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SEIZURE AND OPERATION OF PLANTS

23 January 1947

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Students

THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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CAPTAIN WORTHINGTON:

Gentlemen, this morning we are very fortunate in having an officer with us who had a lot to do with getting the postwar Industrial College of the Armed Forces started.

General Greenbaum graduated from Horace Mann School, Williams College, and the Columbia Law School. He practiced law in New York City from 1913 to 1917 and from 1919 to 1940. He is a member of Greenbaum, Wolf and Ernest, one of the leading law firms in the City of New York.

During the period 1917 to 1919 he served with the Armed Forces. In 1940 he was commissioned a Lieutenant Colonel in the Army of the United States. He was promoted to the rank of Colonel in 1941 and Brigadier General in 1943. During a considerable portion of his tour of duty he served as Executive Officer in the Office of the Under Secretary of War. It was while serving in that duty that he played such an important part in getting The Industrial College of the Armed Forces started again for the postwar period.

The subject of his lecture is, "Seizure and Operation of Plants". I take pleasure in introducing General Greenbaum.

GENERAL GREENBAUM:

In self-defense, I want to say that the part I played in reactivating The Industrial College was not too prominent a one. So, I hope you won't hold that against me.

The subject that has been assigned to me is the seizure--I would rather call it the taking over--of war plants; the taking over and operation of them. This subject, I think, is a unique one. It is dramatic, it is important, and it is misunderstood. It has the combination of those qualities.

It is closely connected with the broadest and most basic aspects of industrial relations--the relationship of Government to industry and labor. It affects the very fundamentals of the democratic process because here we have a situation where, in an emergency, the Executive arm of the Government takes over and operates the private property of an individual, or a company, without any judicial sanction for it. You can see the importance of that and the possibility of its abuse.

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We are getting an indication now, in the John L. Lewis case, of certain aspects of this process of taking over and operating private property. In the Lewis case, for instance, you have two important problems being posed. One is, do these people who work in the plants, by reason of the process, become employees of the Government? Another is this: Can this process apply after the war is over, that is, after hostilities have actually ceased? These and other questions are posed by this unique and important problem of taking over plants.

Now why do I say this is important? Well, during World War II it became a major business of Government. Three months before V-J Day we were taking over plants at the rate of one a week. It had become a major business of Government. On V-J Day we were operating 24 different plants or facilities. During the war or to be more accurate, from June 1941 until V-J Day, the Government took over and operated 60 facilities of the most diverse types and of great magnitude and importance. That included all of the railroads of the United States, the coal mines, and a multitude of other industries, such as bomber plants, leather goods, meat-packing industry, and others.

Our primary, and I might say our only, interest in the operation was production. That is the subject you are interested in and that we were interested in. This was something that was stopping production. A block had been created by reason of a stoppage of work, or threatened stoppage of work, in the plant. As far as the Army and Navy were concerned, our interest was to get the thing going and to get out vitally-needed production.

I want to say my remarks on the factual side, speaking from personal experience, are necessarily limited to the Army phase of this. We operated during the war about 30 of these plants--that is, the Army did.

What do we mean by "plant seizure and take over"? I would like to read a definition on that which I think accurately and adequately describes it. "It is the technique by which the Government, in order to avert or end an interruption to production of services at some private industrial facility, takes possession of a facility and assumes responsibility for its temporary operation."

That is quoted from a definition written out by John C. Ohly, who was one of the assistants to the Secretary of War and the Commanding General of ASF. He made a great contribution to all of this work, and I am indebted to him for many things, including the piecing-together of my experience on this.

You will note from that definition that nothing is said about the interruption being due to a labor dispute. As a matter of fact, we were not interested in what the dispute or the cause of stoppage was. If it had been a flood, if it had been the incompetence of management, if it had been disease, or if it had been anything else, our interest was just the same.

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This process of taking over plants only became important, in the sense of magnitude, in World War II. The power to take such action stems from the Emergency Powers of the President as Commander-in-Chief. During the Civil War, President Lincoln did not hesitate to act when necessary. During World War I, President Wilson did not hesitate. In World War I, there were only four plants that were taken over under this inherent constitutional power of the Commander-in-Chief. Of those four, there was only one that was due to a labor dispute and that was what became well-known later as the main precedent, the Smith & Wesson case. That was the only case, as I say, in World War I that arose out of a labor dispute.

