

ORGANIZATIONS

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CONTENTS

Page

SPEAKER--Mr. James B. Carey, National Secretary-Treasurer  
of the Congress of Industrial Organizations . . . . . 1

General Discussion . . . . . 10

Mr. Carey

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ORGANIZED LABOR AND THE NATIONAL ECONOMY -  
THE CONGRESS OF INDUSTRIAL ORGANIZATIONS.

17 February 1947.

GENERAL MCKINLEY:

Gentlemen, this morning we are particularly fortunate to have with us Mr. James B. Carey.

Mr. Carey attended Drexel Institute, the University of Pennsylvania. He was an AFL organizer and, as such, was President of the United Electrical, Radio and Machine Workers of America from 1936 to 1941. At that time he became a member of the Planning Board of OPM. He is a contributor to many labor journals. Mr. Carey is now the National Secretary-Treasurer of the Congress of Industrial Organizations.

His subject this morning is "Organized Labor and the National Economy."

I take great pleasure, indeed in introducing Mr. James B. Carey.

(Applause)

MR. CAREY:

I represent, I suppose, one of the most misunderstood organizations in the United States, the Congress of Industrial Organizations.

In the course of my remarks I would like to raise some very provocative points. Some of them you will find touch on controversial questions. I make that statement because I expect to rely pretty heavily on the question-and-answer period. I might advise that a great part of my work, as Secretary-Treasurer of the CIO, is answering questions. I am accorded the opportunity, from time to time, of speaking to various types of gatherings and have no objection whatever to answering questions pertaining to the CIO and its activity--with one reservation: the questions will have to be blunt and to the point; otherwise, they will not receive an adequate reply. I assure you the replies to the questions will be in kind.

In addition to the excellent and very kind introduction of the General, I might say that there is also another side of that presentation. Besides holding several titles in the Labor movement, I might advise I have been arrested a great number of times. But I have only been convicted twenty-seven times. You can understand the difficulty I had, upon being appointed a member of the Production Planning Board by the late President Roosevelt. When my secretary reached question No. 15, "How many times have you been arrested, indicted, or convicted? State in detail the occasions and the places, etc.", I dictated a reply saying I was arrested in Bayway, N.J., Camden, N.J. on two occasions, and convicted on each occasion; arrested in Newton County, Iowa, convicted, six months,

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five hundred dollars fine, and gave the reasons. When I got out to Chicago, I said I was arrested four times in five days. I finished (because there was no more room) by saying I had been arrested on a great number of other occasions.

I don't know how the Civil Service Commission, or whoever it was that reviewed that, looked upon it. Of course I felt at the time I was protecting our right of freedom of speech and the right of assembly and a great many of our other fundamental rights.

It is interesting to find that everyone is an authority on the subject of labor. If you have an editorial writer, he is an authority. Every radio commentator is an authority on the subject. You do not need very much to be an "authority" on labor, any more than you need in the Army any credentials to be an "authority" on manpower questions.

However, the only group that is required to win an election is a labor leader. Before a labor leader can speak in behalf of labor he must win an election, conducted under the direction of the United States Government, through the National Labor Relations Board. The CIO has won a great number of elections. Its officers are, therefore, given the responsibility of representing labor in a great number of activities.

The essential difference between the AFL and the CIO is the difference in structure and a difference in attitude regarding many questions. We believe in a program of abundance. We do not believe in restrictive methods. We think all workers should be eligible to labor unions. We believe labor unions should be organized parallel to the organizations of employers.

Rather than get into the question of industrial unionization versus craft, it is better to judge the CIO by recognizing that the CIO organizes a union parallel to the organization of employers. Where you will have a local management, we hope to have a local union. Where a national corporation is organized, we have a national committee to bargain. And where you have an organization of employers in an industry, we have an organization of labor unions in the industry. Where you have a chamber of commerce in the community, we have a local industrial council; where you have a State Board of Trade, we have state industrial union councils. And where you have the U.S. Chamber of Commerce and the National Association of Manufacturers, you likewise have an AFL and a CIO. It is pretty much parallel.

One of the provocative statements I might make is this: We have never, in the world's history, had a revolution from the left where a labor organization of an aggressive nature existed. That is an interesting point and deserves some consideration.

I might also say that in the United States we never had a depression because wages were too high. We have had depressions because profits were

728

too high and prices were too high; but never a depression where wages were too high.

We recognized, in the early days of the CIO, that the labor movement was not aggressive enough. It had to organize in the basic industries. I might add that I have the honor of being the first one to be expelled from the AFL for industrial union activity. I have had more seniority, as an officer of the CIO, than any of the other officers. I have seen presidents of the CIO come and go. I suggested to my associates when John L. Lewis declined the presidency of the CIO (with some assistance from his associates), that it would be a good idea if we put in the personal ad columns of the newspapers of the country a little item: John L. Lewis has left our bed and board, and we are no longer responsible for his actions. I thought that would, perhaps, get across to the people of this country that Lewis was not associated with the CIO any longer.

By and large, the American newspapers are the official organs for American business. Labor unions seldom if ever are able to advertise in the newspapers, result of which the papers pretty much represent the point of view of American business, especially in the field of labor relations.

