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UNION ORGANIZATION AND GOALS--PRESENT AND FUTURE

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Mr. George M. Harrison, President, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, was born in Missouri in 1895. In 1918 he became general chairman of the Missouri Pacific Systems Brotherhood. Since 1928 he has been President of the Brotherhood of Railway Clerks. In addition, he has served on numerous governmental boards and public commissions. He has also been chairman of the Railway Labor Executives' Committee.

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UNION ORGANIZATION AND GOALS--PRESENT AND FUTURE

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GENERAL HOLMAN: Gentlemen, this morning we resume our studies of labor-management relations. Specifically our lecture will deal with union organization and its goal, present and future. Our speaker is Mr. George M. Harrison, President of the Brotherhood of Railway and Steamship Clerks. Mr. Harrison has been a consultant on many occasions to the Government. He has served our country in many capacities. His experience as a leader of organized labor dates back many, many years. He has recently taken on new duties as the adviser and special assistant to Mr. Charles E. Wilson, the Director of Defense Mobilization.

I feel that it is a real privilege for the Industrial College this morning to be able to hear the views of a man who has had the experience and has the breadth of knowledge of Mr. Harrison in this field.

We certainly appreciate your coming here today, Mr. Harrison, and have been looking forward to hearing you. We welcome you to the college and to this platform.

MR. HARRISON: Thank you, sir. Good morning, General Holman, gentlemen, and members of the Industrial College. I very much appreciate this opportunity of coming here and meeting so many members of the college. I received the invitation and was happy to respond, because I always enjoy the opportunity of presenting the views of organized labor to the different groups of people in our country, and I am especially happy to have the privilege of talking to members of the military organizations. I don't profess to have any special knowledge, but I have come in contact with many of the problems of labor and management in the past 30 years. I want to begin by emphasizing that the conflict now in progress all over the world between Communists and their opponents is primarily a question of the condition and the status of working people. The Communists have extended their power over a large part of the globe and are threatening other large sections, almost exclusively on the basis of their appeal to the working people of all nations. That body of theories that they refer to as Marxism, or Lenin-Marxism, the gospel of the Communists today, is no more than an interpretation of the relations between wage earners and employers, written up into an explanation of all history and all human conflict.

We cannot hope to understand the situation within the Iron Curtain countries, and within those countries where Communists are a real threat to established governments, unless we understand the unending

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struggle of working people everywhere to win for themselves greater security, higher living standards, and a greater voice in determining the conditions under which they must live and work. Those aspirations are natural to every human being; when those aspirations are not given opportunity for expression and realization, the Communist, with his insidious appeal to revolutionary violence, can always find willing ears. That appeal will get no significant response in this country so long as our unions remain genuinely free.

We in America speak proudly of our free labor, of our great labor organizations, and of the high living standards and the respected place we have won for the wage earners of the Nation. But you will not understand even our own labor unions and their programs unless you realize that the freedom we have today has been gained only by bitter and sometimes violent struggle. Our wages, our working conditions, and our union influence have been so recently won that we not only remember the conditions from which we rose, but we also have a real fear that these things may be taken from us. It is literally true that we are fighting, daily, on a hundred fronts within the United States, to maintain what we have gained. It is also true that hardly a session of the national Congress or a state legislature goes by without some misguided antagonist of labor attempting to take away some part of the legal protection we have so painfully secured.

You will understand union organization better, and you will approach closer to an understanding of the appeal of the Communists, if you keep in mind the fact that everything dear to the working man ultimately depends on what happens on his job. The food, clothing, and shelter of his family, the education of his children, the security against unfair discharge, against sickness, against old-age dependence--all these things are determined in his pay check and in the agreement between his union and his employer. The Constitution of the United States means more to the working man perhaps than to any other part of the Nation; it took us decades of savage economic and political fighting to get that Constitution and its guarantees of human freedom applied within the mills and factories of this country.

Let me be a little more specific about that. Labor unions, in the early years, mostly started as spontaneous protests against some employer action. When a notice of a wage cut was posted on the bulletin board, the men would go in, in a group, or would send some impromptu committee in, to protest. The employer's first reaction was to fire that committee. He blacklisted those leaders, so that they could not get work anywhere at their trades. He hired sluggers, gunmen, and spies through some private detective agency. He went into court, with some eminent lawyer, and got injunctions making it illegal for his employes to form or join a union. He, or his detective agency, concocted charges against union organizers and had them thrown into jail.

