Henri E. Verbinnen
Analyst
Box 3321, MIAMI, Fla

January 27, 1941

Dear Mr Reuther

You are attempting something which, if and when successful, will in the long run perhaps be more beneficial to the American workers than all the joint efforts of New Dealers and both big labor unions during the last few years.

Indeed, if and when quantity production of warplanes goes through on the basis of your plan which you are advocating so militantly & with such admirable, appropriate perseverance (in the face of all that treacherous opposition of the anti-social forces..) when that quantity production actually begins to provide our democratic allies with urgently needed means to turn from a rather defensive to an offensive war in Europe and in Asia...THEN the war will be shortened. Then it can be brought to an end quickly.

If not, tens of billions of dollars which otherwise would be used and properly channelled in the direction of constructive undertakings of lasting benefit to the working class...will be diverted away from the financing of projects for social progress..and wasted uselessly on the manufacture of weapons of destruction and implements of death exacting additional human tolls to the extent of hundreds of thousands of lifes, mostly of innocent civilians: old folk, women & children.

I say 'uselessly' in a deliberate manner because with your plan in execution indeed tens of billions of armament cost everywhere are avoided... and the appalling evitable death of civilians as well as soldiers and sailors ..will and can be reduced to a minimum, because air supremacy in Britain and in China would bring the war to a victorious end quickly, especially if it were provided soon.

So, by saving tens of billions (otherwise to be spent on armament) for the creation of work and of things that will be of lasting benefit to the workers...and saving human lifes..you would indeed do more than has been done for the workers the last 2 or 3 years. Air supremacy for the allies will actually accomplish that desirable life-saving and otherwise progressive humanitarian job.

Whether such is the underlying fundamental motive in the back of your mind, or whether your present efforts are based more exclusively on union business expansion(a very legitimate aspiration too)..or both...let me suggest that the primordeal consideration involved be vehemently brought to the fore.

Up to now, I have not noticed that particularly important viewpoint discussed publicly. You can readily surmise that I make it my business to scan the news thoroly hoping to discover the emergence of a nationwide demand for nationwide broadcasting of subversive activities, the revela tion of which among a sufficient number of people ought to arouse a righteous public indignation and a strong appeal to congressmen for more practical, more effective defense measures.

Analysis of the gyrations in the attitude of the so-called "economy-block" in Congress serves a very useful purpose in that respect at the present time.

Early in 1940, just as on previous similar occasions, when the President requested either 1½, or 2 or perhaps 2½ billions to create jobs for deserving unemployed suffering acutely from economic uncertainty as well as from serious "vitamine" deficiencies.., that notorious economy-block would clamor from the roof tops with synchronized echoes in hundreds of editorial columns...that the country would soon face bankruptcy., that we positively could not afford such huge deficits, that they would soon lead us to dire economic and financial chaos.

On a number of occasions even several of the President's requests for increased appropr ia tions for national defense were denied by those same elements because they saw in such additional spending economic influences which would tend to make the New Deal more of a success in restoring national prosperity and reducing the economic dependence of the worker on demagogic"mis-representatives"

However, when appropriations were asked in formidable amounts, even five billions 'at a clip'...for destructive purposes..as against the "constructive" former New Deal requests... then with perfect unanimity that "economy block" threw caution, financial caution to the winds...& we then witnessed the peculiar "summersaulting" during July, August and September when about 15 billions were unanimously voted for armament.

Now there is a distinction to be made between the gratifying readiness of the American people to shoulder most patriotically much heavier taxation and debt burdens..to defend "Our Way of Life" .... and the sudden about-face and total conversion of the "economy block" in Congress from a quasi 'miser' attitude to one of spendthrift profligacy.

Indeed.. the public in this country merely once again prove the now more manifest Reality of the Spirit of America.

On the other hand, that 76th Congress "economy block" now proves irrefutably the unreality of their pretended and very vociferous desire for economy while they thus reveal glaringly their subserviant docility to the dictations of the powers who put them there for purposes of organized opposition to anything apt to accelerate social progress and the consequent diminution of special privileges for the few.

So, last June, the economy boys received the "go ahead" signal for all appropriations which were finally once again running the "right direction" as they were bound to benefit directly, to the tune of hundreds of millions, all the loyal members of the symbolic sixty families and their satellites duly swerving around in strict conformity with the financial laws of gravity of the good old-fashioned feudalists.

The economy boys heard their masters' voice..and thus, subito-presto... the federal debt limits can be raised up to 65 or 70 billions..and yet everything is financ ially honkydory...whereas one, two and three years ago, when money for unemployed was urgently needed and incessantly asked for by New Dealers...getting then the national debt toward 45 billions was clamored to be awfully dangerous..and bound to bring about the worst financial calamities ever faced by this nation, according to those same "obedient boys". One of them actually stated during the last presidential campaign that the spending of 8 or 10 billions by the New Deal on relief projects would actually result in national bankruptcy soon and revolution!

But this money was intended for the attempt at economic emancipation of the workers and those still unemployed. Now however, fifteen billions are already allocated, and perhaps another fifteen will be during the next 2 or 3 years... now the money is going 'their' way...then its all-right. Now we hear no more about national bankruptcy, and for armament spending "the sky is the limit". Why? Well, thats an easy one. The "economy block" boys' masters are going to be able to use their old plants and make additional hundreds of millions out of their old investments, and the working classes will have to foot most of the bill through additional taxes and a gradually lower tax base that will reach ever increasing numbers of workers. The old story. And so, no matter how much increase in wages you have and may still be able to secure for the American worker...he will have to cough it all up and more ...if the present trend of affairs along fascist lines of thought are allowed to proceed/ You have to concede that they ARE clever, shrewd, and "powerful astute".

So you see there is a decided distinction between the congressional "unanimity" for armament allocations...and the united, wholehearted readiness of the public to make sacrifices for the sake of national security. We need intensive preparedness.

Yes indeed...we do. The dangers of the threat against "Our Way of Life" are real. They are growing worse without. But, more ominous, much more ominous...they are also growing very much worse within.

Yes, there occurs steadily more intensified fascist boring from within. There is, especially among a strong group of high ranking officials a wicked recrudescence of anti-social manoeuvering.

On Dec 29,1940, President Roosevelt stated in his fireside chat: "There are also American citizens, MANY OF THEM IN HIGH PLACES, "who ?unwittingly? in most cases, are aiding and abetting the work of foreign agents."

He also said:" Your government knows much about them, and every day is ferreting them out."

Most unfortunately tho' the most dangerous ones, those who still occupy extremely important strategic positions on the Defense Council and especially in high Navy circles..remain still "unferreted".

So, preparedness cannot proceed full speed ahead while such obstructing elements are situated so that they can easily divert national efforts and the concentration of our national energies on long term preparedness of no present usefulness to Britain..(our first line of defense)..at the expense and to the serious detriment of far more urgent defense measures: to wit: bombers production, very much behind schedule yet.

Arbitrarily and most deliberately they give priority to the less urgent long term preparedness which like some French plans were to be completed in 1942 or 1943 and saw France defeated meanwhile in 1940.

The President stated that"those men in high places" aid and abet foreign (enemy) activities "unwittingly".

Well, as far as the dire consequences to our national security are concerned...whats the difference? In both cases we get hurt. One way or the other that abetting hurts Democracy very dangerously. Whether wittingly or unwittingly, those high ranking men very directly interfere with adequate preparedness. Therefore they MUST be displaced, and displaced right away, by more reliable men, by genuine Democrats, true friends of the working class.

Presently we are supposed to have THE efficiency expert and master-coordinator at the head of the Defense Council!

His reputation expressed in movie superlatives of Barnum and Baily magnitude..is supposed to be super-colossal and stupendous! None better ever held in official captivity. The only one of its kind! Yet, there seems less and less justification for all such extraordinary competence as the CIO officials uncover more and more evidence of an irrefutable kind that after 8 months of preparedness today only about 30% of our plant capacity is busy on defense orders; that these defense orders are bunched and overcrowded in a few of the larger manufacturing plants; that more specifically in that alleged machine-tool bottlenecked industry, the largest tool and die shop in the world, namely, the Fisher Body plant No.23 keeps only a few hundred men busy now, even tho' it has a 2000-men capacity; that the potential quantity production of warplanes of the formidable "Rouge" plant in Dearborn has never been fully used, and is perhaps also 75% idle.

Patriotically speaking, regardless of your differences of viewpoint on union matters with the Dearborn magnate..you will readily agree that since we face growing perils, very real, since time is of the essence, it is indeed a national scandal not to have those wonderful mass-production facilities of the "Rouge" busy 24h. a day on urgently needed quantity production of warplanes. Yet, Ford, on May 29,1940 offered those facilities to the government, stating he could in about 6 months gear up to a production of 1000 pursuit planes A DAY. This offer was made about 8 months ago. And DEMOCRACY was already then in grave danger!!-

If that is "coordinating competence" then we need a re-definition of the terms in the next unabridged Webster edition.
And whether the uncovered inefficiency in distribution of orders is due to "witting" or "unwitting" actions..it does positively and very directly aid and abet those foreign agents the President referred to.
And..in either case..our preparedness suffers dangerous delays..and is subjected to confusing overcrowding of orders keeping too much machinery idle and adding to the existing housing problem, since workers living near smaller plants now idle, are flocking to places near the larger plants in order to find jobs there.