In World War II it so happened that all the plants taken over by the Army arose out of labor disputes. But in the case of the Navy there were seven cases for causes other than labor disputes in which such action became necessary.

As far as we were concerned in the Army and Navy, both, it was not the question of who was right or who was wrong. It was not a question of settling that. We regarded ourselves as the agency that went in to get out production. In the sense of how we catalogued the case, our test was whether one or the other of the parties was failing to comply with a governmental order. If an order was given to a company or to a Union to do thus and they failed to do it or refused to do it, we regarded the refusing party as the one at fault.

It is interesting to note that in our experience with the 29 plants we operated in the Army, there were 14 where management was at fault within that category, 15 in which labor was at fault, and one where there was fifty-fifty; neither of them would comply with an order.

I want to stress again that our mission was to get out production that was vitally needed. I think the best, what you might call informal, definition of the mission was given by Assistant Secretary of War McCloy before we had our first operation. He put it this way: "Picture that you have a truck containing ammunition, or some other vitally-needed article, going up to the front line. That is being interfered with. Your mission is to get that truck moving and get it up to the front. Anything that interferes with that is to be pushed aside. You are not to judge who is at fault. That truck is being interrupted and you should get it moving with the least possible effort on our part. Don't mess around with anything else, except that one thing of getting it moving."

We had many difficult problems that arose from the unique operation, as you can well see. In every case we had one of two problems. If, within the definition I just gave, management was at fault, you would have no trouble getting the men back to work. But you would have a real problem in your operation of the plant. Vice versa, if labor was at fault within the definition I gave, you would have no trouble in

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getting management problems solved in the operation. But you would have a real problem and a very difficult one in getting labor back to work. In other words, in every case you had, initially, one of those two problems: How to get the men back to work; or how to get the operational job functioning.

How did we solve these and other problems during the war? I think perhaps the best way to tell you would be by telling you our experience in some actual cases. You will see, as in so many things that happened with the Army and Navy, and civilian agencies during the war, and business enterprises in peacetime, and our own individual lives, it was more or less Topsy-like. We evolved the process as we went along--not a bad way to solve problems, either--rather than doing it in a vacuum.

The first case that arose was in June of 1941. That was six months before Pearl Harbor. We were not at war but we were in a national emergency. The case was the North American Aviation Company at Inglewood, California. That outfit, at that time, was producing twenty percent of the military planes in the United States, a large part of our so-called Defense Program then and large orders for the British. They were making trainers and B-25's. The importance of the plant to production is obvious from the mere fact that it represented twenty percent of the aircraft production at that time.

A messy situation had arisen in an intra-Union fight. The United Automobile Workers of the C.I.O. were organizing in the aircraft industry, where they became very important. The Machinists Union of the A.F.L. was their rival. There was an election. The C.I.O. Union won by a very close vote. There were fights as a result of that and contests as to whether the election should be reopened. One of the things was the A.F.L. Union was trying to regain lost ground. There were demands for Union wage increases.

The matter was pending before the National Mediation Board in Washington when suddenly a strike was called. It was a rank, clear, outright defiance of the process being evolved to settle labor disputes during the war. It was a direct challenge to the Government and a real threat to vital production. Remember, this was in June of 1941. Germany and Russia were not at war with each other at that time and there was strong feeling, of a Communist influence, to interfere with production at that time.

The challenge was presented to the Government. Here, for the first time, we were confronted with a stoppage of work in a vital war industry. What was to be done? The importance of the subject was such that the President of the United States and his top advisers were in huddles on this matter for days. They realized the challenge that had to be met. The local authorities were unable to cope with the situation. The administration in Washington asked the Governor and the Mayor of Los Angeles, and others, to do what they could to help.

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Well, the situation got out of control. What should be done? It was decided that the plant should be taken over by an Executive Order under the Constitutional powers of the President of the United States as Commander-in-Chief, even though we were not at war and even though there was no statute expressly authorizing this. That was the action that was taken.

All of the President's advisers, including Sidney Hillman, and other Labor advisers, recommended that he take this action; otherwise, we would be thwarted by the defiant action of irresponsible labor groups. So, for the first time in our history, we did go in and take a plant away from management because there was a dispute, in which labor was at fault, with the definition of "fault" that I have given.