I am proud of the American economy because I am proud to be associated with the only labor movement in the entire world that supports a free economy. This introduces another interesting point that might be worth considering. We believe, through collective bargaining, we can meet all of the problems of the workers; that we can establish instruments, by getting more people interested in political questions and more interested in consumer questions, to eliminate the causes of depressions in the United States.

So we take off two big bites: One, the labor movement hopes to contribute to the elimination of depressions in the United States. Secondly, we hope to do something about the economic causes of war. We have two major procedures in carrying out that program. The CIO believes we must abolish discrimination in employment; that we cannot have the artificial differences played upon between Negroes and whites, between men and women, and between the peoples of different nationalities. We also sincerely believe we can have full employment in the United States and, in doing so, would be making a contribution to stability in the world.

Our program is somewhat simple. We believe we can eliminate the causes of depressions by increasing constantly our productive ability. In order to do that we have to make certain there will be a market for the products we make. We believe we can increase wages and at the same time reduce prices. That, perhaps, is one of the things that the newspapers have placed before the American public as a conflicting proposition that cannot operate. So I will just cite the experience of Henry Ford as another one that believed in increasing wages and at the same time reducing

prices. He went beyond that and said, "We also give a better product to the consumer."

There is no good, sound reason why, in the United States, we have to have depressions. We believe great strides have been made in the international field. With a depression in the United States we will throw the whole world into chaos and confusion. The United Nations, despite all the fine statements made about it, will not be successful if the United States does not make its first contribution to bring about real stability here and abroad. We believe that can be done. But it cannot be done through the notion that we must constantly increase prices in order to mop-up the meager savings of the people of the Nation. It cannot be brought about if we do not recognize the dynamics in our own economy and go about it in the way that is steeped in the American tradition.

I do not accept the notion that America is conservative or reactionary. I honestly believe that America is radical; radical in the sense of Jefferson, Jackson, Lincoln, and Franklin Delano Roosevelt. Our forefathers found, on one occasion, it was necessary to toss a little bit of tea over some ships to fight for a principle.

I might say to you the most important resource of this nation is the work-habits of its people. We all brag about American production, but we talk too much about the production we do not get. We forget the production that we do get. When we deal with questions of labor, we are constantly abusing these same productive people with two hundred and some pieces of legislation in the legislative hoppers today, all of them directed against labor.

I do not care to have anyone believe, at any time, that labor is perfect by any means. We have our percentage of good and bad. We represent the human frailties that exist in any cross-section of the American society.

But here is another challenging statement: there are fewer racketeers in the labor movement than we have in the United States Congress. On one occasion, in discussing that subject before a Congressional committee, I asked that, instead of making general statements, we get specific. I said that Westbrook Pegler was unable to find a single, solitary racketeer in the entire CIO; if there was one there, I am sure Westbrook Pegler would have found him. But, despite all the talk about labor leaders being racketeers, we can make that challenge to any group, to name a racketeer in the CIO. Of course Pegler will come back with Bioff and Brown and several others, but they were not in the CIO, because when we find them, we get rid of them. We waste no time in doing it, either. That is important because I can cite you, by name, racketeers in the ministerial association or in the chamber of commerce.

You have heard a lot recently about portal-to-portal pay. That is just an example of an item played up all out of proportion to what it really meant. It even went so far that it began to frighten the employers. They were frightened by their own propaganda.

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You have all heard about the Mt. Clements pottery case in Michigan. I wish you could go into some details of just that one case. This poor struggling corporation you heard about--well, it happened to have been owned at that time by the S.S. Kresge Company; it isn't so poor and it isn't so struggling. In other words, the issue involved in that case was not of any great moment. The union was merely asking payment for people who were required to be on the job preparing for the production effort.

We have a simple text to meet that. If the employers charged the customers for the work that was done by these workers, the workers should have been paid for it. If the employers did not charge the customers for the work performed, then the employers should not be responsible. But if the employer charged the customer and made a profit on the item, those workers should have been paid for the time they spent on the job.

In the United States Congress, they pay their members on a portal-to-portal basis. In fact, they go beyond that and pay them from the time they leave their home to the time they get down to Congress. They are paid when they are not speaking and when they are not listening. They are even paid when they are not legislating. They do better than that. They pay Senator Bilbo even when he is under indictment.

Some of these questions are such that it might be well if we got below the headlines and considered them. Now, as to production. We have had some serious difficulties in our past period. A great deal of resentment grew up in the labor movement during the period of the war. Workers were told, "There is a war on. We can't give consideration to your problems. When the war is over, attention will be given to them."

You heard all about the two coal strikes last year and a steel strike. But why not look at them in terms of what was produced. In the steel industry, in the last twelve weeks, I might say, with all due respect to our visitors from abroad, this country has produced more steel than the entire British Empire hopes to produce in the next twelve months; that is, Canada, England, Scotland, and all the others. We did, in the last twelve weeks, more than they hope to produce in the next twelve months. That picture should be presented, I think, when they speak about other questions as well.