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He turned his factory into a little totalitarian despotism, ruled by his own whims, prejudices, and greed, with a tight "iron curtain" to keep out every vestige of democracy and human freedom.

Labor fought these weapons and tactics by extending organization wherever possible, by court action, and by persistent political efforts to secure remedial legislation. Scattered unions first formed federated bodies in local communities and later organized in national craft unions. The need for a federation of national unions was recognized, and, after several unsuccessful attempts at federation, the first really permanent organization--The American Federation of Labor--was set up at a meeting in Pittsburgh in 1881.

From the first, the Federation sought to defend its members by legislative as well as economic action. The first victory was in the labor sections of the Clayton Antitrust Act of 1914, defining and restricting the use of the injunction in labor disputes, and exempting labor unions from antitrust laws. The Railway Labor Act of 1926 went much further in protecting the right to organize, but its terms applied only to railway employes and proved difficult to enforce. The Norris-La Guardia Act in 1932 prohibited the use of injunctions in labor disputes, and in 1935 the Wagner Act declared it to be the policy of the United States to encourage collective bargaining and to give full protection to workers to organize.

Under these and related laws, the American labor movement has grown from a membership of 3.5 million to the present total membership, in the AFL, the CIO, the railway brotherhoods, and other independent labor organizations, of more than 15 million.

The structure of these expanding organizations has become very complex. The American Federation of Labor, which I represent in speaking to you today, has more than 8 million members in its 110 affiliated national and international unions. In addition to these unions, the Federation has 5 departments, 50 state branches, 819 city federations, and 1,200 directly affiliated local unions. Each of these segments of the Federation has its own purpose.

The dominant unit in the American labor movement is the national or international union (the international organizations are those with membership in Canada as well as the United States). These unions were formed by bringing together the local unions of workers in the same trade or occupation. National organization was found to be necessary for protection of the workers against the efforts of competing employers to gain business by reducing costs through wage cutting. But as the unions grew, national organization brought many problems; in particular, a single employer might be turning out different products, or he might shift from one to another product. The clear-cut lines between occupations and unions became less distinct. Questions arose as to which

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national union should accept local unions formed in new establishments with new products. The difficulty has been solved to a great extent by agreement upon the scope of the national unions, but naturally the new methods of production and new products of American industry make this classification of local unions and of union members a constant problem. The national unions, too, have varied, and the Federation now includes some with industry-wide scope, some with groups of related occupations in an industry, and others of single craft cutting across industry lines.

Although the great bulk of the economic interests of employees in a single occupation may be protected adequately by their national union, it is frequently true that some interests require joint action by several international unions with members in the same industry. To facilitate such joint action, five departments have been established within the American Federation of Labor; these are Building and Construction Trades, Metal Trades, Railway Employees, Union Label Trades, and Maritime Trades. Similar local bodies are created in cities or states, or to deal with particular employers, throughout the country.

The state branches of the American Federation of Labor include local unions within the several states, and local federations of unions. These state and local federations meet for exchange of information and for mutual assistance in their collective bargaining problems. It is through these organizations, also, that political and other community problems affecting all labor within the city or state are discussed and handled.

Coming, finally, to the local unions directly affiliated with the Federation, we have those groups which have not yet been classified, as to the national unions where they properly belong, or those in industries not yet well enough organized to justify a new and separate national union.

This, in short, is how the American Federation of Labor is set up organizationally to achieve the economic and social objectives of American workers. Now I should like to discuss with you what those objectives are.

From its earliest beginnings the American labor movement has had as its basic objective the improvement of the economic lot of the worker. As our movement has grown larger and stronger, its program naturally has widened in scope, but, however much it has extended and expanded its major emphasis has always been--and doubtless always will be--upon increasing real wages, reducing the number of working hours, and improving working conditions generally. The American worker today wants to work in a plant where air and light and heat are sufficient to maintain good health, where every modern safety device protects him from injury, where he can count on regular

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employment without periodic layoffs, and where he will be employed according to his abilities and not be discriminated against because of the color of his skin, or his religious affiliation, or the country from which he or his parents came. And he wants to be assured that upon reaching retirement age he will have a pension adequate to enable him to complete his years with dignity and self-respect.