In the Smith & Wesson case I referred to, in World War I, such action was taken in a labor dispute not because labor was at "fault" but because Smith & Wesson had refused to comply. That was the situation that confronted us. It was indeed unique; we didn't know what to do. There had been very little thinking-out of the problem outside of the War Department. Many problems arose.

Just picture the situation out there: You have a huge plant on the outskirts of Los Angeles. The police are trying to hold back the crowds that were milling around. There were thousands of strikers and pickets around the place. There were the usual acts of violence, none of them very bad at that stage of the game.

The thing got out of hand, as far as the police were concerned. They were required, according to their opinion--and did--hurl tear-gas bombs at the strikers. They did it against the wind, unfortunately for them. The results were obvious. So they made a hasty retreat and the strikers advanced.

The plans that had been made in the War Department required a strong show of force combined with great restraint. Through what was then the Defense Command, we had several thousand troops alerted there. Their orders were to be within thirty minutes of the plant all during the night. When it got out of hand, with the tear-gas fiasco and other things, the Executive Order was signed in Washington and we took over.

What do we mean by that? Well, I think the best way to describe it, not to use just words and labels, is to tell you exactly what happened.

The War Department's job was to carry out this administrative policy that we just had to be firm and see this thing through. So we had, what you might call, almost a military operation with several thousand troops coming in on them. Here, labor was at "fault." How were we going to get them back to work? The picket lines were full of signs, "Bayonets Don't Build Bombers", and others like that. It was pretty uncertain as to whether we could get those fellows back to work. We did not know whether we could.

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Just to be personal for a moment, I was ordered out there by the Secretary of War on a Sunday afternoon. This take-over was set for Monday morning. All the big-shots had been in a huddle all night. I did not know anything about it, but I was being briefed on it by the Judge Advocate and all the others. Judge Patterson was sitting there listening to all of this and he turned and said to me, "You have often been, in civil life, counsel for the receiver, haven't you?" I said, "Yes." "Well," he said, "this is nothing like it. Now go out there and do whatever is necessary."

So I flew out there with three or four officers of the Air Forces. We got there in the morning and witnessed this take-over. It was done in a very skillful and restrained way: An advance of six or eight paces, halt, repeating the performance with fixed bayonets and gradually, by varying estimates, from three thousand to eight thousand pickets were just eased back. Around the plant there was a vacant space.

We had designated Colonel Charles E. Branshaw, who later became a Major General, who was the Western District Air Forces Procurement Officer, to be the War Department representative in operating this show. He did it with great skill and with great tact.

We met the problems day by day as they came along. We did, through appeals over the radio to the patriotism of the workers, and other methods, get these men back to work. We had a few critical hours, not knowing whether they would trickle in or come at all. But the answer is, the first day many of them came back. The next day most of them returned. We learned by that operation that by proper handling, even though the workers were at "fault," by an appeal to their patriotism and by a great show of firmness, we would be able to get them back on the job. In other words, that operation worked.

I have gone into it at some length to show you the problems, or some of them, we had to meet. These men came back to work and they went into that plant there. We needed them. Now were they considered Government employees? Well, my instructions were not to answer any of these questions if I could avoid it.

Another question was, how should we treat them as far as Civil Service was concerned? What about their Social Security status and numerous other problems? What we tried to do was not to put labels on the thing, but to get those men to build the bombers. That is what we succeeded in doing without having to solve those problems at that moment.

Management was not at "fault" in the North American case. They willingly operated the plant with their own money and paid with checks which we stamped "For the account of the United States." From the fact that we were able to do it in that way, and get that operation through, we learned Lesson No. 1, namely, that in a situation where labor was at "fault," with management's cooperation and proper handling on the part of a tactful, skillful War Department representative, the operation could be performed.

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We also learned in that case that you had to make them return to work without giving any concession. That was a basic principle that evolved, although we did not quite realize it at that time. Return to work was not to be accompanied by any concession whatever; otherwise, you would establish the principle that they could gain through striking in wartime.

The next thing which evolved necessarily from that was that the takeover was not to be with any benefit to the party at "fault."

The third thing was that the operation was to be carried on under the same terms and conditions as before, that is, as far as the amount of wages and other things was concerned. Subsequently, when the Smith-Connally Act was passed in 1943, that was embodied into the law. But there was no statutory authority for it then. We just did it.