So, with the cumulative evidence you bring before the public it must gradually be more obvious that

1) if some of those fascist elements are competent, their past actions point to willful, deliberate hindering of our preparedness for urgent measures;
2) if they are not competent, then their presence in strategic Defense Council and other high Washington posts..is unwarranted and immediate substitution by competent Democrats is IMPERATIVE.

The recent CIO studies of the past activities of our national preparedness and the manner of dealing with manufacturers is eminently useful in the determination of the facts necessary to judge correctly the reasons behind the glaring lag in our most urgent armament needs.

And that, Mr Reuther, ought to be considered more directly, and more militantly as an important phase of our preparedness efforts. In fact it is an INTEGRAL part of the "all-out" national defense program to "ferret out" incompetence and/or treacherous boring from within, incessantly and vigilantly.

Unless you stress this, unless that phase is incorporated in your program of cooperation with the government...to preserve national security..this security is liable to suffer damage, irreparable damage..by those Knudsen, Stettinius, Knox and Stimson elements directly allied with and fully sharing the known anti-social convictions of the Sloan, Jr & Co click...who have been traditionally against labor progress. (Remember vividly this recent utterance confirming the treacherous character of such men: "I do not under-estimate(sic) air power and its importance in the slightest degree, but...so long the law of gravity remains, a significant attack by air is impossible." said our own secretary of the Navy in his speech of Nov 14, 1940 at Boston, Mass. What an atrocious unpatriotic abomination! A defiant fascist arrogance in the face of everyday stronger evidence of the real menace of enemy air supremacy!!!

So you see, it is vitally important for the protection and the preservation of our New Deal improved "Way of Life"..to incorporate the preparedness against enemies from within as an integral and a very important part of national preparedness. And it is only with a predominance of dependable, genuine Democrats naturally eager to protect the workers' rights and welfare, that you can be sure that we are really developing the right kind of defense against the growing threat, the grave perils confronting the nation and endangering our freedom.

Let us assume for the sake of the philosophic doubt and to manifest my respect for the rights of other people to their personal convictions as to what is right or wrong,..let us assume for the individuals involved are all hurting "Our way of Life" unwittingly! Even that broadminded democratic attitude does not alter in the least the dangerous nature of the resultant hindrance to the right kind of preparedness needed for adequate national defense. Even if we grant them a belief in their sincerity...we still must replace them and replace them quickly with Democrats who will carry out with greater efficiency the d istribution of orders on the "farming-out" basis recommended with much justification by CIO officials.

In your monthly publications tho', whenever the evidence uncovered leaves no doubt of malicious intent, and in the evident manifestations of congressmen against pro-labor legislation by their opposition vote...you should provide the workers with the names of all those consistently acting(whether wittingly or unwittingly) against the interests of labor and to the detriment of the workers legitimate aspirations for security.

I am firmly convinced that the systematic publication, say every three months, in the official labor periodicals, of a full black-list of all "no" anti-labor voters in Congress, and of all influential out-sid ers known as friendly to them,...will act as a deterrent. It will tend to keep "representatives" from mis-representation of the 'majority' of the constituents. Today, when the battle for quick aid to Britain is going on with maximum intensity...and the means to bring the war to end quickly are so to speak within reach..the existence and the use of such a very legitimate black-list would prove extremely beneficial for the true defense of democratic principles and objectives.

As a vital part of that battle for quick aid to Britain your own plan(for the immediate execution of orders which will put in use plant facilities now idle and make soon possible a daily production of 500 planes...) fits in ideally.

Of all the aid we are capable of giving to those valiant Britons now fighting heroically and holding our "first line of ddefense" abroad...no aid can and will prove of greater immediate value than that which provides them quickly with air-supremacy. Indeed that IS what they are waiting for to undertake an offensive against the enemy bases on the French coast, and knock-out immediately Italy.

As you continue to strive for immediate adoption of your plan, please do stress particularly what the provision of such imminent air supremacy will mean to the American workers in terms of dollars and cents saved for use on home needs for instance.

According to a very recent report of the National Resources Board...there exists an immediate need for 2,500,000 new homes for workers and unemployed now living in houses truly below the decent American standard of living.

If we take arbitrarily an average cost of $4000 per home, it means that this vital need can be supplied with an allocation of $10,000,000,000(ten billions)..

Now, if through immediate enforcement of your plan, the war is shortened either one, two maybe three years,...and your plan DOES lead inevitably to a shortening of war... if you bring this about you make possible a saving of at least ten billions...and thereby keep available for "constructive" purposes enough to put all those deserving people in the kind of homes they are entitled to own...if truly there prevails here the "...inalienable right of all men to the pursuit of happiness" and the government insists upon the constitutional intent "to insure domestic tranquillity and promote the general welfare"!

Thats the more selfish viewpoint. Now as real Americans let us take the broad humanitarian viewpoint and manifest also regard for the inherent solidarity of all democratic peoples...and then that shortening of the war becomes our great duty and responsibility in order to put a quick end to the appalling human suffering now prevalent in the warring nations, to stop avoidable sacrifice and waste of human lifes, to liberate those presently enslaved by the 20th century Huns and their ferocious, savage modern Attila.

Such a quickened liberation also permits an earlier resumption of labor progress in all countries and therefore the labor solidarity ought to be exerted fully so that to justify and deserve its own ecnomic improvement and security it makes unselfish, humanitarian efforts for the universal application of a Christian recognition of that "inalienable right of ALL men to the pursuit of happiness".

Air supremacy is needed urgently in Britain and in China. Air supremacy ought to be our own primary objective in our own preparedness. Air supremacy is the way to liberate workers from avoidable economic burdens now growing rapidly heavier .

Concentration on air supremacy for Britain, for China and for ourselves constitutes definite avoidance of waste of money on preparedness, because aviation is on the ascendency...while navy usefulness has definitely reached its maximum and according to aviation experts --in respect to national defense has now become and will become still more vulnerable to incessantly more powerful, more d estructive and "far reaching" warplanes.

Taranto, Sardinia, Malta and numerous other similar recent conflicts between warplanes and warships reveal that increasing vulnerability of warships, as well as increasing substitution of patrol warplanes for sea and coastal patrol duty. The fact that today we are planning long-range warplanes which will have a 5000 mile cruising radius also promises still more extended and more intensified substitution, very effective substitution of warplanes for offensive as well defensive purposes over land and sea.

In fact expert aviation engineers now feel so confident of the reliability of modern engines for long distance flying across the oceans that they plan to modify the shapes of transoceanic clippers and build all future Pan-American clippers with the smoother lines of the landplane, eliminating thus the resistance of the pontoon shaped fuselages of the seaplane. That is very, but very significant and has a very direct bearing as to what is today adequate preparedness even in defense of our distant island-possessions.

Mind you, this is the consideration of trends. In does not mean that we can right now completely dispense with naval armament. No, indeed not.

I do not advocate an anti-navy attitude. We need still a strong navy.

But, since present war experience proves that shore and even ocean patrolling extending 200, 300 miles away is done more effectively by patrol-bombers, since we are allocating many billions for small naval craft that other nations now substitute with patrol-planes, since battleships are proved vulnerable, since with the modern long-range bomber we can reach Hawaii in 11 or 12h. and even transport there within a few days, tens of thousands of troops, equipped troops, it follows of course that it is more imperative to concentrate first on air supremacy, then if the danger is still great, we can continue to increase our naval preparations. You know of course that most likely, nay very probably, once we have air supremacy and thousands of long-range bombers, that danger will be something of the past., and the enemy will have been totally defeated. There can be no question about it. And so tens of billions will be saved.

Let me sum up the underlying considerations which need to be broadcast repeatedly in order to awaken the public fully to the reality of the danger from within and also in order to make them realize vividly and CLAMOR for priority on the weapons which will bring the war to an end quickly, save the workers from avoidable burdens of taxation to the extent of billions, and permit an earlier resumption of social progress everywhere.

1) Democracy cannot progress while a war economy prevails;
2) War, armament races and militarization are very detrimental to liberal social evolution such as New Deal acceleration in favor of elimination of economic insecurity;
3) There are two ways of undertaking preparedness: a) on the right kind of weapons, modern weapons-- b) on the wrong kind, the type growing steadily obsolescent by new discoveries such as the warplane;
4) Poor France made the vital mistake, encouraged by fascists within their own ranks, of neglecting concentration on modern warplanes and therefore lost the war;
5) We are heading rapidly toward the same kind of misguided, wrong kind of preparedness by an awfully excessive concentration on naval craft, less urgent, and to the direct d etriment of warplane preparedness, the navy being everywhere ahead of schedule, planes way behind;
6) Therefore it is evident that the same kind of fascist influence is at work here, that subversive forces which caused the defeat of France are creating an identical strategic weakness here which would and will enable fascist forces eventually to dictate their will to us with the threat of overwhelming air supremacy;

7) Even if, somehow, that ultimate objective cannot be reached by the enemies, they achieve meanwhile a tremendous success since the working classes everywhere must necessarily remain sort of regimentated during the growing armament race, since they are increasingly burdened to the tune of additional tens of billions with taxation and national debts which will tend to keep their purchasing power low, make them pay for the profits realized by fascist owning classes..keep them thus dependent on that class meanwhile enriched to the extent of hundreds of millions of dollars realized on old investments in plant and equipment they continue to be able to use for the manufacture of weapons in a trend of obsolescence, as examplified by the Bethlehem,Pa and a few other similar current developments of typical concentration of orders costing the nation billions, and having no immediate aid value for Britain, our first line of defense.