We negotiated a contract last year providing for an increase in pay for workers, that was designed to offset the reduction in the weekly take-home pay received. We did that with the assistance of the government. The agreement was that the relationship between wages and prices would be maintained. But the parties to the contract on the side of the employers immediately sought the elimination of price controls and destroyed the contractual relationship of wages and prices.

We are not taken in by this matter of the hourly wage rate. We are

interested in what money will buy. If wages go up and prices go up that amount and more, there is no increase in the hourly wages. It is not only the question of individual hardship. If labor would stand aside and say, "In order to be respectable in the eyes of the American public, labor should now be quiet and not seek increases in wages," labor would be condemning this country to another depression.

That is an important matter that does not receive adequate attention--the role of wages in our economy. It is necessary that wages be increased substantially if we are going to keep our factories in operation. If we want to insure a depression in this country, the way to have one would be just at the moment, to increase rents by the elimination of rent control. But to increase rents will not give us a single, solitary additional housing unit, any more than the increase in prices generally gave us additional commodities.

We think the American public was kidded by the campaign statements made by many of the men aspiring for office when they said we could have a twenty per cent reduction in taxes and at the same time balance the budget. They made a great number of other statements, such as if we could get the government out of business, suddenly we would have all the goods we desire at reasonable prices. Well, as you men all know, things are not exactly that simple. We had to convert a good peacetime economy into a war economy. The same kind of consideration should be given in converting it back to a peacetime economy that was given in converting it into a wartime economy. In fact, we should be able to plan a much better job.

We hope that no one destroys the confidence of the working people in our kind of an economy. We know a campaign has been engaged in for quite some time and the people are becoming more and more restless. I do not care what kind of comparison you use, whether you consider the productivity of the workers in this country and compare it with other countries, or consider the labor movements in this country and compare them with other countries, or consider it on any other basis you may desire, whether you compare the production of this economy and the effort of the workers in this war or the last war, or any other method, you will find, by and large, the American working man and woman makes a real contribution, works hard, likes to work hard, and expects a proper reward in return.

If we fail in our effort to increase the living standards of the people of this country, we are committing a serious act not only against the people of this nation but also the peoples throughout the world. We are sincere when we say to you that if we are unable to meet our internal problems in this country, that hope for a lasting peace will come to an end. We have such a large part of the resources of the entire world developed that our actions here at home have an impact on every other economy throughout the earth.

We think it important to recognize that the way to make the people strong in this nation is to improve their standards of living. If they are given greater opportunity in housing--yes, to have more homeowners in this country will strengthen our nation. Give them greater opportunity in education; give them greater opportunity in health, in clothing, and in food. They are the important things. The important resource of our nation is its people. What you do in the interest of the people strengthens our nation.

We have other interests as well. The CIO believes we have to follow the pattern of our nation in bringing about a better relationship between the workers of this country and the workers of other nations. We helped to set up the World Federation of Trade Unions. Of course that, like a lot of the other activities of the CIO, was condemned because it was allegedly communistic. That is a controversial question I hope to treat a bit later on. I admit we have more communists in the CIO than the--well, the Investment Bankers Association. We have more Communists in the CIO than you have in the Chamber of Commerce or the National Association of Manufacturers.

I might also say the CIO does more to abolish Communism than any other organization in the country because we struggle to eliminate the causes and the conditions that make it possible for the Communists, or any other group of its type, like the Fascists, to grow. We champion the interest of Negroes and reduce the Communists' opportunity of getting strong in that group. We champion the interest of all the oppressed groups. We have to, because they are a part of our movement. By eliminating sweatshops we eliminate the causes that make it possible for Communism to grow.

We also say, "We have to have a better relationship with the people of the Soviet Union." And so we belong to the World Federation of Trade Unions. We have had representatives from the Soviet Union come to this country. I thought it most interesting to take them down to Murphy's basement. That very much impressed them. They saw gadgets that they could buy even while a nation was at war. We were impressing them with the fact that the strength of an economy is measured by the absence of sacrifices on the part of its citizens. We rejected the notion, here and in Moscow, that a Communist regime is going to eliminate the threat of war. We pointed out they had a war in the Soviet Union despite the fact that their nation was Communist. We pointed out that through our democratic processes, we could eliminate the shortcomings of our type of economy. But our relationship with them was not to convince them to accept our way of life. We told them that it would be a waste of time if they tried to convince us that their way of life is the proper one, because we had been to the Soviet Union.

Our job was to get to know each other a little better. We believe that when people know each other there will be less reason for war. We do not believe that the United States Government, dealing with the Soviet government alone, can bring about the kind of relationship that will maintain peace. Governments alone cannot do the job. We think that with the

Trade Unionists of Great Britain, the Trade Unionists of France, and the other nations, we can make a contribution in working out directly many of the difficulties that confront the peoples of the world. So our job is essentially not only wages, hours, and working conditions. We cut across every economic, social and political question, and we do it through the instruments that we create.

