only 900 employees. That plant became as important to us, in a way, as a big plant like, say, Glenn Martin.

The very smallest plant we took over was of a similar nature. It came in 1944. It was a small brass company called The Twentieth Century Brass Company, located out in Minneapolis. They had only 43 workers there, again, they bottlenecked about seven or eight very large plants. This subject has always been interesting to me. Bottlenecks and other serious situations can result from failure of production at one of those small plants. From the security angle and other things--you undoubtedly have gone into that--you will bump into that if you have not already done so.

So we had those two plants we took over in 1941, that is, North American Aviation and this small Air Associates. There was only one case in 1942; in 1943 only 3. Then in 1944 and 1945 we got the balance of them. In 1944 we had 13 cases and in 1945, up until V-J day, there were nine.

There is a fact that might or might not be significant, but I simply state it for what it is worth. All of these cases except three were after the Smith-Connally Act was passed in July of 1943. That was the Act, you will recall--at least some of you who were in this country at the time will recall--that caused a lot of controversy in Congress. Among other things, it authorized the strike vote; a 30-day cooling-off period. It did not say what would happen if there was no vote, but it did say if labor wanted to strike it could put to a vote

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this question: Should a strike be called in such and such a plant? But there were no penalties imposed for striking. In other words, striking was never made illegal.

But it is a fact, whether significant or not, that out of these 28 cases all except three arose after passage of that Act. It may be true that people were more complacent in this country then and that there is less feeling of a sense of urgency. But the fact remains that those are the figures.

There were some other plants we took over, for a variety of reasons. Without giving you all the details or the names of the companies, I will give you the types of business.

A small manufacturing plant in Boston was the next; 13 leather plants up in Massachusetts; the Western Electric Company (Signal Corps apparatus), down here at Baltimore. That was a strike arising out of the question of segregation of whites and blacks in the toilets. It was a rather involved and technical thing, which was quite a headache.

Then one case which, I think, stands by itself is the threatened strike of the railroads on Christmas Day of 1943. It resulted in a Presidential Order under which we took over the railroads. The number of employees involved was one million and one hundred thousand.

A few days after the actual take-over was effected, the strike was called off and we surrendered possession of the railroads. However, it was a tremendously difficult planning operation and actually was put into effect. We got the presidents of some of the main railroads and others, commissioned them, put them in uniform as Colonels for the duration of the take-over.

Then, going on to some of the others, we had some textile mills at Fall River, Massachusetts. Down in Kentucky there was a very important Signal Corps facility that made radar and radio equipment. Then came the Philadelphia Transit System, in its entirety; that is, the elevated, the bus lines and trolley cars. We had to take them over and operate them. It was only a 14-day operation, but it was a very difficult one. The International Nickel Company of Canada's plant down in West Virginia came next. There were also some companies making brass and copper out in Minnesota and elsewhere.

I will not go over the details of all of them, and I will mention only two others. One of those was a special case under the Railroad Act, in Utah. They had only 285 employees. They were unable to work out an agreement as to the number of people to be employed on train locomotives. So they voted a strike. Having failed to comply with the Railway Board's ruling--it was really a face-saving operation--they had to do something, so they thought. It is important again to note there were only 285 people, but over one-third of the copper supply of the country passed over this little railway from the mine down to the nearest town to get on the trunk-line railroad.

Then there was the Montgomery Ward case, which I will briefly summarize by saying, from our viewpoint, we were merely an enforcing agency for the War Labor Board. As far as the Army was concerned, we did not care anything about the products which they made out there-- baby nipples and other things--which were listed in their voluminous catalog. It was a very difficult operation we had to carry on in nine different cities.

That briefly indicates a rough breakdown of the 28 plants we took over and operated.

Now the next point, No. 3, is "How did we take over and operate these plants?" Well, our procedure was Topsy-like: It sort of grew as we went along. The first case, as I have indicated before, was North American Aviation out in California. I remember before that was taken over Under Secretary Patterson gave me instructions on a Sunday afternoon to go out there and be there the next morning. I knew nothing about it and was getting briefed on what the facts were. The Judge Advocate General's Office and numerous other people in the building were giving me voluminous instructions and ideas. After Judge Patterson had sat and listened he said, "You have acted as counsel for a receiver often enough, haven't you?" I said, "Yes". He said, "Well, this is nothing like it". Those were pretty good instructions.