Bear the following also in mind and use the foregoing and the other primordeal considerations to arouse public opinion and develop righteous public indignation before our Democracy is further handicapped and still more exposed to those subversive or "unwitting" actions.

Concentration on warships, and lag in preparedness in warplanes hurts the country. It prolongs war. This retards social progress.

Concentration on warplanes and 24h.-a-day use of all our plant facilities suitable for long-range bomber construction,making large numbers of bombers available to Britain within a few months, (our own in service now) will enable Britain to knock out Italy totally and release ships from Mediterranean duty for anti-submarine duty in the North Sea. Those bombers will then also serve to destroy more rapidly than naval craft can, the increasing number of enemy sub-marines, and the bases from which they operate.

And again to illustrate the immediate advantages derived from concentration on warplanes and reduction of armament expenses.... with part of the many billions saved that way..we can solve the acute hospital shortage. Already in peace there is a shortage here now of 150,000 beds for tubercular patients. The government allotted 60 millions to be spent over the next five years. You see, with say 200 millions of dollars out of one of the many billions saved when your plan goes trhough and shortens the war and stops the armament race...we can immediately start on a building program that will create, in addition to the beds needed for tubercular patients, a sufficiency of hospitalization facilities in all sections where lack of such needed facilities compel poor people today to go through life with avoidable physical handicaps.

By all means, please persevere in your campaign. Go on edifying an apathetic public not suffiemently aware of the d angers lurking about. Arouss people, righteous indignation and so help the Administration , now evidently reluctant to make needed changes, to make them by the force of public opinion. If not, since this is aDemocracy, since Democracy means the rule by majority will, since the working people, are the overwhelming majority,..then on the consistent basis of democratic national policy..demand such changes as your investigations warrant and which the country needs in order to get the right kind of preparedness: that which will concentrate on the warplane first, and more specifically on long-range bombers.

Sincerely

John Steinbeck

500 PLANES A DAY

THE REUTHER PLAN--A PARTNERSHIP FOR WAR AND SPEEDUP

Walter Reuther is director of the General Motors Division of the UAW. You'd expect him to be worrying about needed higher wages and better working conditions. GM's importance to the rest of the industry is clear. If GM workers get raises, it helps Brewster workers and it helps UA members throughout the country.

Although Reuther's job is with the Union, his heart belongs to the corporations. He's the inventor of the Reuther plan--a scheme for turning out 500 planes a day by using auto factories in addition to regular plane shops. It's a scheme for speedier production...You get the idea. The Wall St. Journal says the scheme is "very interesting" and comments on it favorably. WHEN WALL ST. APPLAUDS, THERE MUST BE A REASON.

It's obvious that when union leaders put their main time in figuring out speedups, workers wind up behind the 8-ball. That's one reason for Wall Street's applause. But there's another reason. Reuther's plan would tie labor directly to the war machine, would cut labor in as a bill-paying partner in the program to send American boys overseas in the imperialist slaughter, dealing out sacrifice and hunger to the workers--and millions in profits to the Brewsters, Sperry Gyroscopes, Ford Instruments, etc.

THE REUTHER PLAN IS A PRODUCT OF SOCIAL DEMOCRACY

Like all other Socialists and Social Democrats, Reuther is an agent of big capitalists in labor's ranks. The people want peace and prosperity and only socialism can give it to them. Knowing that, the social democrats use the language and appearance of socialism but rob that language of its meaning while trying to put over the program of Wall St.

The Social Democrats tried to tie the workers to the war machine in the last war and they're trying to do the same in this one. The Communist Party, only real fighter for Socialism, was formed in opposition to World War I. The Communist Party opposes World War II as a continuation of the last war, a quarrel between two rival gangs of imperialists, a quarrel from which the workers have nothing to gain and have everything to lose.

OPPOSE THE HILLMAN-REUTHER SOCIAL DEMOCRATS IN LABOR'S RANKS.
DEFEAT THE LEND-LEASE BILL--JOIN IN THE FIGHT FOR PEACE.
DEFEND THE LEGALITY OF THE COMMUNIST PARTY, ONLY PARTY OF SOCIALISM, AND SUPPORTER OF LABOR'S RIGHTS.

Issued by ~~the Communist Party, 1st A.D. Queens~~, L.I.C.

READ THE
DAILY and SUNDAY WORKER

LABOR
Directed by
Labor, for Labor

MICHIGAN STATE LABOR JOURNAL

HARMONY
Between Labor
and Industry

Vol. I | BATTLE CREEK, MICHIGAN, FEBRUARY, 1941 | No. 6

Independent Unions of Southern Michigan To Meet in Battle Creek Saturday, Feb. 8

THE AMERICAN WAY

Discharge from Government Employ All Persons Exposed as of Communistic Ideals; Labor to Organize the Independent Way, Free from Rackets and "Red" Elements

Much has been said and much has been written amout the AMERICAN WAY of life. But I sometimes wonder how many of us really stop and think what it means. We have a system of Democracy in this country that is different from all others. What are you doing to preserve that Democracy?

Today we are all victims of propoganda, being put out to arouse hates and emotions. Oh! if there was only some way that we could separate the truth from the falsehoods. Politics seems to differ from business. In business a man would not last long if he did not tell the truth or attempted to decive the public. But in politics it seems to be different, a man can promise one thing today and completely reverse himself in thirty days.

Last fall both candidates for President of the United States promised to keep us out of foreign wars. Today both candidates seem to be bending every effort to get us involved in the war that is now going on acrosn the sea. I believe in all possible aid to Britain, but let's do it on a basis that will not involve us in the war. You cannot make me believe that the great British empire with all its wealth is broke and cannot pay for the things they want from us. We have read about the riches for years. Why not confiscate some of this wealth from individuals who stand to lose it any how if Great Britain is defeated?

Friends, I am more distressed about un-American activities in this country than from any invasion from abroad. Do we not have enough loyal Americans without relying upon the counsel and advice of the FIFTH COLUMNISTS.

When an agent of the Fifth Column becomes an intimate advisor of President Roosevelt the event should only be of interest, but of major concern to the American People, and if the President is unaware that he is being imposed upon, the following facts have been presented to him.

Moreover, when this subversive agent advises the President on how get rid of the Dies Committee, it is of even more serious consequence. Although Mr. Roosevelt has on many occasions shown his antipathy toward Chairman Dies and his committee, it is not easy to understand why he should, in these perilous times seek the advice of a man who has the principal say-so in spending a fund of more than a million dollars to help establish Communism in America. It is also interesting that this million dollars was provided by one of the 563 government employees exposed several months ago by the Dies Committee as having been members of a Communist "front" organization. Room does not permit the full coverage of this subject as I would like, but let me ask you why does the President give more time to Gardner Jackson than he does to Congressman Dies.

N. Y. Transport Workers Form a New Union; Kick C. I. O. Out

New York, Feb. 1 (Special)—Formation of a new union among employees of three division of the New York City transit system was announced today by officers and members of the Transport Workers Union, a C.I.O. affiliate.

Sponsors of the new union charged that the Transport Workers union was "hopelessly communist-dominated" and declared that the new organization was "devoted to honest, intelligent, American trade union principles."

The new union, at present unaffiliated, is ready, the announcement said, to associate itself with any national labor organization "not dominated by racketeers or communists." Including in the group organizing the new union are Patrick Sheehan, Denis Lacy, Joseph Shea, Patrick Walsh, Hugh McGinley, Frank Boehle, and Maurice Shea. Shea is described as a member of the first eexcutive board of the Transport Workers union and the other organizers as officers of various sections of the C. I. O. affiliate. Matthew J. Quill is president of the Transport Workers union.

PROGRAM

FOR

INDEPENDENT UNION RALLY

BATTLE CREEK

FEBRUARY 8, 1941

PLACE—MASONIC TEMPLE

Cuyler Coleman, Chairman

10:30 A. M.—Business Meeting by Battle Creek Unions.

2:00 P. M.—Mass Meeting of All Unions.

Speakers: Mayor Floyd Barry, Loren J. Kuehnle

Battle Creek.—For the first time in the history of Michigan Independent unions will gather to count strength. It is deemed necessary that the Independents exchange views, policies, and create a more of a cooperative spirit in order that the future may be filled with greater successes for them.

Many an independent, in recent months, has fallen to the CIO simply because of the lack of proper support. The Independent usually is without funds, without legal service, without political power, and with very little manual power. Those conditions contribute toward making them easy victims for high-pressure organizers of the CIO.

However, a new existence may be created for the men and women who feel that the CIO methods of bargaining are not of their choice. THE INDEPENDENT LABOR RALLY WILL GIVE MEMBERS OF THE INDEPENDENTS AN OPPORTUNITY TO MEET, AND SPEAK WITH OTHERS, WHO FEEL THAT THE INDEPENDENT METHOD COULD BE THE BEST FORM OF LABOR UNIONS FOR BARGAINING WITH MANAGEMENT.

Special Invitation To All Employes of the American-Marsh Steam Pump

Within the ranks there are scores who feel that the time has arrived in which you should organize. The Wagner Act allows you, and public sentiment indicates, that you should, without loss of time, form a union and enter into an agreement with the management.

A good union, properly directed, can and will become an asset, not only to you employes but to the management itself.

A good union offers a certain amount of security to your jobs, and recognition from the management that you as well as the stockholders are very necessary cogs in the wheel that spins out financial success for all.