The next thing was that the dispute must be solved by the parties themselves and not by the War Department or the Navy Department, or any other agency that took over.

And, finally, that the seizing agency, so-called, should not be a party to solving the dispute.

The next case we got was quite different. It was in October of 1941, the case of the Air Associates, a small outfit of the Bendix Company. It was quite different in two respects: First of all, it was a minor operation in the sense that it did not represent twenty percent of production of aircraft. But, as so often happens in these small outfits, it was a key plant. It was really no more than a hardware store making gadgets for the Air Forces manufacturer. But we found, much to our surprise and much to the surprise of the A.A.F., that if that plant were closed down practically every aircraft plant in the country would be closed down within three weeks. So it presented a crucial question for us.

Just parenthetically, I am sure you have been up against that question in other phases of your production work, where a small plant, which is a vitally-needed thing, will block the entire production of an industry. It is terribly important from the security angle, and others. But that is a digression.

Coming back now to this Air Associates case which, as I say, was a small outfit as far as number of employees and size were concerned; but it was different in other respects. It was the first case we had where management was at "fault." Management refused to comply with the order of the Mediation Board and just would not go along. We had quite a hectic situation, similar in some respects to the one at North American. There were threats of riots; buildings were burned down; the local police--this being in New Jersey--were unable to cope with the situation. Here, again, we had to have the aid of the troops to enable us to go in, which we did.

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We went in; we took over. We were able to work out something with management even though they were, so-called, at "fault." We operated the plant and got increased production.

So we learned from this second case that it was possible to conduct an operation like this, even though management had been defying a governmental agency order, if it could be persuaded that it was for its best interest and for the best interests of the whole to go along. When I say "go along" what I mean is allow its funds and its know-how to be used, and its management employed. Because we followed the principle there that we were not to be a judge in the dispute; we were not to try to solve their dispute for them; we were not to say that they were right or wrong, but simply to say we were there to carry out the order so we could get production. So, you see, in that case we again were able to do that.

After this there was quite a lull, largely because of Pearl Harbor. We were now at war. There was very little need for anything like this because the country was wholeheartedly back of us. It just was unthinkable, for a while, that there could be an interruption of work, either through management's defiance or because of a strike.

Right after Pearl Harbor there was a meeting of management and labor, held at the White House. That was followed by the no-strike pledge and the creation of the War Labor Board.

In this connection I might point out that the War Labor Board was not an agency set up with power to enforce legally its orders or mandates. It was a voluntary action on the part of all. Its composition was one-third labor, one-third management, and one-third public representatives. Its orders were to be carried out because of the agreement of the parties. That that was the score during the war. It worked pretty well; in fact, it worked very well. In a vast majority of the cases, there was compliance. There was a small number, a very small number, proportionately, of cases where there was no compliance. Those were the cases that presented these problems.

I might say that this voluntary setup of the War Labor Board was of its own choosing. Those on the War Labor Board thought that that was a better way to handle things during wartime. That is, by the way, an interesting chapter to go into; it looks as if maybe that was true.

So, following Pearl Harbor there was naturally a period when the country was really and truly aroused, and when you had no cases of this kind. None did arise until August of 1942. That was a case up in Boston, the S. A. Woods Company. Again, here was a case where management defied the Board. It refused to comply with an order of the War Labor Board. We were confronted with a situation that proved to be quite a difficult one. Here the no-strike pledge was kept; labor did not go out on strike. Management, however, was adamant. They had what was a comparatively small company.

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They were making ordnance items which were critically needed at that time.

The management of the company, being an old one, and a small outfit, honestly believed that this was Government interference with its right to negotiate labor. Its president objected particularly to such things as maintenance of membership and other things and, in honest, good faith, strongly felt that the Government was ordering him to do something which infringed on his rights as an individual. He said, "The War Labor Board has no power to make me do it, and I just won't do it." The Under Secretary of War, and the Governor of Massachusetts, now Senator Saltonstall, and others, argued with this gentleman, but he was adamant.

The result was we had to take over the plant. Now we were confronted with a problem which was different from the Air Associates because this gentleman felt so strongly about it that he refused to enter into any sort of an agreement; refused to allow the company's funds to be used. So we had to solve that one. We felt if we failed in any of these cases the entire mission would fail and we would leave unsolved the huge problem of removing bottlenecks from production that might get so serious it would really vitally affect the entire production program.