All of you gentlemen have heard of the PAC that has had us castigated in this country--I almost said castrated. The PAC was an organization planned to provide better information for the citizens. We did not believe that if Roosevelt were elected to a third term we would have dictatorship in this country. We did not believe some of the other slogans that were used in the recent campaign. We thought it might be a good idea to see how many people were registered and ready to vote in the 1942 elections. We found in some instances seven per cent--some went even as high as nineteen per cent and some went higher; but at the time of Pearl Harbor five million American families had changed their residential areas and, therefore, changed the voting requirement. So they did not vote.

We hoped that in 1944 we would be able to encourage enough interest in the political campaign so that the people would register and be ready to vote. Very frankly, this was our problem. We knew that the man we were supporting for the Presidency, Franklin Delano Roosevelt, was an able politician in the best sense of the word. But his campaign would be a very short one. He was interested in the war effort and had been talking to a lot of people who were not registered and, therefore, could not buy the product he was trying to sell. So we thought prior to the primary dates we should manifest some interest in the political questions. The PAC started out with the problem of giving the voters information on the issues; to see that the members of labor unions, particularly, were registered and ready to vote; to see that they had the records of the candidates aspiring for office in their hands; and to see, also, that they voted.

There is nothing un-American about that, and yet you have read a great deal about the PAC. Well I helped to build the PAC: in fact, I helped to name it. It got its name because my daughter's name is Patricia Ann Carey. I simply used her initials. Later, Mrs. Hillman said, "You know, Pattie isn't going to like this when she grows up." The PAC, if you read the papers, was organized in the Kremlin. That is how it came about. They almost had me believing that I had had something to do with it.

I object to Communists getting the credit that they receive for the good work that is engaged in by aggressive trade unionists. To read the papers, you would think the Communists did something about raising wages when we got the eighteen and a half cents an hour wage increase. Every effective strike we engaged in, you are told that the Communists were the ones that were engaged in that work. Every time we have tried to abolish discrimination in some community, the Communists are given the credit for it.

731

I object to that, not only because it helps to organize the Communist Party, but I object to it because others that participate in this work do not find the Communists nearly as aggressive as themselves, especially when there is a possibility that somebody might get hurt.

It might be a good idea if the American press would just measure that particular issue and call a person a Communist when he is a Communist. But don't call Carey a Communist if he is anti-Communist, because he has the feeling that perhaps some people in the Organized Labor movement might like some of the things he is doing. If they feel he is a Communist they might figure, "Well it can't be such a bad thing, after all." I think we had better be a little more discerning when we start throwing these labels around, to see whether or not we are helping people we hope we are hurting.

At this present period I might say it is pretty tough to be a citizen in a democracy, because in a democracy you get just about what you deserve. You have more than one loyalty; you have all kinds of loyalties. You have to be able to understand so many different issues. You have to be able to challenge statements that are being made. So when you hear about strikes---perhaps there are some that should not be called, but I also think it might be just as dangerous, in some instances, not to have a strike as it is to have one. The shortcomings we have been confronted with, that have been used in every nation in the world to discredit our country, are the things that can be avoided if the labor movement becomes much more militant than it is today, much more aggressive, and much more intelligent.

I say the labor movement is much too conservative in the United States. I think the labor movement had better do something about it. The labor movement's job is not to become respectable in the eyes of the columnist-writers in the American press. Frankly, I say that when the CIO has too many nice things said about it by Fulton Lewis and other radio commentators and by the editors of the American newspapers, I am going to look around to see what is wrong with us.

The labor movement's job in our society is to improve the welfare of its people, not to confine its activity narrowly to members of the CIO, but to raise the standard of all the people. In that way, we can raise our production level; in that way we can reduce the actual cost of the items produced; and in that way our people will have a better standard of living.

Thank you very much.

(Applause)

GENERAL MCKINLEY:

You have asked for questions, so now we'll start. Who has one?

A STUDENT OFFICER:

What specific influence have Communist labor leaders had on the CIO and the labor movement with particular reference to your former Union, the Electrical Workers, and the Allis-Chalmers local?

MR. CAREY:

You have in the labor movement, as I said, Communists. There are several ways of dealing with that question: Do you act to suppress the Communists, or do you challenge the Communists ideologically and organizationally?

In a democracy I believe the best challenge is put up by those that do not desire to use suppressive measures. If you challenge a Communist on a democratic basis, you can defeat the Communist. The big difficulty in that program is that the Communists do not identify themselves. It takes at least two speeches by a Communist to convince workers he is a Communist because so many people in the labor movement who have been called Communist workers get the notion that the practice is a device used by people who are anti-labor. It is used by employers and by representatives of employers to discredit labor groups.

There are far fewer Communists in the labor movement than anyone would think. And, in the same way, there are far fewer strikes. You read the papers and you just read the one side that they present. You have the notion at least fifty per cent of all working people of this country are out on strike at least fifty per cent of the time. There isn't a single, solitary, significant strike in operation at the present time. So all the effort of trying to educate the working people who question the sincerity in the first place, goes for naught.