WITHOUT FAIL, ATTEND THE RALLY OF THE INDEDENDENTS AT THE MASONIC TEMPLE, SATURDAY AFTERNOON, FEBRUARY 8.

If you should decide to form a union, you may expect all

Britain, but let's do it on a basis that will not involve us in the war. You cannot make me believe that the great British empire with all its wealth is broke and cannot pay for the things they want from us. We have read about the riches for years. Why not confiscate some of this wealth from individuals who stand to lose it any how if Great Britain is defeated?

But behold, instead our government is asking our people to finance a program to give aid to foreign countries, all of whom are already indebted to us from the last world war. Did they make any effort to pay even the interest on these obligations, or turn over to us any assets with which we might have been able to cancel the loan? NO.

Now, let's do it on a business basis, that whatever the results may be we will be protected.

Why not keep it on the same basis as the government exacts from its own citizens? Some of you borrowed money on your home from the Home Owners Loan Corporation. Did they make you put up collateral to secure that loan? I'll say they did. They made you give a mortgage on your home, and if you did not keep up the payments they foreclosed the mortgage. Now why should the government do things for foreign countries that they will not do for their own citizens, especially when they are asking those same citizens to carry the burden of national defense for our own country. And it is right that we should carry that burden. The only thing we wonder is why are we so unprepared. Hitler came into power in 1933 and started immediately to build a war machine. For the past ten years the AMERICAN LEGION has been on record favoring national defense, but what has been done, nothing. We had to create a national emergency before anything could be done, yet during the time that Harry Hopkins was WPA administrator the government built more than 1500 airports throughout the country. Yet the Federal Adminsitration was so unmindful of the thought of NATIONAL DEFENSE, that of all these hundreds of airports, only 31 of 1824 airports in the entire country can handle military craft.

The American people want security against invasion and will pay any price for it—but they demand something for the price paid. They demand that national defense be taken out of politics—and out of the hands of squanderes and bunglers.

They are demanding cooperation and sacrifice of labor, but are they seeking that same price from those on the federal payroll. What about the 563 government employees exposed by the Dies committee several months ago. Have any of them been fired as far as you know.

this million dollars was provided by one of the 563 government employees exposed several months ago by the Dies Committee as having been members of a Communist "front" organization. Room does not permit the full coverage of this subject as I would like, but let me ask you why does the President give more time to Gardner Jackson than he does to Congressman Dies.

Gardner Jackson is Trustee and Counsel for a fund of over one million dollars, most of which is to be used in spreading the communist doctrine in America.

Now here is what I want to say to you working men. Organize if you will, but be sure of your leadership. Pick the outstanding men in your own plant as your officers. They have your interest and the company interest at heart, and one cannot go without the other if private industry and labor are to survive. I also believe that if the Independent Union is to survive they must form an Association for their mutual benefit and interest, an association that is interested in the welfare of its membership and not for the selfish interests of a few.

I have never been able to understand why labor does not organize like the doctors, lawyers, bankers and merchants, obtain the proper leadership and not make a financial and political racket out of it.

Thereby letting you men maintain your freedom given to you by this great Democracy, the United States of America.



FEBRUARY 8, 1941

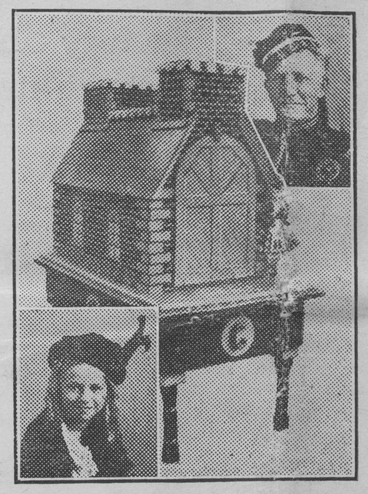
PLACE—MASONIC TEMPLE

Cuyler Coleman, Chairman

10:30 A. M.—Business Meeting by Battle Creek Unions.

2:00 P. M.—Mass Meeting of All Unions.
Speakers: Mayor Floyd Barry, Loren J. Kuehnle, Howard Reed, George Lobig.
General Discussion by Officers and Members of All Unions.

7:30 P. M.—Mass Meeting for General Discussion.



9:00 P. M.—Entertainment:
Music by Bob Peters and his Albion College Orchestra.
Magic by W. S. Hopkins & Company.
Highland Entertainers.
Dancing until midnight. Admission: Free to Union members and families; visitors, $1.00.

GOOD BARGAINING

Battle Creek. — The Independent Union of the Clark Equipment company has been organized for nearly two years and sets a good example for the American method of bargaining for more wages and better working conditions.

During 1940 more than 50 per cent of the employes received individual wage increases. During 1940 every employe received a raise of five cents per hour and it was arranged that the blanket raise should be held by the company and paid in December of 1940. The amount totaled close to $50,000.00 (approximately $140.00 per man). Scarcely had this great sum been paid when the bargaining body of the union paid a visit to the management and after PEACEABLE bargaining returned with another blanket raise of five cents per hour, and, to be held by the company until December of 1941. Close to two thousand dollars a week will accumulate in the bank account of the Clark Equipment Company, representing ten cents per hour for every employe. In December of 1941 $100,000.00 will be paid the 325 employes.

It is expected, also, that during 1941 many of the employes will again receive individual wage increases.

Surely, that is bargaining collectively that creates harmony and success for both, the union and company. THAT'S THE INDEPENDENT WAY!

A good union offers a certain amount of security to your jobs, and recognition from the management that you as well as the stockholders are very necessary cogs in the wheel that spins out financial success for all.

WITHOUT FAIL, ATTEND THE RALLY OF THE INDEDENDENTS AT THE MASONIC TEMPLE, SATURDAY AFTERNOON, FEBRUARY 8.

If you should decide to form a union, you may expect all the cooperation and help required to organize the INDEPENDENT WAY.

ADMISSION FREE.

Union Officials and Members Are Expected to Attend Rally From the Following Plants:

ALBION—The Lonergan Manufacturing Co., The Service Caster Co.

KALAMAZOO — Sutherland Paper Co., Standard Paper Mill, Atlas Press, Allen Electric Co., Kalamazoo Plating Co.

BATTLE CREEK—Clark Equipment Co., United Steel & Wire, Michigan Metal Products, American Stamping Co., Postum Products.

Employees Mourn Loss of "Joe" Nook

Kalamazoo—Joe L. Nook, owner and manager of the Kalamazoo Plating Company, succumbed to a heart attack late in December of last year. And, his passing leaves around 300 employes with a sadness that won't easily be replaced with cheerfulness for a long, long time.

Long hours, increasing business and some labor trouble surely, are things that do not add to the health of any man. He was of middle age, an enthusiastic worker, and temperamental enough to worry.

Late in the fall oflast year a dispute arose between the CIO and the Independent union over bargaining rights. An election was ordered by the NLRB and the CIO won by a small margin. However, the Independent still retains its membership.

This labor situation worried Joe no little amount. He told a representative of the Labor Journal during the period of the dispute that he "wished the affair would get over with, and he wished to give the plant a blanket raise but feared to do so while the labor argument was in progress."

Charges have been made against manufacturers who gave blanket raises to the employes, on the grounds that it was done to keep certain labor organizations out of the plant.

CIO Leaders Use Term "Force"

It has been noted lately when CIO leaders refer to the organizational drive planned for 1941 that they real frequently use the term, "Force our organizational drive in 1941."

American labor wishes to organize into unions, but, they wish to do it on the MERIT instead of under the lash.

PROPAGANDA and HIGH-PRESSURE are two methods that are more easily recognized today than even of one year ago. The new world war and labor organizing have greatly assisted us to recognize them. And, the leadership of the CIO is well filled with those who are experts in the use of PROPAGANDA and HIGH-PRESSURE. So, we suggest, use a little salt on all you hear and are promised.

The B. A. C. says the N. L. R. B. should be a means of ameliorating and settling differences. Instead of simply guaranteeing one side its rights it should guarantee them for both sides and mediate to that end.

They suggest that a few of the more ridiculous inequalities be erased from the law. A five-man board is B. A. C.'s offer for a change in the N. L. R. B., retaining the present members as an administrative face-saver.

THE MICHIGAN STATE LABOR JOURNAL

105 Manchester Street
Battle Creek
PHONE 2-6829

Editor ..... B. U. Wilkes
Associate Editors.....Howard Reed
George Lobig

Advertising .....Cuyler Coleman

Subscription.....$1.50 per year

1

Could This Be "Fingering?"

Battle Creek—During a business meeting of the Association of Clark Equipment Company Employes it was brought out in a humorous manner what it cost the company to allow the employes to PAUSE AND REFRESH (drink Coco-Cola).

Figures were presented that showed during the month of August 904 hours were consumed by some 300 men and women in "pausing and refreshing." The amount of cost to the company was estimated at $813.60 for one month. This figure was derived at by estimating that five minutes were lost to the company for each bottle drank.

The statisticians of the Labor Journal are at work figuring out just how much advertising should be placed in the Labor Journal by Coco-Cola as a sort of a "hand-back" to the thirsty unionites. We'll be seeing you, Mr. Swame.

Printed by Phoenix Printing Co.
41 N. McCamly St.

West End Friend of Labor

Battle Creek—West End of Battle Creek is indeed fortunate in having in the person of Sam Sophie a good grocerman and a good friend to labor.

For many years Sam has operated a first class grocery store, serving foods of the better class.