After much thought and effort, the solution in that case was to terminate his contract, go to court on legal proceedings and condemn his property, and make a contract with another company. We did that. We contracted for the output of his plant with another company to enter into and carry on the same conditions as was ordered at the time. That was a difficult operation, as you can see. It was similar to what was done in this World War I case of Smith & Wesson. Fortunately for us, this was the only case throughout the entire war effort where we had to take that procedure. I am mentioning it to show the different types of situations that arose and how they were handled.

After that, there was a lull. For a whole year, or a little over a year, this was the only case. Then in the following spring the situation got acute again. John L. Lewis had been picking up, and a few other things like that. Other situations led to a flurry of interest on the Hill, with headlines, and so forth. The Smith-Connally Act was passed in June of 1943. That is known as the War Labor Disputes Act. It reaffirmed, you might say, the constitutional powers of the President, as Commander-in-Chief, to take this action. It wrote into the statute certain things that we had been doing without express statutory authority, like continuing the same terms and conditions. It made it a crime to interfere with the operation of a plant or industry conducted by the Government.

From the passage of the Smith-Connally Act until the end of the year there was no other case. Then, around Christmas Day, the railroad strike was threatened. That was something that would have been crippling to the whole country. We came in before the strike was pulled. A deadline had been set. The President issued an Executive Order ordering the War Department to take over all of the railroads in the country.

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Now that was the largest operation we had. It involved the largest number of persons, about one million two hundred thousand workers. Our method of operation there was by a declaration of taking over, signed by the President and acted upon by the Secretary of War, as of a certain date--as I recall, the day after Christmas. We took over all the railroads in the country.

Here you go back to the principle of getting management to cooperate, labor being at fault. It was a real problem getting them to stay on the job or go on the job. A brilliant War Department planning job was done there through the Transportation Corps. General Gross, the Chief of Transportation, was designated as the War Department representative acting for the Secretary of War. He, in turn, had the country divided during the planning stage of this operation into different districts. Then we had to have his lieutenants, so to speak, take over and do these things. Our method was to get the leading men, usually the presidents, of the railroad companies in charge of a district. We got, for example, the president of the Pennsylvania Railroad and the president of the New York Central Railroad down here, and before they left the building they were Colonels with Eagles on their shoulders. A lot of the uniforms too did not fit well, although we selected an officer that looked about the size of each prospective colonel and told him to go to his quarters and bring back a spare uniform. But, anyway, those men were commissioned and we had the complete cooperation of management. Fortunately for us, for reasons which I need not go into in detail here, that situation developed in such a way that by reason of this action, or otherwise, the strike was called off and within a few days after that we were able to surrender back the railroads.

Now I am going to mention three other cases, to give you illustrations of some other problems.

After that we had a case out in Los Angeles where the utilities companies' employees went on strike. That threatened the entire production in that area. It was a very serious situation, aside from a great deal of inconvenience--plus to the civilian population. But our interest, obviously, was primarily the threat to production. The problem presented there was, what were our rights where a municipality was the employer? Well, we were able to solve that by treating them the same, for practical purposes, as a private owner.

The next case we had where management was at "fault" was a company making Signal Corps apparatus, known as the Ken-Rad Company, down in Kentucky. There, again, was a case of management defiance. The importance of that case, from our standpoint, was that they would not go along by furnishing their own funds, as was the situation in the Air Associates case. Therefore, we were compelled for the first time to meet a management which said "Now go ahead and run this plant."

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Well could we use Government funds for this operation? Can we use War Department appropriations? We answered those questions affirmatively, went in and displaced the management, used Government funds, conducted the operation "For the account of the U. S. Government". It was taken to court by this company and the Court decided in favor of the Government's contention. So that was what happened in that case.

Then another case we had, involving the same thing, in a way, as the Los Angeles case. This was the Philadelphia Transit Company, which operated the bus lines, streetcars, and the elevated. The situation there was a very critical one. A fight between two Unions brought on the question of the employment of negroes in certain capacities. There was a threat of race riots and a very tense situation which threatened to cripple production in that area.