As I am sure you are all aware, the American Federation of Labor believes in democracy on the job, in the community, in the Nation, and in the world. We are opposed to totalitarianism in all its forms, whether from the right or from the left. This country is committed to the democratic system. The American Federation of Labor is now, and has been from the days of Samuel Gompers, committed to the continuance of what is popularly termed the American competitive enterprise system, as the best means of achieving its goals for its 8 million members.

But labor has learned that this competitive enterprise system, with the profit motive dominant among the owners of industry, can develop serious abuses. Government, at one end of our national structure, seeks to prevent and correct such abuses by legal regulation, in such laws as the Interstate Commerce Act, the antitrust legislation, Fair Trade Practices Act, and many others. At the other end of our economic system, the labor movement has developed collective bargaining, as the only effective and democratic method of preventing abuses in employment practices.

Inevitably, in this collective bargaining process, the discussions between labor and management go far beyond immediate grievances and abuses. Union representatives find out frequently that the situation they complain of has its roots outside their own industry and cannot be cured by management. Management representatives learn of injustices and inefficiencies which they had not suspected. Large areas develop in which both find they can cooperate to the mutual advantage of employer and employee. The more enlightened employer learns that high wages usually mean low labor costs; the intelligent union official quickly realizes that only an efficient, well-run industry can assure good wages and working conditions. Without eliminating or supplanting the profit motive, it has been found possible to make our industries satisfy increasingly the needs and desires of all our people. With that expansion in the living standards of American workers, many American business leaders have come to realize that high labor productivity, stable and expanding business activity, and secure profits, all depend upon the payment of wages that permit steadily rising living standards. There is also abundant evidence that pressure by labor unions for better wages and working conditions has caused industrial management to continually seek new and better methods and processes of production. Much of our industrial progress has come from this source.

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Conferences with employers have frequently convinced labor representatives that they must seek remedies for many labor difficulties outside the collective bargaining process. The American Federation of Labor has taken an active part in supporting laws to promote general education, to limit child labor, to protect women in industry, to insure industrial safety and to compensate the injured, and to set up systems of old age and unemployment compensation.

But there remains much to be done. In recent sessions of Congress, we initiated and supported much social legislation which would be of benefit to trade-union members as well as to all workers. For instance, the law which widened the coverage of social security benefits to include agricultural and domestic workers and increased the benefits for all classes covered by the original act was actively supported by the Federation. But even in this piece of social legislation the ideal is only partially achieved. There are many defects in our social structure which still need to be remedied. The Federation has long urged and worked, for example, for the enactment of an adequate national health insurance law, legislation to provide low-rent public housing, a more equitable distribution of taxation, a Fair Employment Practices Act, and a law to prevent the exploitation of migrant agricultural workers and the employment of Mexican "wetbacks."

In working for the passage of this and other good labor and social legislation, the Federation has always followed the advice of Samuel Gompers, "Reward your friends and punish your enemies," and has maintained a strict nonpartisan political policy, with the members of affiliated unions making their own political decisions. Until recently we had no national agency to carry on a campaign of political education, to implement this nonpartisan policy, and to coordinate the work of the various affiliated bodies, before the 80th Congress passed the Taft-Hartley Act. This is neither the time nor the place for me to go into all the sections of that act to which labor objects so strenuously. It is sufficient for me to say that all branches of American labor favor the repeal of this act, which was, as President William Green aptly puts it, passed "to make strong unions weak and weak unions weaker." The enactment of the Taft-Hartley Law demonstrated to the Federation the need for a national agency to carry on a strong program of sound political education and effective action among its members.

To meet that need the American Federation of Labor, at its annual convention four years ago, voted to set up Labor's League for Political Education on a nation-wide basis, with headquarters in Washington and branches in each state. The political action program of Labor's League for Political Education is financed through the voluntary contributions of trade-unionists. Through the League,

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members of the Federation work for the election of legislators who favor the repeal of the Taft-Hartley Act and favor the passage of social and labor legislation, and the defeat of those who have proved that they oppose such measures.

Labor, in working for the enactment of general social legislation on a nation-wide or state-wide basis, feels that it is working for the good of all citizens of the country. In seeking such legislation labor frequently unites with farm and other community groups which are interested in these same objectives. At the local level labor is cooperating in all types of activities for community advancement.