We did get busy and used our own ideas as we went along. Here is what we did about it. I will give you, first, the procedure before we went into a plant and then tell you what we did after we went in. I really think that is the easiest way to do it.

There was a memorandum, signed by the Under Secretary dated 9 August 1943, which laid down the procedure. It did not require any later amendments because we did it in broad language. Briefly, it was this: When a situation arose one of the Services, either Air Forces or Service Forces, would immediately report this through the Industrial Personnel Division to the Under Secretary's office. We had Mr. Edward McGrady as our legal adviser.

We also had a little team we created consisting of representatives of the following: Under Secretary's office, Industrial Personnel Division, Judge Advocate General, Fiscal Division, Bureau of Public Relations. I think from that general description of the personnel can be seen the various problems we had to handle. Each one of those is important.

So we had this little team. When a case was brewing and we would see it on the horizon, we would then get together. The Judge Advocate would give us a man, the Bureau of Public Relations, Industrial Personnel, and so on would do the same. Then we would act together, as a team, on that case. We would create them as a team to study and familiarize themselves with the problems involved in that particular case.

We would add to the team, especially in the early days, an assistant who would be green to the subject. He would go through this operation, just as an assistant, to learn it. The result was, by

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creating a series of teams like that and always having one of those fellows on it from each of these outfits, we built up a pretty good specialized crew that was able to go around and handle these cases.

Prior to the actual take-over of a plant this would be a typical situation: The Signal Corps, we will say, would get word from one of the districts, or elsewhere, that there was a threatened labor trouble, that might become very serious. The Industrial Personnel Division would be in touch with the War Labor Board, or other agency, to see what they could do to straighten this out. Let me say our cardinal principle was that the Army, and also the Navy, would not do anything to try to adjust the disputes. We would never try to be arbitrator, conciliator, or anything else.

Then we would have conferences--when I say "we" I am referring to the Under Secretary's office--with the War Labor Board, The Attorney General (if it came to the time when we were drafting an Executive order), the Bureau of the Budget, the Office of War Mobilization, and any other agency that was in any way concerned.

Since the plant was taken over by power of the President as Commander in Chief, naturally we could never act until the President directed such action by an Executive order. In some cases we were the ones urging that action be taken, but in other cases we were urging it be not taken simply because we did not think it important enough from our own standpoint. But the War Labor Board in some of these cases wanted action taken.

Now how was that? The War Labor Board was set up as a voluntary and not a compulsory machine for either capital or labor. I mean by that it had representatives, of labor, management and the public generally. They did not want a statute passed which said violation of an order of the War Labor Board was a crime or illegal. It preferred the voluntary method; that it would be unpatriotic in time of war to fail in any way to cooperate.

On the whole, it worked. War Labor Board orders that were violated were very small in number. In nearly every case there was compliance. But there were certain cases, which ultimately landed in our laps, when they just would not comply.

Then the next step was taken. To enforce compliance the President would sign an Executive Order, ordering the War Department, Navy, or some other agency to take over and operate. In the technique of this we used some of these teams of which I have spoken. We developed a pretty good skill. You had certain things, like the element of surprise and timing, that were terribly important.

We established close relationship with the White House staff. The President, if he had signed an order, or was about to, followed our suggestions invariably as to the exact time of release. We would get our team together. A good time to take over, we will say, was Sunday afternoon at six o'clock so that we would then be able to urge the workers to come back to work the first thing Monday morning.

The Public Relations fellow would arrange with local radio stations to put on special broadcasts.

Maybe we would send telegrams to the workers, if there were not too many in the plant.

We would get this team together and they would go on out. Each individual case would be a case all its own. In the Signal Corps case, for example, we would get a recommendation from the Commanding General, ASF; We tried to pick a man who had a combination of tact and ability to handle the cases. The most important thing in any successful operation of a plant was that the War Department representative be a man of high calibre and understanding, who would be supported by a good staff that we would supply him.

So, coming back to our arrangements. We would decide to take over the plant at six o'clock. We would arrange for the release at six o'clock Washington time, from the White House. At one minute after six o'clock we would have the plant taken over. In every case, of all these 28, we did exactly that. We took the plants at the H-hour with synchronization with the White House. Usually it was done before anyone knew we were in possession of the plant.