I think the Union I am associated with is going to eliminate--and they are rapidly doing it, too--any Communist influence in that organization. I was the president of that Union from 1933 to 1941. The Communists had an undue advantage in 1941. I was supporting Roosevelt's foreign policy and the war effort; the Communists were opposing it. Since no one particularly likes war, I had the unpopular side of that question, especially in that early period. I was criticized, of course, by the Communists for holding a couple of governmental positions. As for my being Secretary-Treasurer of the CIO, they said I could not devote the time to the presidency of the Electrical Workers Union. Perhaps they were right. They at least had something that they could use. They said, among other things, I was a warmonger, and so forth. They were able to build up support for their position and they defeated me--not that they had a majority of Communists! Oh, no; they just used the issues that were most attractive to working people.

Unfortunately, the only thing that has stopped labor from engaging in the kind of job labor must engage in to put its own house in order is the fear that advantage will be taken of its own divisions. That is the one thing the Communists are using, and using very effectively. Take the United Electrical, Radio, and Machine Workers, the people in the U.E., that are trying to get rid of the Communists. Our critics will not stop with a Communist but will get rid of all the others that are in any way aggressive or militant. The aggressive people, trying to get rid of the Communists, are really reactionaries.

There are Communists in the U.E. The membership is becoming well aware of it more and more and understanding how to operate without destroying the instrument. They do not care to burn the house down to get rid of the termites, but they want to get rid of the termites and maintain the home and strengthen it.

Now as to the influence of the Communists in a strike--and this is important, I would think. Quite frequently, the Communists can get a resolution adopted dealing with Indonesia or China, but it does not necessarily mean that they can call a group of workers out on strike. The Communist influence does not run to the point, either in the U.E. or in the Allis-Chalmers local, where they can get people to go out on strike. They might get them to pass a resolution, or to ignore a resolution while it is being passed, regarding something that is very remote. But when people go out on strike, they suffer. Those people at Allis-Chalmers are not staying out on strike because some agitator of a Communist nature--I am an agitator, too; I'm called a Communist agitator--made a speech and stirred them up. When they are out on strike for several months, words do not mean very much. In fact, they do not mean much, at any time, with the American workers.

Of course a lot of people have the notion that a labor leader sits in an office, presses a button, and so many thousands of people go out on strike. It's just not so. The workers in the United States tell the labor leaders to go plumb to hell. That happens quite frequently. They do not do it often enough; but they do it far more often with their labor leaders than they do in any other section of our society, or with any other kind of a leader, because we do not talk diplomatic language in our ranks.

As to the Allis-Chalmers situation, I would say that no Communist could stir up that group of workers if they did not have real grievances; or at least if they did not believe their grievances were right. I think that that blame has to be assessed not just on labor, or even on the Communists. You must go beyond that and look to the roots of the situation and the reactionary policies of Mr. Storey of the Allis-Chalmers Company. He is much more responsible for the inability of those workers and management to get along together than any Communist, including William Foster. That is an interesting proposition. You cannot have a labor racketeer unless you have a racketeering employer who is

U.S. GOVERNMENT PRINTING OFFICE

willing to buy him off. I think it might be just as well to deal with it on that basis; deal with it right across the board, not just in one instance.

I think we are frightened about Communists when we shouldn't be. We can deal with them. But the Allis-Chalmers Company, in Milwaukee, is against the idea. If the Union said, "We won't permit Communists to be members of the Union," the people in the Allis-Chalmers Company would go around looking for as many Communists as possible and hire them because they are not particularly frightened about the Communists taking over this country.

By and large, it is a phony proposition; but it is dramatic and it is well played-up. I do not think Joe Stalin has been in Milwaukee; but I do think there are Communists in the local Union. I do not think the Communists should be held completely and entirely responsible for that situation.

A STUDENT OFFICER:

Would you comment, from the CIO viewpoint, on the movement that is taking place in the Adamson Company. Are you familiar with that?

MR. CAREY:

No.

A STUDENT OFFICER:

That is a profit-sharing scheme where management decided to profit fifty-fifty with labor. They found a fifty-four per cent increase in the income of the employees and a hundred per cent increase in profits for management. Can you comment on that?

MR. CAREY:

Well I can comment to this extent: That is the principal question involved in most of the labor conferences that are going on today. We do not have very many arguments today with employers with regard to whether or not unions have the right to organize, or with regard to union security, or any of those questions. The discussions deal with economic questions, such as, What is the fair division of a joint effort of management and labor? Labor contends it has never received a proper break in that regard. They recognize that labor has nothing to say about production levels. Labor has nothing to say about the division--how much goes into dividends; how much goes into salaries for employers, that is, management; or how much goes into the reserve, and these other questions. Labor does know that for every dollar that is held in reserve, it spells one hour of unemployment for some worker. Labor does ask for a fifty-fifty break in the determination of how much of the purchasing power shall go to labor. We think if more went to labor, and if labor spent more in buying commodities, we wouldn't have depressions. We also be-

lieve that instead of having arguments over Union security, or maintenance of membership, we ought to have the proper discussions about the fair divisions.

We came out with the Nathan Report. I had some notion that the CIO should push ahead and say, "Let's have a proper factual picture of our whole economy to see just what is in the wood. Maybe labor is asking for too much--more than the employers can pay." So we took the whole country and broke it down in terms of prices, wages, and all the other factors. We found that the employers could give a twenty-one per cent increase in pay without increasing prices.