As labor is concerned with working for and with our neighbors in our local communities, so we are concerned with working for and with our neighbors in the world community. With the vast majority of our fellow Americans we have come to realize that it is no longer possible for the United States to remain isolated; we are now neighbors of the whole world. The extension of Communist domination over even a small country half a world away jeopardizes our own democracy. It is needless for me to speak here of the bitter conflict now raging all over the world between the forces of democracy and those of totalitarianism. The American Federation of Labor is now in the forefront of that conflict, uncompromisingly hostile to every brand of totalitarianism, communism, Fascism, Nazism, Falangism, Peronism, or just straight military dictatorship. We are devoting more and more of our time and resources to the struggle to preserve human freedom and decency. Without organized labor's full and energetic support, neither America nor the other countries outside the Iron Curtain can stop Communist Russia's nefarious conspiracy for the domination of the world.

Most of you, I am sure, recognize that labor is the pivotal force in the world-wide struggle against communism. The Communists can neither capture nor hold power in any country without first controlling its workers through their labor unions. So long as the workers of a country have the right to organize and join democratic trade-unions, Communists cannot destroy its economy by establishing permanent martial law or slave labor camps. In Czechoslovakia and Eastern Germany, for example, it was through seizure of the unions that the Communists were able to paralyze the economic life of the country and turn over its industries, resources, and manpower to their Russian masters.

The AFL has a consistent record of being absolutely and unreservedly opposed to the Soviet dictatorship. We have fought the Communists and their fellow travelers wherever they have appeared here at home and have used all our resources to drive them out of our ranks whenever they have tried to infiltrate our unions. The American Federation of Labor is the only trade-union organization

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in the world which has never entered into any direct or indirect partnership with Communists or organizations controlled by them. For instance, toward the close of World War II, when practically every other trade-union organization in the world joined hands with the Soviet-controlled trade-unions of Russia and its satellites to organize the World Federation of Trade Unions, the AFL alone refused to join or to have anything to do with it. After four years of almost singlehanded struggle, we finally were successful in convincing the other free labor organizations that the WFTU was being used not to promote the welfare of the worker but merely to advance Soviet world domination. Every free democratic trade-union in the world finally withdrew from the WFTU.

In London in December 1949, largely through the Federation's efforts, a new world labor organization was set up--the International Confederation of Free Trade Unions--in which the free trade-union organizations of 63 countries, representing over 53 million organized workers, now join to promote democratic trade-unionism throughout the world and thus raise the standard of the workers of all countries. Recognizing the importance of this new organization, the discredited Russian-dominated WFTU addressed a hypocritical appeal for cooperation to the International Confederation of Free Trade Unions Congress, held in Milan, Italy, last July. This Congress, to which I had the honor of being a delegate from the AFL, replied to this appeal in effect as follows:

"You cannot join with us until you first abolish the hateful practice of slave labor. You cannot merge with us until you permit free trade-unions, free of government domination. You cannot work with us until you give up the right to make war against us and agree to submit to peaceful procedures for settling disputes. You cannot mingle with us until you lift the Iron Curtain and allow us to mingle with your people. You cannot fraternize with us unless you renounce force and conform to the rules of human justice."

In this new world labor organization whose importance is increasing day by day, the American Federation of Labor plays a leading part. We have representatives among its officers on all key policy-forming committees. Because of our vital concern for the expansion of true democracy throughout the world we supplement our activities in the ICFTU in many ways.

The AFL has a standing Committee on International Affairs and, in addition, we have a special agency--the Free Trade Union Committee. This committee helps to develop free trade-unions and their members all over the world into true bulwarks of democracy and militant opponents of totalitarian aggression. In this connection, the AFL

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does not lose sight of the more humanitarian aspects of the picture, and through its Labor League for Human Rights provides food and clothing for needy independent trade-unionists who have upheld the democratic ideal against terrible persecution. The FTUC publishes pamphlets and books and, in particular, the monthly "International Free Trade Union News," which appears in four languages--English, French, German, and Italian. This publication reaches the homes of many thousands of workers all over the world; in fact, there is not a country in the world which does not receive it, copies having been smuggled into the lands behind the Iron Curtain. This we know from the mass of letters we receive from readers of the bulletin who ask all sorts of questions about America, affording us a chance in our replies to counteract the vicious propaganda being spread by the Communists.