Sam feels that a grocery store is a necessary service when one wants it, so, for that reason, Sam holds his store open every day till 11:00 P. M. Saturday till 12:00.

Your favorite beverages are always at Sam's waiting to be carried home and enjoyed.

Favorite Restaurant Moves

Battle Creek—The Snack Sandwich Shop, being replaced by the new theatre at 73 West Michigan Avenue, moved to a new location on the North side of Michigan. The new location is at 98 West Michigan.

The change in location provided the Snack Shop with larger quarters.

The new place is indeed a beautiful restaurant. There you find the same smiling waiters and waitresses as of the old location. The same tasty foods reminds the diners that it still is the Snack of old.

A. F. L. Suspends Dues Requirements From Drafted Members

By Federated Press

Washington (FP)—Members of federal locals of the A. F. of L. will be exempted from dues payments and retain their good standing while in the army.

At the same time it was disclosed that the national and international unions are considering steps to safeguard the benefits of union members who are drafted or who volunteer. Last year $25,000,000 in old age pensions, death benefits, health and unemployment compensation was paid out by the unions to their members.

City central bodies and state federations, according to AFL President William Green, will set up machinery to assist conscripts in getting back their jobs after their period of service.

"The AFL is determined to do everything in its power to protect the status and promote the welfare of those who are called upon to serve our country in its time of emergency," Green said.

"It is the clear and patriotic duty of the American government, American industry, and American labor to safeguard the physical, moral and economic well-being of the young men who are shouldering the responsibility of defending the nation," he added.

The action of the council in suspending the dues for drafted or volunteer members of the military was similar to action taken by the 1911 convention of the AFL which voted a similar exemption.

Hundreds of Union Laborers Seeking Union Jobs

Battle Creek—The Custer construction job slows up causing unemployment for hundreds of Union laborers. There is little hope that Battle Creek will be able to absorb them on construction work.

Close to 1,000 men paid close to $25,000.00 to become union members to work on the Custer job. Of course these men may find employment on construction in other parts of the country and if they keep their dues paid they will not have to rejoin again.

Many of these men are skilled in trades, and no doubt as the defense

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Beauty Shoppe Has Military Name

Battle Creek—With the arrival of men to Fort Custer brings to Battle Creek many new names for business establishments, many of which have a similarity to the fort and all it represents.

Out at Foster Street at Number 57 we find the MILITARY BEAUTY SHOPPE. This new beauty shoppe seems to have won the approval of the wives and daughters of military men right from the start, as well as we from civilian life.

The shoppe is fully equipped to care for all types of hair dressing and, of course, the operators are skilled in the work of adding youth and beauty to one's appearance.

Try The Military Beauty Shoppe, you'll like it.

Close to 1,000 men paid close to $25,000.00 to become union members to work on the Custer job. Of course these men may find employment on construction in other parts of the country and if they keep their dues paid they will not have to rejoin again.

Many of these men are skilled in trades, and no doubt as the defense program becomes greater they will find employment in that field. Their membership in the laborers' union will not take them into a craftsmen union. It would become necessary to join as a new member should the applicant be without a card.

What has become of "Red" Walter Reuther's plan for producing War Planes?

We could expect HIM to assume the attitude that he is superior to "Bill" Knudsen on matters of production.

We might look into the congressional records of January 16th. The answer may be there.

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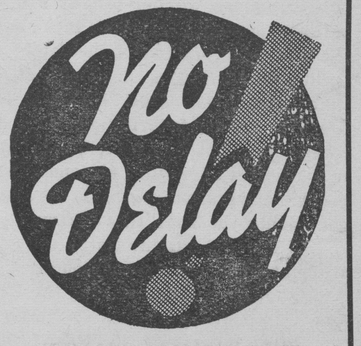

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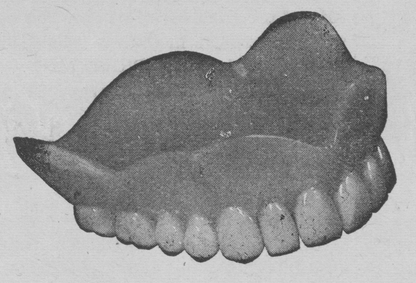

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AMERICANISM

By CARL NOTTKE

Americanism Chairman Department of Michigan Disabled American Veterans of the World War

I have been a member of a labor organization for the past twenty-six years. I became affiliated with the Brotherhood of Railway Trainmen in the early part of 1915. About ten years ago, I became a member of the Order of Railway Conductors, Division No. 6, in Battle Creek, Michigan.

Having been born in the United States, I believe I am an American citizen. I served in the armed forces of the United States during the World War in the United States, England and France.

The veterans of the past wars of our country are in the most of the laboring class. We believe in American principles. It was our duty to preserve our country in time of war. It is our duty now to preserve the principles of democracy in time of peace.

Labor has only one thing to sell and that is their service. There is only one way we can receive fair treatment, and that is through our organizations. This is not criticism to our employers.

We are aware that our employers are organized in various groups, the manufacturing group, the Better Business Men's Association, the Chamber of Commerce, etc.

I have always attempted to be fair with my employer. They have a big investment, and first of all, we must give them the best services possible so that they may make a profit. If our employer is successful in conducting his business in a successful manner, we employes may expect better wages and working conditions. If our employer is not making a profit, there is only one objective for him; that is, either to close the doors, or reduce the wages of his employes.

We have the highest standard of living of any country in the world. Our wages are based upon the cost of living in our country.

I believe in organization, not only for laboring men, but for business men, veterans, professional men, etc.

During the past few months, our country has decided upon a defence program. The veterans' organizations for the past twenty years have attempted and recommended to our national body of legislators that we should have the largest defense program of any country. If our country is prepared for an invasion, I am most positive that no other country would dare to attempt an invasion.

Labor has the right to bargain. I am not in favor of strikes, unless every other plan has failed. There is no reason why labor and capital cannot agree. It is more important during war, or at this time, when our country is preparing as they are. If we will study labor's stand in the past during war, we will find that our trouble has been through some spy attempting to disrupt labor, and selling his plan to some disreputable person in the labor organization.

Our veterans' organizations are in favor of treating such persons as spies, and that their sentence should be death.

I do not mean to convey that all labor troubles in time of war or peace are caused by these kind of people, because in my twenty-five years of being affiliated with labor, I have met many high officials of the various labor organizations, and they are mostly above reproach.

I just wonder if we Americans sometimes appreciate our country, our freedom of speech, religion, and freedom to strike, if necessary.

I stated previously that I have been in England and in France. I have lived in Canada, and I have seen these countries, not only in war, but in peace. I am glad, after traveling in these countries, that I am an American, and that I live in America.

I have seen many strange sights in my travels. I have seen some beautiful scenery. I maintain the most beautiful sight that I have ever seen, or expect to see, is our United States flag flying aloft over our country. Did it ever occur to you to look at this flag, and see how beautiful it really is? It waves over the best country in the world, the one country in the world that has never met defeat.

We veterans of past wars have been victorious. We ask labor to assist our country at the present time, if an emergency arises, whereby our country becomes involved in war. It is not only our fighting men and women that can preserve our freedom, but they must have the assistance of labor.

I would rather die in defence of my country, if the occasion so arises, than to have to live under conditions that the majority of the people of other countries are forced to live under. Our form of government is the only form of government whereby we may enjoy ourselves, such as the American people have the privilege to live.

The veterans who have fought for you so that you may live in America as our forefathers desired to live, ask a favor of labor, that they will do all

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country has decided upon a defence program. The veterans' organizations for the past twenty years have attempted and recommended to our national body of legislators that we should have the largest defense program of any country. If our country is prepared for an invasion, I am most positive that no other country would dare to attempt an invasion.

The three major veterans' organizations in the United States during National Conventions in 1940 asked that Mr. Bridges of the West Coast be deported. We feel that Mr. Bridges has no place in our country, let alone being active, or the head of any labor organization. Our organizations have proven that he is guilty of the charges that he was tried for.

to have to live under conditions that the majority of the people of other countries are forced to live under. Our form of government is the only form of government whereby we may enjoy ourselves, such as the American people have the privilege to live.

The veterans who have fought for you so that you may live in America as our forefathers desired to live, ask a favor of labor, that they will do all possible to assist, if an emergency arises. When a parade passes down the street, and the American flag passes you, the women will arise to their feet and place their right hand over their heart, and that the men arise, and remove their caps or hats. We ask that you honor the flag that we fought for.

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GENERAL

Employees of Steel and Wire Votes UAW-CIO

325 Employees Out of 800 Wins Bargaining Rights---200 No Union

Battle Creek—By the strange application of the Wagner Act by the NLRB, again, a situation arises whereby the minority rules the majority.

In the recent election ordered by the labor board to be held at the Steel and Wire, 800 employes were eligible to vote. 325 voted for UAW-CIO, 195 voted for the Independent, and 25 expressed themselves as wanting "NO UNION." The balance of those eligible eligible to vote took no part in the election.

For over a year CIO organizers have been at work among the employes of the company, and again, as usual, an Independent Union failed because of the lack of advice, funds, and cooperation.

At the Steel & Wire, however, the Independent is determined to carry on, and perhaps more qickly than "Red" Walter Reuther and his "comrades" anticipate the local Independent may regain, THAT, which they feel was stolen from them.