Then what happened after we took over? Well that divides itself into two categories, namely, if labor was at fault or if management was at fault. If labor was at fault, management would always cooperate, including making arrangements whereby management used its own funds for the operation of the business.

If, on the other hand, management was at fault the problem was not so easy. That was when our Fiscal Fellows had to come in. Sometimes management would realize it was facing the inevitable; then they would cooperate with us and let us operate, with management funds; otherwise, we would have to--and did--supply the money.

After the Executive order was issued the Secretary would give a directive to either the Commanding General, ASF or AAF, as the case may be, and from that moment on the operation was under him, on behalf of the Secretary, to run the plant with this staff of which I spoke.

All questions of policy and other things which either the Commanding General, ASF or AAF, wanted to bring to the Secretary's attention would, of course, be done.

After we took over a plant we had a direct wire from the plant to Washington. This was a great assistance. We were always in constant and direct touch with the War Department representative. The memorandum I referred to and other directives permitted the War Department representative to have direct communication with anyone in the War Department that he felt necessary. So far as the Under Secretary's Office and the Commanding General, ASF and AAF, was concerned that was done all the time.

We would try to work out a relationship where the Government would be the operator, like the operator of an arsenal or other government-owned property. This included payment of employees; oath of loyalty; getting social security; insurance; and payment of bills.

That is a very rough and sketchy picture of how we took over and operated the plants.

The next thing is, "How the plants were returned to private ownership". That included a matter of judgment as to whether we felt the time had arrived whereby we could surrender possession without detriment to production. That would mean we would hope to get continuity of production after we drew out. In some of these cases as long as we stayed in they would keep on working but, for one reason or another, when we would pull out they would fall down on the job. The basic problem remained unsolved. So, all I can say about that is we used our best judgment. When we thought it was a good time, we always got out, as soon as possible.

So far as the time element goes, the facts are that in eight cases we were able to get out under one month; some of them within a week; eight under one month. In thirteen cases we stayed over three months. The rest of them were in between.

After the time arrived when we felt we could get out, depending upon the terms of the Executive order, we would then terminate possession of the plant. I mean by that the early Executive orders prescribed we had to report to the President and he would terminate by means of a new order. Later on we developed a procedure whereby the Executive order provided that termination could be made at such time as the Secretary of War decided. That is how we did it in most of our cases.

The last point "What were the over-all results of these operations?" is really a sort of general appraisal of all this. I am going to say to you the opinions I will give you are wholly personal. Being out of uniform I am simply giving my own personal views.

I would say, on the whole, it worked; the thing worked fairly well. From our viewpoint in the War Department it worked because we got production. It was a device which provided, in certain cases, a face-saving; in other cases it was simply a medium to get going. For instance, the little railroad I told you about out in Utah; its employees decided they were going to strike, on account of the number of men employed on the railroad locomotives. They really had no intention of staying out. They certainly did not want to wreck the copper industry of the country. They said, "We'll go back to work if you'll take over". So there was no introduction at all.

It is interesting to me to note how these cases are divided as to fault. It was almost exactly 50-50--half the cases management and half labor. I will say outside of this railroad situation, which you have to exclude in order to get any fair picture (there were 1,100,000 in that operation) we had a relatively small number. The whole number of employees

involved in these plants was approximately 114,000. In the average plant taken over there were about 4,200 employees. Now like any average that does not mean a great deal, because I mentioned one instance where there were only about 40 employees; in the others we would have 16,000 or 18,000.

In cases in which management was at fault we had inadequate measure to enforce it. We would go in and take over, than we would have to run the entire business. They could do things to stymie us. There was a situation like that in New York recently in connection with the tug-boat strike. The President signed an Executive order, according to what the newspapers, ordering the Office of Defense Transportation to take over. Well, they just could not operate; nothing happened. They took over and there it was. Maybe that is because the war is over.

We were able to enforce operation, I think, principally because of the fear of sanctions. It was criminal, under provisions of the Smith-Connally Act to interfere in any way with operation when the Government was in control of the plant. But there were never any convictions or even a trial under that.

There were some other methods of enforcement. If a man did not work and he had a deferment under the draft, we would take up his case with Selective Service to have him reclassified. In Judge Patterson's judgment this was the most effective way. But in cases of women and men over draft age the sanction did not apply.