The printed word can do a good job, but meeting face to face is even better. For this reason the Free Trade Union Committee has been host to a large number of trade-union delegations from other countries, who travel about our country, meet fellow trade-unionists in the various industrial centers, and carry back to their own countries the true story of democracy at work as they have seen it here.

The American Federation of Labor also maintains representatives and bureaus abroad. We have a representative in Europe--with, in addition, a special one in Germany; one in India; and one for Latin America. In Formosa we have a bureau which maintains extensive contacts with the growing resistance movement on the Chinese mainland. These representatives and bureaus, which form a liaison between free labor in America and free labor in other parts of the world, are important outposts for the preservation and promotion of democracy and the prevention of Communist infiltration.

For a number of years the AFL was one of the nongovernmental bodies in the Economic and Social Council of the United Nations. Today we are represented there as an affiliate of the International Confederation of Free Trade Unions. Through our representative at the United Nations, the Federation took the initiative in proposing the draft of an International Bill of Human Rights, which in large measure served as the basis of the International Human Rights Bill later adopted by the U. N. Also, the AFL consultants were the first in the U. N. to bring up the issue of slave labor in Russia. The map which the FTUC prepared to show the location of slave labor camps in Russia, which has been widely circulated, has gotten under the skin of the Kremlin. Some of you within the past two weeks may have seen a news dispatch to this effect. Our documentation of the charges before the U. N. exposed the slave nature of the whole Russian economy, which affects factory workers as well as the actual inmates of slave labor camps.

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580 Our interest in international affairs is not of recent origin. It was our own Samuel Gompers who in 1919 at Paris helped to set up the International Labor Organization as a component part of the League of Nations. This agency--the only part which remains of that ill-fated organization--is now one of the Specialized Agencies of the U. N. Down through the years the AFL has supported and has sent its representatives to the annual conferences and other meetings of the ILO, which is striving to better the lot of workers throughout the world.

In the present world crisis the Federation has firmly supported the foreign policy of the United States. We believe strongly that a democratic foreign policy will be efficient only as our citizens participate in its molding. Therefore, the AFL has from time to time made practical and timely suggestions in connection with the crisis in China, the war in Korea, the effort to democratize Germany, and the establishment and efficient functioning of the Marshall Plan. We rallied the forces of free trade-unionism behind the Marshall Plan and thus dealt the decisive blow to the Communist attempts to sabotage European reconstruction. So too, we have been active in support of the North Atlantic Alliance, one very definite contribution to its success being our efforts to counteract the Communist propaganda and persuade European dock workers that it was in their best interests to unload munitions for the North Atlantic Treaty Organization countries.

We are doing our best to help bring economic and political freedom to workers all over the world. That is essential to the peace of the world. The fight against Communist totalitarianism cannot be won on the battlefield alone. In the last analysis, the fight for human freedom and decency will be won in the factories and on the farms.

It must be obvious that the time limitations of this talk have not permitted me to explain in detail all our goals and objectives, but I hope I have made one thing clear to you: That the goals for which we are striving are not for ourselves alone but, indeed, for all the citizens of our great country and of our great world. Perhaps no one has expressed the ideals of the American labor movement more clearly or more dramatically than has Samuel Gompers, the founder of our great Federation, in these words:

"What does Labor want? Labor wants the earth and the fullness thereof. There is nothing too precious, there is nothing too beautiful, too lofty, too ennobling but that it is within the scope and comprehension of Labor's aspirations and wants. We want more schoolhouses and fewer jails, more books and fewer arsenals, more constant work and less crime, more leisure and less greed, more justice and less revenge; in fact, more of the opportunities to cultivate our better natures, to make manhood more noble, womanhood more beautiful, and childhood more happy and bright."

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I understand that I am to answer some questions. To the extent I am able, I shall be happy to undertake that burden now.

QUESTION: Mr. Harrison, I wonder if you would try to reconcile these two statements which you quoted from Samuel Gompers, one in the early part of your talk and one in the latter part of your talk. As I remember it, you said Mr. Gompers' expressed wish was to reward his friends and punish his enemies, and in the last statement, I recall some advice about avoiding revenge. Will you try to reconcile those two statements?