Ten thousand police were unable to cope with that. Here again, we had to have something in the nature of a military operation. Six thousand troops were sent there ready to man and operate those streetcars and buses. General Philip Hayes, Commanding General of the Third Service Command, an extremely skillful officer, was placed in command. With a great deal of skill and tact he was able to solve this situation which at the time was so acute and was causing so much tension that it might have led to race riots there and elsewhere throughout the country. In a few days we were able to get these people back to work--and without giving in! We carried out the Government's order on that.

This case is important primarily because it illustrates what sanctions or weapons you had at the Government's disposal. We were able, because a war was on, to do certain things which are not available now. First of all, if a man did not return to work, he would be reported to the Selective Service System and have his deferment re-examined or reclassified. He got a deferment only so long as he did vitally-needed work. If he would not do it, why should he be granted a deferment? Suppose, he was working there and did not have a deferment on account of an essential industry. We urged that Selective Service send him to his local Draft Board and take appropriate action even in that case.

If a man refused to work, the United States Employment Service, would not give him a certificate of availability to work elsewhere. So those were the sanctions we were able to employ, and did employ, in this and other cases.

The other case I would like to mention is the Montgomery Ward case. You may well ask there, "How is this mail-order business vital to production?" In the Army, that is what we could not understand. We read their catalogue. We read about their baby nipples and brassieres, but we did not feel we needed any of them. But we were ordered to take over in that case, as a policing agency, to carry out the mandate of the War Labor Board. I suppose that was the penalty we had to pay for doing a good job. Somebody had to carry this hot potato.

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In the early part of 1944, the take-over agency was the U.S. Department of Commerce. That ended up with the picture of the year, Sewell Avery being carried out of the headquarters of Montgomery Ward. Unfortunately for the Army, we got most of the credit, or discredit, for that because there were a couple of soldiers standing by. It was not our operations; it was the Department of Commerce's.

We did get this job because the Department of Commerce got out of this show, after a couple of weeks of having put Sewell Avery on the spot, by saying that a determination was made on a certain point and they asked to be relieved. It was no solution to the problem. It broke in December 1944 and then, to our sorrow, we were elected to go in. We had to operate a mail-order plant, or a substantial part of it.

Nine different cities had places which were in defiance of War Labor Board orders on the part of management. There were, maybe, 150 cities that did not. We had to carve this out and run it. Instead of doing the way the Department of Commerce did, we decided, since we were elected and had to go in there, to give them a blitz. So what we did was on a certain day when we were told to take over simultaneously, we took over in nine different cities and seized those plants, including Chicago. They thought it was going to be a token operation like the other. As a result of that we were able to get control and get into the plants and effect an operation--not highly successful in any of them in the sense that what we were doing was not for production as we conceived it. But we carried out the orders given to us. It was the biggest headache of any of the cases we had. I am just mentioning it to complete the picture.

When V-J Day came, we regarded our job as over in connection with these cases because we needed no more production. That was, after all, the cardinal thing to do. Shortly thereafter we were able to give up possession of all of these plants because we felt that the time had come and the war over as far as we were concerned.

I would like to mention one other thing, as to how we did this. I have not gone into the question of internal War Department procedure. You may be interested in that.

We created teams. We would have someone from the Bureau of Public Relations, from the Labor Section, from the Judge Advocate General's Department, and from Fiscal, ready to act. We would have a little group there that was versed in these special problems. The Under Secretary's Office was sort of the guiding outfit in connection with setting up the operation.

What I want to do is to outline the skeleton of how it was done by describing a particular case.

We would be alerted by the Labor Section that there was an impending strike. We would get a report from Signal Corps, say, if that was the arm of the Service concerned as to the importance of the product. We would be in touch with the War Labor Board. Let us assume the time came when we

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actually felt we would have to take over. This little team would be gotten together. We would confer with the Commanding General--in that case, the Army Service Forces--to pick out a man in the Signal Corps who possessed qualities of leadership, discretion, and who would be forceful because the key to the success of the operation was the man who was selected to operate it. All we could do was to give him a staff of assistants in the specialized field. The War Labor Board then certified to the President. The Bureau of the Budget and The Attorney General were then consulted. If they approved, the Executive Order was sent to the President. If the President decided to take over, the next thing was the timing operation of how to take over.