CIO Strategy

The CIO leaders are experts in the use and application of stategy and psychology. On one occasion at the Steel & Wire, while the Independent was bargaining for wage adjustments, the CIO, who were definitely in the minority, voted a strike order against the company. This was a strategic move on the part of the CIO because it not only had a serious effect toward disrupting the work of the Independent but also placed the company in a position under which it dare not grant the Independent bargaining committee any sort of blanket wage increases. Should the company have granted blanket raises, while the strike order was in effect, the CIO could have placed an "UNFAIR LABOR PRACTICE" charge against the company on the grounds that the company did it to encourage a certain labor movement.

A strike order is most costly to employes and management: the company dare not increase wages nor can the

CIO Psychology

At a psychological time, so it appears, the CIO leaders directed a group of promoters to advance on Battle Creek and enter into a promotional scheme with the CIO group at the Steel & Wire. This, of course, occurred at the time when the Independent was the legal bargaining body for the employes, and just prior to the scheduled election.

The promoters arranged a "BENEFIT" dance party and agreed to give the CIO boys a certain percentage of the gross receipts received from the sale of tickets. The promoters checked into room 22 at the Laverne hotel, installed a phone and the campaign got under way. Incidentally, very young Mr. Simpson, president of the local CIO, received almost city-wide publicity due to the fact that almost every business man contacted was given the impression that it was the voice of President Simpson asking for support.

This promotion had a most favorable effect for the CIO on portions of the men and women who soon were to decide, by vote, who was to be the new bargaining body for all employes. On the very eve of the election, one young fellow, CIO minded, was heard to remark that, "We have $117.00 in the pot we don't have to put there ourselves"; their portion, evidently of the promotion.

Yes, strategy and psychology are master tools in the hands of those who are masters in their use.

Today, more than ever, it has become necessary that the Independents affiliate themselves, one with the other, or its only a matter of time before every Independent in America will find themselves paying tribute to such men as the Reuthers, Bridges and Hillmans, who go down in Congressional records as "REDS."

The affiliation of the Independents will produce strength, advice, finances, prestige and, above all, the American right to work in the pursuit of happiness.

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pay-checks. The bargaining, the harmony, and the future of a company and its employes can be completely disrupted simply by a certain labor group consisting of a mere hand-full of men voting for a strike.

ing LABOR FOR LABOR, and not for communism. Those are the type of men who will step to the front, supported by public sentiment, and give American labor, LABOR UNIONS, BY LABOR, FOR LABOR.

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Battle Creek

National Labor Relations Act
Its Merits and Its Demerits

Not everyone wants the Wagner Labor Act repealed, but most people (66% according to the American Institute of Public Opinion) think something ought to be done about it.

There are many reasons why various groups demandsome action.

Senator Allen J. Ellender, Louisiana Democrat, charges that independent labor unions virtually have been outlawed through action of the present board.

Senator Robert F. Wagner, author of the act, has indirectly criticised the present N. L. R.B. on which has centered a growing storm ofobjections for nearly four years. This criticism has been directed more at the methods of administration than at the act itself.

The Detroit Free Press says, editorially, "The Wagner Act is unfair to employers, for it gives them no protection against unfair practices by organized employees, and it is unfair to many employees, for it exposes those who do not want to join up and pay dues, to coercion by labor organizers.

"The one-sidedness of this law is its great fundamental defect."

Representative Fred A. Hartley, Jr., New Jersey Republican, charges that the Board has aggravated strikes which have caused great losses to employers; board hearings have been biased, partisan, prejudiced and unfair; decisions have been based on incompetent, irrelevant and hearsay evidence; in many instances decisions have been deliberate delays; there has been definite bias in favor of the C. I. O. against all other labor unions; in some instances the board has acted as an organizing agent for the C. I. O., and the board has discriminated against craft unions.

The statement in the Detroit Times, "The Pendulum has swung too far," expresses the opinion of most people who object to the act.

A recent "America Speaks" poll showed that the New Deal labor policy ranks sixth as a benefit and fifth as a defect of the administration. It seems to have turned labor sour on the New Deal in labor relations.

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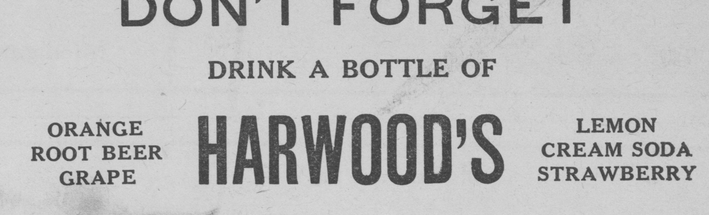

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Brandwein and ask him to

put into hands of proper people.

March 18th
1 9 4 1

M. E. Heiser
Heiculode Aircraft Company
506 - 47th Street
San Francisco, California

Dear Sir:

This will acknowledge the receipt of your letter dated February 24th, with outline of a proposed torpedo boat that could be manufactured from plasticized material enclosed.

I shall probably be in Washington within the next ten days or two weeks, and will discuss this matter with the proper defense officials.

Very truly yours,

wpr.mw
uopwa
cio

Walter P. Reuther

SYNTHETIC RESINS CO.
4400 MAYCREST DRIVE
PASADENA, CALIF.
PHONE CAPITAL 1-3342

403 LANE MORTGAGE BLDG.
LOS ANGELES, CALIF.
PHONE TUCKER 7329

Heiculode Aircraft Company

~~58 SUTTER STREET~~ 506 47th Ave.
SAN FRANCISCO, CALIFORNIA

PHONE GARFIELD 3011

February 24th, 1941.

PLASTIC PRODUCTS
PHENOCAST
PHENOCOAT
PHENOGLU

Mr. Walter P. Reuther,
International Director,
General Motors Dept.
Detroit, Michigan.

Dear Sir:

Yours of the 6th to hand and note contents, I am enclosing a rough outline of a proposed torpedo boat with data that could be manufactured from plasticized material using the space you have available, and the men that have been working in the automobile industry.

If you wish more detailed information on the boat, we have that but feel that our associates must be taken care of accordingly.

In relation to mass production of airplanes from plasticised I wish to suggest that the molds can be constructed of a concrete and pumas mixture, reinforced so that they will stand the necessary strain with all due allowance for shrinkage, both in the mold and the materials in the planes. These molds can be formed and the concrete run and set ready for use in approximately two weeks and a complete wing or fusilage can be molded in two pieces. Curing ovens can be constructed quick and efficiently within the space that you have available, thus simplifying all the tools required in the construction of plasticized airplanes or boats.

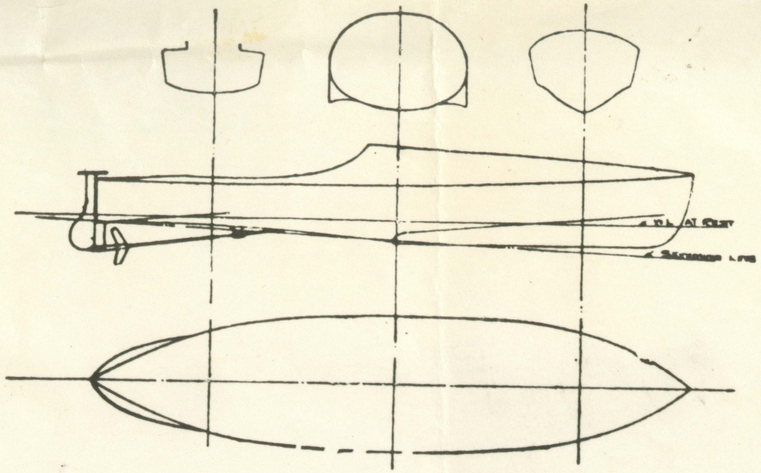
Materials are available that will plasticize readily to enable you to produce as many airplanes or boats as you care to provide molds for.

It would take approximately 40 minutes to mold the wings or fusilage for an airplane and about the same time to cure it in the oven. Low pressure and low heat is required with this process.

I feel that you have with your space and men available who have been trained to mass production, the key to preparedness plan of the United States and with the plastic process should be able to reach the 500 training or pursuit planes per day, ready to mount the engines.

If the enclosed is of interest to you and you wish to go on further, I would be very pleased to hear from you to this effect. Faithfully, Morris Heiser

M.E. Heiser.



Approx. length - 45 Ft. Approx. 700 H.P.