The other sanction was certification under U.S.E.S.--United States Employment Service--in order to get another job.

There is different situation in cases where management was at fault. To go in and do things by sanctions against management was difficult. It was hard to say, "We will cancel war contracts in that plant". That is the last thing we wanted to do, in most cases, because we needed that facility and we needed that production.

On the other side, when labor was at fault, we went in and took over the plant and it created a feeling that management, in some way, was being penalized. Why should a man's property be taken away because it was the other fellow's fault?

I am just throwing out these things as an indication of some of the problems we faced from the standpoint of the War Department. I would say that in every plant we took over we got the men back to work almost immediately, for the various reasons I have indicated, and production proceeded the next day. Part of that was due to good management and part to an over-all feeling of urgency.

That is a very rough indication of some of the problems, General Armstrong. I would be glad to try to answer questions if any of the members have some.

GENERAL ARMSTRONG:

Did you have any cases, Ed, where you were taking over plants not because of difficulties between management and labor but because management was inefficient and unable to get all the production we needed?

MR. GREENBAUM:

Yes, we had several but I have not included such cases in this talk because that would be done not by an Executive order, under this line of procedure, but under provisions of the National Defense Act of 1920, where we would have compulsory orders. We did do that in one of these cases where we worked with management. But, on the whole, I think we only had three so far as the War Department goes. The Navy had one or two more than that, but not many.

GENERAL ARMSTRONG:

You really depended on the goodwill of management and labor to make this thing work, did you not? The sanctions were there, but were strong enough?

MR. GREENBAUM:

I would say "no". However, in spite of a lack of sanctions, the thing sort of worked.

GENERAL ARMSTRONG:

I am thinking mainly of the future. I am thinking of the possibility of a strong Fifth Column in this country having some people in strategic positions in certain plants of that sort who would be more loyal to a foreign country than they would be to our own Government.

Now should there not be some way of handling that thing by legal measures?

MR. GREENBAUM:

I think there should be. I would say partly, but only partly, for the reason you have indicated, General Armstrong. But also, and more important, regardless of where the fault is--management or labor--if the sense of urgency is lacking, we do not get things done.

More directly answering that question, it always seemed to us there should be a statute providing something as follows: The mandate of the War Labor Board shall be advisory as a War Labor Board order to a certain point. I mean by that a certain length of time. If, after the expiration of that length of time, either the War Labor Board or the Army or the Navy or some other interested Service felt that failure to comply with the order was of sufficient seriousness, then the failure should be reported to the court and the order or the mandate of the War Labor Board should be filed in court. Failure to comply within a certain length of time, as stated in the court's order, would be made a violation of law and become a statutory offense.

GENERAL ARMSTRONG:

What I have in mind is, particularly, observing the fall of France at the outbreak of her war with Germany, when Germany was allied with Russia.

The Communists in France definitely hampered production. Now that is an intolerable situation. I do not know that we have any measures in this country to take care of anything analogous.

MR. GREENBAUM:

I think that is true. I think when we have an urgency there should be statutory power to prevent production being hampered. Or, you might also have Management being incooperative.

GENERAL ARMSTRONG:

Right! It could work both ways.

MR. GREENBAUM:

It is for that reason there should be statutory power for enforcing the decrees of an agency such as the War Labor Board.

A STUDENT:

We did have a case like that in small arms at the beginning of 1940. A company came in on competitive bidding. It had, what turned out to be, in its management a German agent. I remember him very well. Every time he put out his hand it was always cold and clammy.

We took the case to Patterson. They wanted to take over the company. The civilian community had invested approximately one hundred thousand dollars in it and had gotten Federal title to it. With Judge Patterson's approval we laid down the facts: We would not take the contract out of the town, but we would leave the contract in the town provided they would kick out the present management or place the contract in another plant. They would uncrate the machinery and buy materials without proper specifications. They finally gave the contract to an engineering company satisfactory to Ordnance. However, in the end it was bought again by another company in New York.

MR. GREENBAUM:

There was also another case where, not with a German agent, but the failure of management to take on a contract, where we had to do things of a similar nature.