The way we were able to work this was by making a reconnaissance, so to speak, of what the local situation was. For instance, if labor was out, we would want to get them back on the job. The best time would be for us to take over, say, at six o'clock Sunday afternoon, if the strike was during the latter part of the week. We would then be able to get in there uninterrupted and without any fuss or fanfare. We would be able to get support from the radio stations, get local newspaper support, send out telegrams, or do whatever was necessary, appealing to the workers.

We would arrange with the White House when the Executive Order was signed that we would like a release at six o'clock Washington time. Then we would have our little team out there. At five minutes after six we would take over. We would notify the White House if there were any changes made a few minutes before. Never did we have a case where we did not have synchronization in that way.

Then, of course, the job just began. One of the techniques we employed--it sounds unimportant, I know, but was extremely helpful--was we would have a special wire from the plant to the War Department, whereby they could be in constant touch with us from the moment of the take-over.

That, briefly, describes the situation. Our big problem was to see if we could get it going. I think it is fair to say that the record shows it worked. We were able to get production in every case. In most cases we were able to increase the production that had been at the plant prior to the time of the take-over. We were uniformly successful in that respect. Why? I think the main reason was on account of the urgency of the situation during wartime. Another reason, perhaps, was our ability to use sanctions and appeal to patriotism on either side; also the skillful training job that was being done of getting people versed in meeting the problems one after another.

There is no indication from anything I have said that this technique would work, or should work, in time of peace. Going back to our two main principles, if a worker will not come back to work, how are you going to make him come back? You have none of these wartime sanctions. If management will not cooperate, or do things necessary in connection with it, how are you going to operate the plant? Those are unanswered questions which may be of interest to some of you.

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I will say that there is a record here, available to all of you, which I think is quite important, on the subject of production and this particular thing. Each one of these cases is fully documented by day-by-day reports plus weekly reports plus final reports, many of which are accompanied by photographs and considerable documentation.

In addition to that, a history has been written, or is in the process of being written (about four hundred and fifty pages of which are completed), with full documentation. I am mentioning that to The Industrial College because I, at best, have given you only a rough sketch of the thing; but those of you who are interested can certainly find worthwhile material available, infinitely more valuable than anything I have even touched on today.

Thank you.

(Applause)

CAPTAIN WORTHINGTON:

The meeting is now open to questions.

A STUDENT OFFICER:

Where did the War Production Board come into this picture? You have not mentioned that.

GENERAL GREENBAUM:

The W.P.B. came in mainly to indicate how important the particular plant's production was. In a case where we didn't have a direct contract with an outfit for making a particular tank or gun, or if the Navy didn't, and there would be some basic material, such as steel, or magnesium, or things like that, their job was to tell how important the production was. They became the judge of that in many cases.

A STUDENT OFFICER:

I would like to ask a question. In the S. A. Woods case, my understanding is the Union wanted forced maintenance of membership. The management of the company did not want it. The War Labor Board told management to accept it; management refused.

Now my question is--if you would care to comment on it--what was the legality for the War Labor Board ramming that down the throat of management? My own feeling is that management and labor should have fought that out between themselves.

GENERAL GREENBAUM:

There is a great deal to that point. There is great deal of resentment

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on the part of many outfits now that they have, as you put it, rammed that down their throats. Actually, of course, that is not what happened. The War Labor Board had no power to order that; but your question has a great deal of merit to it in this respect: Take the S. A. Woods case. All right; say they did not order it rammed down their throats. But if a man did not comply, he was forced to take the consequences.

My answer to the question is that, regardless of any personal feeling, if you have a Government agency that, in its best judgment, sets up a standard which it thinks is best, you are to comply with it during wartime, even though you, personally, do not agree with it. Then, if you comply with that, it is for the best interests of the common defense in time of war. Maybe the decision was wrong.

My personal observation, not being in a uniform now, was that there were too many of those maintenance of membership orders given--I can't say orders, but rulings--in many, many of those cases. As a consequence, management was paying much more than they should have had to pay on that. However, I do not think you can just condemn management of membership generally. It is a sound provision in a case, that is, where you have a really responsible Union and where it represents a large majority of the membership. I could go into that further, but I do not want to enlarge on that.

DR. WILLIAMS:

You said before the Smith-Connally Act was passed the power of the President as Commander-in-Chief of the Army and Navy was sufficient to take over these plants. Was there any decision of the Supreme Court which upheld that?