MR. HARRISON: It is the policy of the American Federation of Labor to strive for economic and social improvement for all the people of the country. We think the Members of the Congress should be conscious of their responsibility to all the people; when we sponsor measures in the interest of all the people, we expect those public servants to support them. We have in our Congress some representatives who serve the special interests, and we wish to defeat them. We want to reward those representatives in Congress who serve all the people. That I think, reconciles the philosophy. First, we are for the general welfare, and we want to get rid of the special interest advocates.

QUESTION: Mr. Harrison, I am interested in the railway situation, which appears to be again rearing its ugly head. Back in August 1950 when the Government seized the railroads, we apparently played our trump card in whatever railroad dispute might arise in the country. You, as president of a union, and as adviser to the Government, are probably going to be faced with the problem very soon. It appears that another railway union will go out on strike very soon, and this time it will be against the Government. What do we do now?

MR. HARRISON: I will be glad to try to answer that. As I recall it, some 16 months ago the Brotherhood of Railroad Trainmen and the Order of Railway Conductors--it is important to remember those two names--were bargaining with the railroads of the country for a reduction in hours, changes in their working conditions, and a raise in wages, and on demands filed by the railways for some changes in working conditions. There were demands from employers and demands from employees in the bargaining. They were unable to effect a settlement in the collective bargaining procedures and, under the Federal law known as the Railway Labor Act, the services of the National Mediation Board were invoked. That Board failed to effect a settlement or reconcile the differences through mediation. Arbitration was proposed to the parties and they declined.

Under the Railway Labor Act, the President intervened and appointed a fact-finding commission known as an emergency board. Under the law, when the President issues a proclamation intervening,

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both parties are legally prohibited from changing the conditions at the time existing. They must go through the fact-finding procedures. Then, for 30 days after the fact-finding board files its report with the President, the status quo ante must be maintained. That occurred in the case of the trainmen and the conductors. These unions decided that the recommendations of the board were unsatisfactory; they threatened to strike, which was their right, since they had exhausted all the procedures of the Railway Labor Act. Whereupon the Government, on the twenty-fifth of August last year, effective the twenty-seventh, seized the railroads and placed them under the jurisdiction of the Army for operation.

Subsequently, the engineers and the firemen began negotiations with the railways for improvement in wages and conditions and hours of work. The railways in turn sought some changes in working conditions. They were unable, through the collective bargaining process, to reach an agreement. Mediation ensued; they were unable to effect any settlement. A proposal was submitted by the Mediation Board for arbitration. The railroads, as I understand it, agreed to arbitrate their demands for changing working conditions, but refused to arbitrate the demands of the unions for improved working conditions. The unions were agreeable to arbitrate both proposed changes.

That is where the matter stands now. The Railway Labor Act provides that in a situation of that kind the President might intervene by the appointment of a fact-finding board if, in his judgment, he feels there is a threatened interruption of transportation. I can't speak with authority--I am not the president of that particular union but, I assume, and I think my assumption in this case probably is a good one, that the Brotherhood of Locomotive Firemen and Enginemen have gone through the technical threat of an interruption in order to bring about the appointment of a presidential fact-finding board. They have been trying for a number of months to get a consideration of their problem before some tribunal and, since they were unable to agree on arbitration, this is the only possible opportunity of getting a tribunal to hear and consider the case.

I don't assume, with the railways now in the hands of the United States Government, under the direction of the Army, any of the railroad unions are going to strike. We have already had enough experience to feel that the courts will issue an injunction and prevent a strike from taking place.

QUESTION: Mr. Harrison, I must compliment you on the beautiful picture you have painted for us here. I don't deny a great deal of it. I am sure in your position you are already cognizant of much criticism leveled against railroad unions on the grounds of national defense and interference with the public welfare. Would you like to step over on the other side of the fence and tell us what is wrong with the labor unions?

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MR. HARRISON: I am very glad to do so. Let me confess abundantly and wholly, there are a lot of abuses in the labor unions. So are there a lot of abuses in other groups of our society.

When we have a work stoppage, the newspapers play it up. They pan labor vigorously, but when we find the same thing in other groups, it is submerged and many times kept out of the press. But I do agree that labor has now become of age; it is grown up, and it ought to get rid of the abuses that exist in the labor movement. I don't agree that in times such as we have today that our working people should become regimented and give up their freedoms to strike to improve their economic position. I think we can adequately build up our defenses and at the same time retain substantially all our freedoms. And this is essential, if we are going to maintain the hard core of democracy. It is essential to resisting aggression on the world front. Free labor is the most productive labor. When the masses of our people who produce the material things that our society requires get the idea that they are being called upon to make a greater sacrifice than other groups in our society, just that quickly the national fiber which is essential to a healthy, robust defense of the free way of life begins to deteriorate.