Then we said, "Now we'll have a 'little Nathan Report' for each industry and each corporation." That would be one place where it would come in handily. The local union, and not management, would sit down and see what the joint effort has produced and find some way of properly dividing it in order to assure that the consumer power of the workers would be maintained.

As to the methods of giving rewards, they are not perfect by any means. We do not expect perfection, either. If the employer can find some method of sharing the prosperity of the enterprise with the workers, that is excellent as long as the workers understand that management is not using a complicated device to prevent them from getting their proper rewards for the contribution that they make.

Essentially, that is what most of the fights are going on about. We think labor deserves substantial increases in pay. Most of the discussions that are going on in Congress, we think, are designed to weaken labor's bargaining position.

So, as to profit-sharing or incentive pay or straight hourly wage rate, or guaranteed annual pay, all those methods can be used within the policies and framework of the labor unions. We would prefer, of course, some basis on which workers would be assured of an income throughout the year. In other words, we would expect some mill company that has a lot of wagon drivers to treat their workers at least as well as they are required by law to treat their horses.

A STUDENT OFFICER:

What is the position of the CIO with regard to jurisdictional strikes, sympathy strikes, and secondary boycotts?

MR. CAREY:

The CIO has few jurisdictional strikes, mainly because of the structure of the CIO. When we organize a plant, that whole plant is in one unit. The AFL, on the other hand, if they were to produce the gadget that would go on top of a radio microphone, that would be a piece of polished metal; the Metal Polishers would claim jurisdiction over the

workers. If it was made on a lathe, the Machinists would claim jurisdiction. If the controls were run by electricity, the International Brotherhood of Electrical Workers would claim jurisdiction.

The structure of organization in mass-production industries would lead to a lot of jurisdictional fights. The CIO, on the other hand, believes that all the workers producing that item should belong to the same union. As a result we are not too much experienced in the field of internal jurisdictional fights. There are far less jurisdictional fights than people are led to believe. In the building trades they have quite a few. Unfortunately, as I say, the building trades are pretty bad from the top to the bottom. The field needs a lot of reorganization. They operate on some pretty old policies, where the workers get a high hourly wage rate but low annual income. Homes and houses cost too much to have them built. If you want to build a house you have to go not just to one contractor. You have to go to an architect and a contractor and you go all over the place to try to get a house built. That shouldn't be the situation in 1947. I know if automobiles were built on that basis, why, it would cost a whole lot more and you would not get as good a product. In the building-construction industry you have an architect or a contractor for every four mechanics and those four mechanics and their production must pay the top-heavy cost of that industry.

There are a lot of things wrong with it. Some of the jurisdictional strikers are brought about because the contractor receives a cost-plus arrangement and the more jurisdictional strikes you have the higher the cost and the more profit the contractor receives.

I think the building-construction industry is taking steps to eliminate the jurisdictional dispute. The CIO would be opposed to jurisdictional disputes. The CIO would ask Congress to stop the monkey business and give some serious and sound consideration to necessary machinery that would make it possible to reduce the number of jurisdictional disputes in our labor movement.

On the question of secondary boycotts, about the same proposition would apply. A secondary boycott just is not necessary in a labor organization. The Congress should seek to eliminate the abuses of these strikes and establish the machinery to meet it. But secondary boycotts and jurisdictional strikes are used as weapons to beat labor over the head. They are not properly understood, or labor's policy regarding those two items is not thoroughly understood.

By the way, I just want to tell you that from my own personal experience in Union activity, as an organizer, you cannot organize workers by going around and saying to them, "Love me or I'll break your arm!" That certainly is not the way in which to build unions. That is why we don't use that policy. You organize workers by talking with them and convincing them. The workers, by and large, like the unions. You do not

hear very much opposition to union-shop contracts or closed-shop contracts on the part of the people who know most about them. The union-shop contract provides that any person employed by the employer within a period of time shall become a member of a union. We think that is good. I think it is the same kind of policy as we operate in this country: the Republicans are required to pay income taxes during a Democratic administration.

A STUDENT OFFICER:

What is the attitude of your organization on universal military training?

MR. CAREY:

Universal military training, by and large, is opposed by labor. They do not believe that that is the proper method of approach to the objective of world peace and security.

We do not oppose, for one minute, the establishment of the necessary instruments to defend the integrity of our Nation. We do not think that it should be done on a compulsory basis. We think the conditions can be made sufficiently attractive for people to seek a career in the Army. We are not convinced of the need for national service legislation or peacetime conscription, whether it be sugarcoated in the form of the term used, "National Service Legislation" or "one year's contribution to the welfare of the Nation to be served under the direction of the Armed Forces," and all that.

... Labor's position is not based on the old emotional argument that the Army is against labor. It is true that labor feels it has more to fear from a large standing Army than it has from a large Navy. They are impressed with that point. You know you can be jabbed in the back with a bayonet but you can't be jabbed in the back with a five or six-inch gun from a battleship.