GENERAL GREENBAUM:

No, not of the Supreme Court, that I know of. You see, there were two cases: One was this Ken-Rad case I referred to, which was handled in a Circuit Court of Appeals in some Southern District. The other case was Montgomery Ward. The Montgomery Ward case held in a lower court that there was no such power and the Circuit of Appeals held to the contrary view.

Now I might point out that the Smith-Connally Act does not apply to the railroads. The taking over of the railroads is not authorized under the provisions of the Smith-Connally Act. It had to flow from the powers of the President, and certain other statutes particularly applicable to railroads; but it does not specifically authorize the take-over.

DR. WILLIAMS:

I was wondering if that doctrine would not confer upon the President the power to do almost anything in the field of industrial mobilization if it pointed towards winning the war.

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GENERAL GREENBAUM:

That is the big question you have had in previous wars, much more than in this one. There were multitudes of statutes, with which you gentlemen are all familiar, passed in this war which did not have counterparts previously.

Now in the Civil War, as you will recall, when the war started the Congress was not in session. Not only did President Lincoln suspend the writ of habeas corpus, but there were numerous other things which he did in the industrial field. Of course we were primitive, by comparison, there; but the action of Lincoln there has been, and is, the precedent for many of the things done now.

President Wilson did not hesitate for one moment to do likewise. You have the National Defense Act, which authorized giving orders, or imposing orders, on a plant, but that did not cover a situation like this. It did cover some specialized phases of it only.

A STUDENT OFFICER:

I am wondering if the success of the whole program was not based on your initial move made at the North American plant, by the use of force tactfully and restrainedly. Then, later on, when you cite the case about the railroads, where you put the executives of the companies into uniform and made them all Colonels, that had a psychological effect on the rest of the people in the railroad business. Finally, there was in the case at Philadelphia the threat of drafting men into the Armed Forces. I wonder if those three things weren't the basis for the whole success of your program.

GENERAL GREENBAUM:

That could be. Now we never did, as all of you know, get any universal service law on the books. In the next part of your course, I understand, you are going into a discussion of manpower and there you will see some of the headaches we had as a result of that.

I think you have put your finger right on it.

A STUDENT OFFICER:

Sir, would you care to comment on the legality of the seizure of Montgomery Ward?

GENERAL GREENBAUM:

My comment is not worth very much on that.

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That reminds me of a story. This is where the big day came, and the father came home and his wife said to him, "Well, Johnnie wants to know"-- they had been talking about it for a long time; Johnnie was only seven years old. The mother said, "He wants to know where he came from. You have got to talk to him, Jim."

So the father got Johnnie and told him all about it. When he finally got through-talking, Johnnie had a blank look on his face. The father said to him, "Do you understand what I'm saying?" He said, "I think so." "Does that answer your question?" Johnnie said, "But what will I tell Bill?" "Who's Bill?" "Oh Bill lives next door. He says, 'Where do you come from?' We come from Peoria, Illinois.'" (Laughter)

Now I am not trying to duck the question. As to the legality of the Montgomery Ward seizure, I think it depends upon how the court construes the thing at a particular time. The court did hold--that is, the higher court--that the seizure was legal on the ground that there was a threat to the production of the country as a whole, by reason of this galaxy of strikes, or spreading of strikes, that would result if a man could refuse to work and defiantly put himself over and above the Government's action on it.

We always felt it was nothing much short of being pathetic that several hundred Army officers had to devote months and months of their time to fighting the Montgomery Ward battle, even though some other agency of the Government might well have been properly compelled to do that.

I realize that is not a full answer to your question. My opinion does not amount to much, any way, on that.

A STUDENT OFFICER:

After the condemnation of the Woods plant and the operation by another management, what was the eventual disposition of the plant? How did Wood get the plant back, if ever?

GENERAL GREENBAUM:

We condemned his leasehold to the property. He did not own it, you see; he had a long-term leasehold. We condemned that and entered into an agreement with him. There were two phases to the thing: One was at the time the property was taken over we paid a rental on that leasehold for its use and occupancy; the other was we worked an agreement out with him and gave him an amount which was finally settled on.

CAPTAIN WORTHINGTON:

Thank you, General Greenbaum, for a very fine talk.

(Applause)

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