I realize we have some jurisdictional disputes that may interfere with production, but those are pains that we must have, and it is better we have them that way than political unrest.

QUESTION: Now that we find union recognition and collective bargaining guaranteed by law, while on the other hand we find management prohibited from wielding some of the unfair tactics it has in the past, it has been said that the fundamental conflict between labor and management still remains the matter of management's right to manage. Will you discuss that question?

MR. HARRISON: That is a rather elusive sort of thing--where management's right to manage begins and ends. Fundamentally, we from the labor movement concede without any argument whatever management's right to manage. There is not a thing called an advantage by representatives of the workers that does not in some manner or another interfere with the exercise of the absolute right of management to manage.

For instance: We ask for more wages; management says it adversely affects profits; that interferes with management. We agree that it does. We ask for a reduction in hours; management says it interferes with plans for production. We ask for holidays; we ask for old-age security, and such things as that. But on the particular question of the right of management to manage, we concede that without any argument. It is the right of management to manage.

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QUESTION: Mr. Harrison, in view of the policy of the union toward getting the so-called more and more for its members, do you think that this in any way would have a tendency to raise inflation?

MR. HARRISON: I don't think it is what the masses of the people get that causes inflation. I am a practical fellow. The reason we have inflation is that we have profiteers who raised prices. There is no excuse for that to happen. You could find, following the beginning of the war in Korea, that they went to work and jacked up prices and started the inflation spiral. They thought they were going to have another shooting war, world-wide; that there would be a scarcity of materials, and began stocking up, grabbing scarce materials. Then they raised their prices. That is why we have inflation.

Wage rises follow the rise of the price level. We had an unreasonable expansion of bank credit. We had our warehouses full of excess production. It was not a case of not enough production to go around; it was a question of the fellows who control the price level putting on the price increases. You know what happened to wool, lead, tin, copper, food, armaments. Prices rise more rapidly than wages. There are 25 million wage and salary workers who have not been able to raise their wages to meet the increase in the cost of living. Those are the hard facts.

QUESTION: I would like to ask you two rather specific questions, Mr. Harrison. First of all, we have been told that labor unions today employ statisticians and quite often they know as much about the business as the man they are working for. As a man who is responsible for the formulation of labor demands, what is a fair return? What does labor consider a fair return on capital? Five per cent? Eight per cent? Second, agreeing with you that certainly the Sherman Antitrust Law and employment practices, and so on, are rather often things that restrict industry and worse, in your opinion, what specific restrictions do you think should be imposed on labor so as to protect labor, that will not interfere with the welfare of all the people?

MR. HARRISON: Well, that is a rather broad question. I will have to answer it in a general way. To begin with, let me say that many of the unions today maintain statistical and research organizations. When we get ready to make requests upon the railways for improved conditions or wages, we examine the reports made by the railways to the Interstate Commerce Commission, and we look at their revenues; we look at their expenses and their net railway operating income, and, finally, their net income, which is the return the corporation has available for the stockholders and for improvement. We look at their interest rates and payment on their bonded indebtedness; we look at the amount of depreciation they charge against

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operating expenses. We then decide whether the general economic situation is favorable. If it is, we then check the things that we ordinarily use to determine wage changes--the general trend of wages throughout American industry over the period elapsing since the last change in our wages; what has happened to the standard of living, has it kept pace with the cost of living or has it been more rapid. Then we look into the problem of increased productivity; are we producing more per man-hour; is labor cost per unit of product less; are we more efficient; are there opportunities to contribute to eliminating waste and increasing productive efficiency?

Then we look, as I said, at the over-all financial condition of the company, and we make up our mind between our necessities and the necessities of the corporation and the public for its services. We generally resolve the question on the basis that the workers in our industry are entitled to fare as good as workers generally have fared in the way of improving their wages and conditions. We ask for an increase. We don't agree on any specific rate of return except this: We are fundamentally in support of the private competitive enterprise system and we know that industry must pay for the use of capital; therefore they have to make a profit. We are in favor of all industry making a fair, reasonable profit so they can compensate the owners for the use of capital.