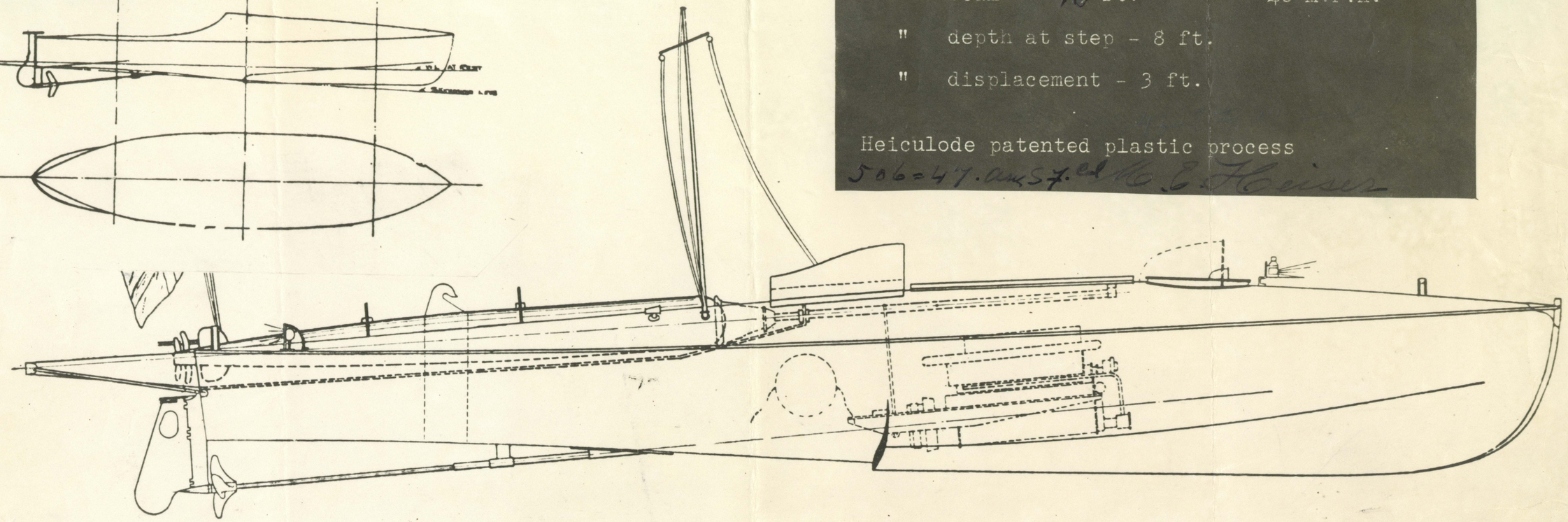
" beam 10 ft. " 40 M.P.H.

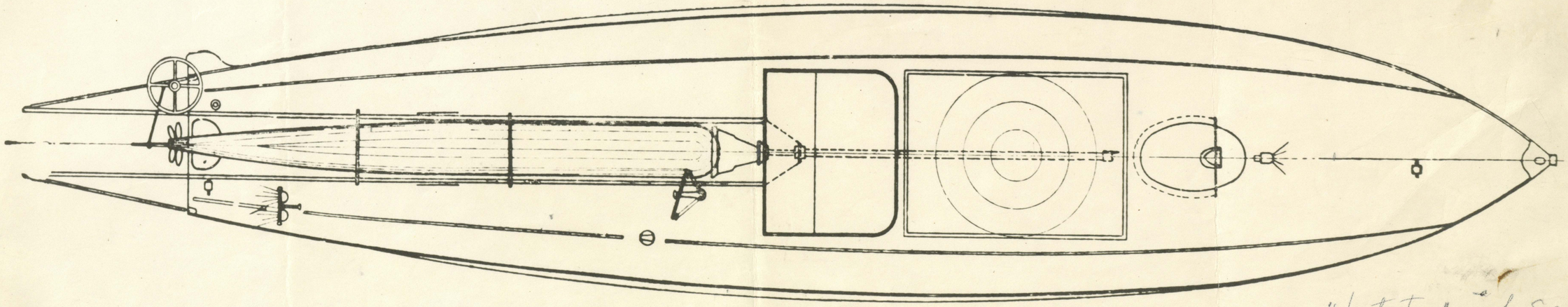
" depth at step - 8 ft.

" displacement - 3 ft.

Heiculode patented plastic process

506=47. Ave S7. Cal M. E. Heiser





4 feet to 1 inch Scale

506 = 47 Ave. S. 7 Cal
M. E. Heiser. BA. 8319
Phone

M E M O R A N D U M

HEICULODE SMALL BOAT CONSTRUCTION

PROPOSAL:

It is proposed that an organization be formed for the purpose of acquiring a factory with buildings and acreage, suitably and efficiently equipped with all the necessary machinery for the manufacture and construction of the HEICULODE BOAT made from materials fabricated with plastic and molded into shapes, types, and designs to conform with the prevailing demand, be it military, pleasure, or small commercial types.

CONSTRUCTION:

The HEICULODE BOAT is a plastic, stampled boat and is of the stiffened skin design. The hull, decking and internal bracing are all made of this material without sacrificing strength for loss of weight. Plastic ~~Steel~~ impregnated materials have a greater resistance than any of the materials in use at present for the construction of boats.

Considering one specific design, we would submit the following specifications for military purposes:

DIMENSIONS:

The following dimensions are subject to minor change by our naval architects to meet the requirements of the Government purchasing our product.

Approx. length	45 ft.	Approx.	700 H.P.
" beam	9 ft.	"	40 M.P.H.
" dept. at step	8 ft.		
" displacement	3 ft.		

This boat would carry one torpedo, two depth charges and two machine guns or one cannon, have a cruising radius of 300 miles.

There are certain improvements of construction not herein disclosed which will be embodied in the construction of future boat building of this class.

METAL STAMPING:

Just as all modern automobiles are manufactured under the stamping process, so it is here proposed to stamp boat section, and thus facilitate assembly and bring the servicing and repair of these boats into the speedy method used by the automobile manufacturers. The plastic stamping of these boat sections has been intensively studied and is now highly developed by our engineering staff and whose engineering methods and processes will be exclusively used. In the use of this exclusive method upon the small boat, a tremendous saving under highly skilled development will give this type of boat a decided advantage over all other types with respect to production, strength and future upkeep. The metal that would be used in this boat is an especially produced metal of the berylium xxxxx variety, which readily lends itself to stamping. It is very light and strong, rust and corrosive proof and is ideal for the uses and purposes herein intended. Plastic impregnated materials have a greater resistance to the elements than any of the materials or alloyed metals in use at the present time, and for the purposes which we propose here has no equal. It will be readily appreciated that the cost of construction and upkeep is greatly diminished.

ENGINEERING PERSONNEL:

This organization will bring in the most valuable service and consultation of highly skilled marine architects, chemists,

and mechanical engineers. All these men have had much successful experience in their respective spheres of operation and are personally interested in the success of this venture.

PRODUCTION PLANT AND EQUIPMENT

LOCATION OF PLANT:

Under the advice of our engineers it is suggested that the plant be located outside the present ship building area, to get away from the prevailing labor trouble in the first place, and also to be able to hire men who will not consider themselves ship builders; therefore, be open to adapt themselves to this new line of endeavor.

ESTIMATED COST OF PLANT: FOR TESTING PURPOSES

The amount required to cover the cost of renting buildings, the installation and equipment of the machinery to the point of production is approximately $40,000.00 and will require approximately three months to complete and equip. That the necessary working capital to cover the estimated cost of material and production is $35,000.00.

OUTPUT CAPACITY:

It is estimated that the plant should be able to produce three plastic boats in two days, when fully equipped.

COST PER BOAT:

The cost per boat to include engine is about $14,000.00, and would sell at $20,000.00.

It is also estimated that when the plant has been brought to a point of full efficiency that the actual production would be from ten to twelve boats per week.

M. E. Heiser
403 Lane Mortgage Bld
8th Spring st L.A. Cal
Phone Tucker 7329.

TRADE UNION PROPOSALS AND LABOR'S PUBLIC RELATIONS

By JOEL SEIDMAN

Significant from the standpoint of labor's public relations are the proposals advanced by trade unions to increase industrial production and aid national defense. These efforts indicate a recognition by some labor leaders of their larger responsibilities. Mr. Seidman is an economist working with the League for Industrial Democracy.

THE DEFENSE emergency, with its need for mass production of armament and supplies of all kinds for the United States and Great Britain, has focused public attention on every source of interference. Inevitably strikes have received major attention in the daily press and on the floor of Congress, and trade unions have been the recipients of an enormous volume of adverse criticism, in the course of which every shortcoming and abuse of the labor movement has received its share of condemnation.

In the general excitement much of the public has failed to note that from the energetic unions in the automobile, steel, and ladies' garment industries have come proposals to increase production and advance their industries' welfare that have won the respectful attention and sometimes the praise of conservative papers, government officials, and employers. Though the instances are still isolated, they demonstrate that some American labor leaders are seeking constructive solutions of the problems of their industries, and indicate a recognition on their part that they have responsibilities as well as rights.

Never was it more important, in fact, for the labor movement to have public opinion friendly. The abler labor leaders recognize that in the New Deal the trade unions gained legal rights that were not due primarily to their economic or political power, but to the presence in high office of some who entertained liberal views. With the aid of the N.I.R.A. and more recently of the National Labor Relations Act, the unions have built up first their economic and then their political influence. It is recognition of sober fact, however, to say that labor is still dependent on the good will of non-union elements for the protection of its legal position. Some of the recent union proposals to increase production may have been made with a view to improving public relations; with others this is probably more a by-product than the primary objective.

Efforts to Curb Strikes

The A. F. of L. was not slow in responding to the pressure put upon it to terminate strikes and eliminate abuses, and it did not always wait for pressure before it advanced constructive proposals. William Green on several occasions has denounced the calling of strikes in defense industries, urging instead that issues

be submitted to mediation and arbitration.

Early in January the metal trades unions proposed a policy of no strikes on defense projects, provided employers agreed to arbitrate all disputes. Under the plan of the metal trades unions, management and labor should first deal directly to settle issues between them; should agreement not be reached, the services of the conciliation division of the Department of Labor should be speedily obtained, with arbitration resorted to if conciliation proved unsuccessful; agreements should outlaw both strikes and lockouts, with provision for the arbitration of all differences.

The building trades, likewise, early advanced proposals to eliminate interference with defense construction, making a total with the metal trades of twenty-five unions, representing more than 2,500,000 workers, that had taken such action. The Brotherhood of Painters, Decorators and Paperhangers, with 125,000 members, was the first to sign a national agreement prohibiting strikes and lockouts on defense work.