The Army has been used occasionally in labor disputes. That is particularly true of the State Militia. There is a feeling, going back over the years, that democracy has a lot to fear from a large military. Therefore, there is some opposition on that basis. But our sound opposition to peacetime conscription grows out of the feeling that our objective is to eliminate conscription throughout the whole world. This is the one nation that can lead the way in that respect; to do otherwise would be taking a step backward.

I think it is a subject that is worthy of a full-meeting discussion and cannot be treated just in the answer to one question.

A STUDENT OFFICER:

Why does the CIO object to labor unions being considered as responsible entities, after due process of law, just as any of us are, as

individuals, or as any partnership or corporation is?

MR. CAREY:

Everyone would be much less responsible in a corporation. I suppose you are speaking now about labor's objection to laws of incorporation.

A STUDENT OFFICER:

That's right.

MR. CAREY:

As an example, to make labor unions suable under the law. Well, it might be of interest to you to know that some CIO unions are incorporated. Also, it might be of interest to you to know that labor unions are suable under the law. I was sued for seven million five hundred thousand dollars. You can imagine my feelings when the United States Marshal presented me with a paper for seven million five hundred thousand dollars. That was out in Ohio in a Little Steel strike. I certainly have a story to tell my grandchildren, if I were to be blessed with any. Personally, I thought the whole thing was silly. I figured out how many years I would have to work to pay it off. It would take hundreds of years, centuries, before I could do it. My friends collected fifty cents and sent it to me.

But, remember, labor unions are suable under the law. We object to the propaganda that labor unions are not, when they are. We object to the nonsense that is used. For instance, I am required to file a detailed financial account of the CIO finances with Congressional committees and also with the Internal Revenue Department. This is a part of the Smith-Connally Act. Yet, you still have people talking about the labor unions, that they should be required to file a financial accounting. There are labor unions of the CIO that issue, in a public way, on a very detailed basis, the certified public accountant's report of their finances. But that is not news. They just play-up the other side.

I say that before the law we are much more responsible than the American corporations. They are much more effective in administering the law against the labor unions, however. I might cite to you in the fifty-seven years of the Sherman Anti-Trust Laws there have been several labor leaders who have gone to jail under that law. Not a single, solitary businessman ever spent a night in jail despite all of their violations of the trust laws in this country.

So, gentlemen, don't be kidded by the statement that labor unions are not responsible, or not suable under the law and not subject to arrest and being haled before the courts, and things like that. That, I can give you testimony on.

725  
A STUDENT OFFICER:

We are interested in the amount of control we have over manpower in time of war. I would like, if I may, to get your ideas on the "no-strike" attitude of labor, with all agreements settled by arbitration; also whether you believe in the "work or fight" idea, that is, working in essential industries, and so on.

MR. CAREY:

I think the citizens of the United States, as did the people of Great Britain--the labor leaders and working people of Great Britain--thought a "work or fight" order was just a method of indicting all the people of the nation, especially the working people. All those statements made during that period were just silly because they were made by people who didn't understand people.

We know, in the labor movement, that there wasn't an Army post in the United States that didn't have a guardhouse on it. We all know men went AWOL. More people went AWOL in the U. S. Army than went on strike in the production effort. But the labor unions had better sense than to challenge the Army and say, "The members of your forces are unpatriotic. They are not doing everything possible. Some of them are going AWOL." We didn't constantly harp on that. We would say, "If a man commits an act beyond the call of duty, let's recognize that." We would play-up on a good, sensible morale basis the good features--at least the good as well as the bad--and not constantly harp on the bad. In the labor movement it is quite the same way.

(Discussion off the record.)

I believe, if we recognize that it might be important to get labor's point of view on these subjects, that you won't find them unpatriotic or unwilling to do more than their share in any national effort. When these men went out on strike during the period of the war (they went out over the objection of the labor organizations in this country, that, by and large--in fact, almost without exception)--they changed the work of a labor organization from the job of getting increases in pay and better working conditions to one of stabilizing wages and suppressing activity on the part of workers to improve their standards. From an instrument that was originally established for the conducting of strikes in necessary cases, unions were turned into organizations to prevent and suppress strikes.

Unfortunately, in many cases, we tied the valves down too tight and they blew up in our faces. But you have that in any place where you deal with human beings. The important thing was to try to get the production out. So, when I asked anybody what were the results of the "no-strike" pledge in the course of the last war and measured it according to figures--I was in a position to get the figures--I found that, by and large, they were doing a good job. They were doing an exceptional job. In fact, in one month in one year of the war effort they produced three times more goods for the Armed Forces than this Nation produced in the whole nineteen months of the last war. That was in one month.

- 17 -

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When you think in terms of the kind of output of American industry, there might have been at least one decent word said about the contribution of the American worker. A lot of them worked under conditions that, in normal times, they would not have worked under. These workers, you see, had brothers, fathers, sons and daughters in the Armed Forces.

Now I am not in any way asking for any sympathy. All I ask is that you remember that fact because I know you were subjected to a great number of headlines and a lot of articles presenting the number of strikes we had in the country. There wasn't sufficient information produced--as to our production reserve--the kind of jeeps, the ships, the guns, the tanks, and all the other things we had.