Take our industry; it is sheltered by the Federal Government and many times gets assistance from the Federal Government when the economic system does not sustain it. We get between 3 and 4 percent return a year on our honest book value depreciated. That is a fair return for this type of industry. On the other hand, a commercial enterprise that was distributing a product that was probably seasonal, or it was rapidly displaced by the introduction of new methods or new products, perhaps a higher return would be necessary. I think that varies industry by industry, but fundamentally labor concedes there must be a profit; there must be a healthy, dynamic industry in order for labor to continue to get more. Labor can't hope to get more unless it constantly and consistently contributes more by increasing productivity. All improvements must come out of increased productivity--new methods, new machines, greater application of human energy, more capital.

QUESTION: Mr. Harrison, I am impressed with the great power that labor wields because of its large organization. When a union represents industry, it is an industry-wide organization, it seems to me. When an individual company comes up against an industry-wide union, the company is dwarfed in scale to the power exercised by the union. When you get a contract, the terms of the contract are practically dictated by the union because of the great power it holds in the background. Since we had a change from trades to industry-wide unionism and the unions are not subject to any real control

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such as restraint of trade, or the Antitrust Act, would you care to comment on the proposition of incorporating unions to make them responsible for any financial losses which they might cause through irresponsible leadership?

MR. HARRISON: I don't think it is necessary to make them responsible, as you put it. My union has been sued a couple of times. We can be sued as an unincorporated association. We have been sued, not for the things that you pointed out, however, except in one instance when we had an unauthorized strike among the Railway Express Agency employees. The company sued us for 2 million dollars; but we got that withdrawn without any difficulty.

I don't think the unions need to be incorporated to make them responsible. We have laws against violence; we have laws against conspiracies that are of an illegal nature. It seems to me that what we need in many instances, what you undoubtedly have in mind, is an enforcement of the law, rather than additional laws. I think we have enough laws now if they are applied. Labor unions can't engage in violence. That is a question of law enforcement against violence. Labor unions can't go out and engage in illegal acts to put an employer out of business, because the law prevents that. Labor unions can withhold their labor, and, if the employer won't yield, and he goes out of business, that is by his own choice.

By nature our economy is cannibalistic. If you haven't been up against it, you will find out. You have to organize to protect yourself against the organized groups. I feel sorry for the fellow who has no means to marshal his strength to meet them. We are living by nature in a cannibalistic economic society. That's a harsh way to put it, but it's true.

QUESTION: Mr. Harrison, you just mentioned a very good point, that people have to organize to protect themselves against other groups and also in order that they can improve their standard of living and keep adding to their income by increases in accordance with what it costs to live. I would like you to explain this to us. People in military services don't have the right to organize, and they are subject to constant rises in the cost of living without hope of getting sufficient remuneration. We find that unions are often inclined to strike and not move military goods and things when they are absolutely necessary. We have over 95,000 casualties in Korea, and unions still persist in striking and not moving defense goods and striking in defense plants. Will you comment about that? There are 3 million of us who are not allowed to organize.

MR. HARRISON: Let me say that I believe everyone in the military ought to be well paid and be given consideration when they are confronted with rising prices and the cost of living. That is a

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responsibility the Government owes to the military services. Congress exercises the authority to regulate the pay of the members of the military establishment. I think you and I are together--we want to see everybody get just compensation for the contribution they make to our general society.

On that question of labor strikes and interference with the defense and in regard to casualties in Korea, I don't think you can find one casualty in Korea that is directly traceable to anything labor has done; or one instance where anybody has been wounded or died in Korea because of anything labor has done. I don't think there is anything to it or that you can establish that as a fact.

There have been some interruptions in defense production. Well, who is responsible for the interruption? Was labor unreasonable or management? Let's put the blame where it belongs. Let's not point the finger at labor and say, "You ought to stop strikes." What about the employers? Why shouldn't they be decent to their employees? Why shouldn't they do the right thing and prevent these interruptions? Labor has no other way to meet its needs.

I agree that in times of dire national emergency we all have to sacrifice and endure burdens and injustice. If I had a situation where the defense of the country was at stake, I would work day and night for it. In fact, I know the members of my union would. Our country comes first.

MR. HILL: I am sorry, the time has drawn to a close. You have made clear to us the voice of labor and made it very articulate. Thank you very much.

(24 Jan 1952--350)S./VJM

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