A STUDENT:

I would like to know why you could not tie in with the mandate of W.L.B. of which you spoke, some of the social security provisions. I think if you fired some of those people without any social security benefits that in, say, 10 or 15 years when they would find that they would have no benefits under Social Security you might be able to drive some of them back to work.

MR. GREENBAUM:

I think any sanctions such as that, Captain, would be all to the good. Now I am not speaking of a cooling-off period in the sense of

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cooling off, although that is important. I mean simply a period in which you have an opportunity to see if they will comply. If they do not, then I think we ought to, so to speak, "throw the book at them". I, personally, would be in favor of something like that. In other words, it is considered an unpatriotic act on the part of any citizen or any person--even though he honestly thinks he is right--not to comply with the machinery set up by the Government in wartime. It would seem to me depriving a man of social security benefits on status for a period--all of those things--would make sense. After all, why should we bite the hand that is feeding us?

I would like to emphasize all through this discussion that so far as labor was concerned, and the same so far as management was concerned, there were very few cases of this nature. There were two outstanding cases. The Montgomery Ward case and the second case I mentioned, which was the S.A. Woods plant up in Boston. I think in both of those cases the manufacturers thought they were right; they could not see why they should subordinate their own desires or their own theories as to what must be done in time of war.

The same thing could also be said on the other side. In these cases labor thought it was justified in striking.

A STUDENT:

Were there any cases to come under ideological reasons; for instance, conscientious objectors, and so forth?

MR. GREENBAUM:

No. The closest "ideological" reason--if you can call it that--was in the segregation of whites and blacks in the toilets at Western Electric. We did not run into the conscientious-objector phase at all.

A STUDENT:

But you might run into it in the case of a plant owned by Quakers, for instance, who were not in favor of war.

A STUDENT:

Along that line in Buffalo, we ran into a case like that. There was a lot of sympathy among the Seven Day Adventists. They wanted us to let the people off on Saturday because that was their Sunday and we would not do it.

MR. GREENBAUM:

Oh, yes, I do recall that.

Now there is one thing that does not directly relate to the subject of plant take-over, but involves another kind of ideology. I just came back from leave at Santa Fe, New Mexico. Naturally, being out

there, I was interested in the atomic bomb work at Los Alamos. It is simply amazing to me how those Indians out there worked. They all worked hard throughout the war. When I asked what the causes of absenteeism were they said, "Oh, well, of course, if they were having a rain dance at Tesuque Pueblo for three or four days, or if they had a corn dance at Taos you couldn't expect anyone to work".

So, I suppose we did have an ideology there of the Atomic Age running up against the Indian rain dance.

COLONEL BROWN:

When the Government would step in and take over, did the nature of the legal interest give us any unique difficulty?

MR. GREENBAUM:

That is a very good sixty-four dollar question. I will divide it in two ways: We tried to avoid putting a label on what we did. I will go back again to Mr. McCloy's analogy--we wanted to keep that truck moving along. We tried very deliberately--and fairly successfully--to avoid saying if we were the owner, whether we were the lessee, bailee, or anything else. But, of course, we had to make definite answers to all those questions. Therefore, I think perhaps the easiest way in which to tackle this would be to say--and this is the format we took--the Government was in possession of and operating the plant. Now you can dub that as well as I can as to what the legal setup was.

We had many legal questions that arose. For instance, if there were a fire, who would be responsible? If an employee was killed, what were his rights against the Government? And what about his rights against the commanding officer who was running the plant?

Now we always handled that in this way: We would immediately transfer the insurance policy from the company and have a rider put on the policy also insuring Colonel John Jones, War Department representative of the U. S. Army and U. S. Government, operating under a specific Executive order.

In this connection I would like to say the rights of an employee might be different if he were a Government employee from what they would be if he were not. What we did was to cover both. That is the answer as to how we did it. Really there is no answer as to what label you would put on it.

GENERAL ARMSTRONG:

Ed, I want to thank you for the very fine presentation you have given us this morning.

I think we all realize the situation is inadequate, for the kind of world we now live in, to face another war. This group ought to be

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prepared to make recommendations as to some constructive measures to do a better job because, as General Greenbaum has pointed out to us, it can be exceedingly serious. One small plant, as we have seen, maybe the key to the production in plants with hundreds of thousands of men.

Thank you very much, General Greenbaum.

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(25 April 1946--200.)S