A STUDENT OFFICER:

You have given a very good answer to that question. However, we are considering that problem from this angle: If we should have another war, it will be on a far greater scale, far more destructive, than we had in the last war and it will be here.

Now, then, during the Second World War it is conceded that we scraped the bottom of our manpower barrel. Perhaps by more efficient operation we could have gotten more production. But we still believe--at least we in this school believe--it is going to be impossible to increase our production to meet our requirements just by efficiency. We think some sort of universal control over labor, to put it where it is required, would be necessary to meet the requirements of another emergency.

What is your suggestion, looking at the crystal-ball and gazing into the future, on that?

MR. CAREY:

Well, we'll start off from a different point of view. I might present it on this basis. In a military setup, the authority will come from the top, down; in a labor union, the authority comes from the bottom, up. That is why there isn't sufficient understanding of the way a labor organization operates. You have that situation. I am not saying the labor leaders are without power. They have tremendous power. I hope they have responsibility that equals that power, but not through constitution, or not through all the other devices of controls.

They have the power that grows out of being right over a period of time, giving proper leadership, giving a good accounting of their stewardship, and things of that type. In American industry, if you look upon American industry as either one of those two, then you don't have a proper conception of American industry. You have both: you have authority coming from the top and also from the bottom.

It is not a question of controls. It is, rather, a question of leadership. Often, in an industrial plant, you can get more production by leadership than you can by just giving orders or barking out arbitrary decisions.

I would say, as to the problems, I do not think we will ever have a complete absence of discord or dispute, even during a period of war, regardless of the laws you enact, whether it be the Smith-Connally Act (which I thought was silly and didn't work but which created more strikes than it solved problems) or any of these other devices. There would be no more effect than in passing a law abolishing head-colds and saying, "You cannot have a headcold in the United States for fear somebody else may contract it." In American industry, in the production effort, you can develop production in periods of peace. I believed in the TVA. I thought it made a contribution to the war effort. I think that developing our resources in peacetime is one of the most effective ways of preparing for a war. TVA gave us the power to produce the aluminum that made it possible to build some planes. If we increase our hospitals in this nation, and build better roads, if we improve all of these shortages that exist now by increasing our production in this country, we will be prepared in that sense on a production-front for war.

The most important thing we have to do is to find the best way of mobilizing all of our resources. If we keep them mobilized at high levels of production, in fact, full production, in times of peace, we are better prepared for war than if we had studied all the methods of controlling people and had lined up the factories' blueprints on how to put people here and how to shift them there.

You are right about the nature of the next war. In the next conflict, even more than in the past one, everybody is going to be in it. They might as well understand that right at the beginning. The civilians are going to be in it just as well as the people who serve in the Armed Forces. True, their assignments may be quite different.

But as to relying on controls to do the job, I would say that it is the same as relying on some wall set up between Germany and France. Methods will be found to breach it. It will not solve the problem. If we build our economy in times of peace, if we are able to produce steel in abundance, and aluminum, and produce all of the other things that are considered essential, that is the way, in our opinion, to be prepared for an attack from within or from without.

A STUDENT OFFICER:

I didn't mean controls in the sense of settling disputes. I mean the fact that perhaps there will be price controls and there will be wage levels set. Now, then, there will be no incentive for labor to move from one area to another because of higher wages. They would be controlled.

By what method is the Government going to transfer labor to an area that needs labor? By that I mean there is no wage incentive to draw it there. Therefore, it would seem to me the Government would have to have some method by which it could move labor to the required industrial places.

MR. CAREY:

Colonel, if you will study the past record you will find there has been a tremendous movement of people in this country without manpower controls to the extent that would be called for in, say, national service legislation. We would have no serious need of blueprints to pick people up in one place and put them down in another. The American workers are accustomed to moving about wherever jobs exist. The wage question is only one of the incentives. But American industry, by and large, should be organized with controls in the event of a situation where we had to strain our productive facilities.

It was not just a question of moving people that was considered under manpower legislation. When you move a family, or move a worker, you have to move the community services as well. There wasn't sufficient consideration given to the schools and, yes, hospitals and sanitary facilities, homes, and things like that. All they did in some places was to look hard to see if there was a vacant lot where they could build a plant, or get it close to the natural resources (steel or something else), or to get it close to the point of departure. There wasn't sufficient consideration given to all of the other factors that have to be taken into consideration when you establish a plant.

As far as the mobility of labor is concerned, that is greater than the mobility of the community services. So I don't think it is a problem that has to be too carefully studied. We can convert the American economy into a wartime economy without a great deal of moving about, and without a lot of laws that make it appear to be solved when it isn't. The mobility of the labor force in this country is great; it isn't low.

GENERAL MCKINLEY:

Mr. Carey, I think we will have to break off this discussion, enlightening as it is. We would like to go on forever, but that would be impossible. You have been very generous. We thank you very much, indeed.

MR. CAREY:

Thank you, General.

(Applause)

(2 April 1947 -- 350)E