The building trades unions have voted to ban jurisdictional strikes among themselves on defense projects; they have also sharply limited the initiation fees that their locals may charge, and decided to permit the employment of non-union workers without permit or privilege fees where insufficient union members are available. The unions assert, moreover, that non-unionists are thus enjoying without cost the benefits of standards that union members have slowly and painfully built.

Plan for Warplane Speed-up

Most noteworthy, in view of past public relations, is the remarkable shift in the automobile industry. Four short years ago, when the great sit-down strikes were in progress, the union of automobile workers was widely and roundly denounced by most agencies outside the ranks of the labor movement as a threat to law, order, and property rights; the automobile manufacturing companies, in the same period, were widely pictured as the victims of property seizures and violence.

Today, when American plane production may prove a major factor in the fate of Britain and perhaps of this country as well, the automobile workers' union appears in a different light. It is Walter Reuther, head of the General Motors Division of the C.I.O.'s United Automobile Workers, who has advanced the challenging plan to use the facilities and the mass production methods of the automobile industry to produce an estimated 500 planes daily.

Whether this plan is practicable is a matter for engineers familiar with the industry to determine; important from the present point of view is the fact that automobile labor presented a plan, not to aid itself, but to advance the national interest, at a time when a Ford Motor Company bid for an Army contract was rejected because it refused compliance with federal and state labor laws. The fact that the United Automobile Workers has also received unfavorable publicity in connection with strikes, actual or threatened, in defense industry does not alter the

fact that a significant improvement in public relations has occurred.

In a broadcast over a national network on December 28, 1940, Reuther advanced his plan in words that undoubtedly helped to build up a favorable public opinion toward his union.

"Why should labor concern itself, some may ask us [he said], with speeding plane production? Labor is concerned because it believes a strengthened defense essential to our country's safety in this era of Axis aggression. . . .

"Labor asks only in return that its hard-won rights be preserved. Labor asks only that manufacturers like Ford be forced to obey the Wagner Act as his competitors of General Motors and the smaller companies have been obeying it. Labor asks only that it be allowed to contribute its own creative experience and knowledge and that it be given a voice in the execution of its program."

Garment Workers' Program

Even more remarkable, both for its industrial significance and its appeal to the public, was the program submitted by the New York Dress Joint Board of the International Ladies' Garment Workers' Union upon the expiration of its agreements in December 1940. On behalf of the 85,000 workers in this $350,000,000 industry, Julius Hochman, manager of the Joint Board, asked neither wage nor hour concessions. Instead, following an exhaustive analysis of the ills of the industry, he presented a program for efficiency and promotion. The union proposed that a $1,500,000 fund be raised to promote New York as a style center, and as a start toward this sum the I.L.G.W.U. pledged a contribution of $100,000, on condition that the union label appear on each dress and be included in the advertising and promotion campaign.

"A New Concept of Unionism" was the heading of the editorial in the *New York Herald Tribune,* commenting favorably upon the proposal. "It is to be hoped the plan will succeed," said the *Herald Tribune,* "but in any event the concept of unionism which inspired it is worthy of widespread imitation." *The New York Times* observed: "When employers and unions agree on a plan for the benefit of their industry, and of the community which it serves, before proceeding to discuss a new contract for hours, wages and working conditions, the public may well pay respectful attention." Along similar lines was the comment in other conservative papers.

The employers soon agreed to the promotion campaign, pledging contributions of $1,000,000, with the remainder to be raised from retailers, textile and accessory firms, and real estate and banking interests. The union offer of $100,000 was tentatively rejected, however, the manufacturers being unwilling to sew the union label on each garment. For some weeks negotiations were deadlocked on the efficiency clause, with the union asking the right to treat inefficiency in management as a violation of contract, for which complaint could be made to the impartial chairman.

As a result the sympathy of conservative newspapers was with the

dress union, with the pressure of public opinion helping to force employers to agree to efficiency standards. *The New York Times,* for example, commented editorially on February 4:

"One would think that there could be no dispute over the Joint Board's plan, fathered by General Manager Julius Hochman, to increase the piece-work earnings, and presumably profits as well, by requiring that 'the shop be operated by the employer at all times in an efficient and well-ordered manner.' The hitch probably is that small employers, operating in a traditionally chaotic industry with little ready capital, fear that they may have to make too large an initial investment.

"Yet if the 'efficiency' procedure is sound the credit to operate it should be forthcoming. Neither consumer nor employer can have any real quarrel with a union's statesmanlike plan to raise its members' incomes by increasing their productivity. Let us hope that the plan to make New York City 'the style capital of the world' will not be jeopardized by an unnecessary quarrel."

The agreement that was finally reached in the dress trade empowers the impartial chairman to promulgate rules to guarantee efficient management, if the employers and the union cannot agree on them. An employer who persists in inefficient methods and who fails to adopt suggestions to remedy the situation can be assessed damages by the impartial chairman, the money to be used to maintain a department in his office to advise manufacturers on efficiency.

Needless to say, this is not pure disinterestedness on the part of the union. The New York dress industry has long been faced with severe competition from other parts of the country, and some employers have moved from the metropolis in an effort to reduce their labor costs. To seek higher piece rates would be to encourage more to move; instead the union is seeking to bring more work to the market, thus providing its members with steadier work and higher annual incomes.

Advocating Cooperation

The Steel Workers Organizing Committee has been thinking along somewhat similar lines. It proposes cooperative effort between the union and management to eliminate inefficiency and increase production. In each case in which management has granted the S.W.O.C. the opportunity to participate to a greater extent in the productive process, the union asserts, the venture has been a success.

"Labor wants this opportunity to participate more in the job of production," declares a recent handbook issued by the S.W.O.C. under the title, *Organized Labor and Management: How to Make Effective National Unity in Defense.* "Any delay in management's becoming realistic will be at the peril of our essential National Defense efforts." When unions opposed scientific management in earlier years, the steel workers assert, it was because they felt that the sole purpose was to increase private profit at the expense of public welfare; now that organized labor is recognized and given greater par-

ticipation in production, it "is being given reason to visualize the efficient operation of industry as having to do with its own well being and that of society in general."

Significant also is the fact that, little more than a year ago, the chairman of the S.W.O.C., Philip Murray, could team with Morris L. Cooke, a leading industrial engineer, to write a book advocating cooperation between unions and management to increase the volume of production, and so raise living standards.

More recently Murray has proposed that an industry council, representing management and labor equally, and with a government representative as chairman, be created to ensure the efficient coordination and use of present steel-producing facilities, and to expand these facilities where necessary. Such a committee, Murray asserts, could put present idle capacity into production and coordinate armament and non-military demands upon the industry, so as to achieve maximum output. This proposal would of course confer upon the Steel Workers Organizing Committee far greater power than it has ever possessed, and for this reason alone it has received scant attention from management. In its other features, however, and in its analysis of the industry from the point of view of maximum production for defense purposes, the plan represents a significant effort on the part of organized labor to discharge its larger responsibilities.

Many union practices that have produced highly unfavorable public reactions still persist, needless to say. Strikes in defense industries, closed books and high initiation fees, jurisdictional strikes, opposition to more efficient methods, and combinations with business men to raise prices are some of the practices still engaged in by a number of unions, to the irritation of sections of the public. Men of questionable character still hold office in certain A.F. of L. unions, and Communist Party members or fellow-travelers still wield considerable influence in some C.I.O. affiliates.

Nevertheless it is significant, from the point of view of the public relations of the labor movement, that some trade unions should now be advancing proposals designed to increase the volume of industrial production, aid national defense, and benefit employers and the public as well as the union membership.

RURAL AMERICA DISCUSSES DEMOCRACY

By M. L. WILSON

The discussion of democracy, as a leading extension project of the Department of Agriculture, is bringing about a better understanding of problems confronting American farmers today. The objectives and procedures of the discussion program are described by Mr. M. L. Wilson, Director of Extension Work, U.S. Department of Agriculture.

THERE HAS always been a good deal in common between rural America, freedom of speech, and the democratic way of life. American democracy as we like to think of it was in fact reared in the rustic cradle of the plain outspoken word.

Whenever a question of importance came up, our colonial ancestors talked about it. They discussed the issue until everybody had had his say. Then they patched up their differences and joined in carrying out the wishes of the majority. That was the beginning of American democracy.

Farmers still congregate in groups small enough for everyone to have his say. They discuss issues in groups around the cracker barrel in the country store; after church; on Sunday afternoon visits to neighbors or friends; at picnics; and at their work. And besides the many little issues, farm people now talk about *the issue* of the day.

Defining the Issue

On January 28 of this year there met in Washington—at the call of Secretary of Agriculture Claude Wickard—a group of distinguished scholars who made an effort to clarify the issue. They drew up a "discussion outline." Several drafts were made in a typically democratic way. Practically no two members would have worded the outline in the same terms had they been called upon to write it individually. But all agreed to the draft as written in principle. They compromised by letting it be released as something to shoot at by people interested in true democratic discussion of the things regarding which everyone will have to reach a decision sooner or later.

Under the subhead "Moral Issues in the Present Conflict"[1] the scholars in their collective judgment defined the issue as follows:

"Today democracy is threatened by a new kind of revolution. For thousands of years, strong and successful revolutions have had as a purpose the enlargement of the life of every individual. The totalitarian revolution is toward submergence of the individual. We now have to ask what a totalitarian victory may mean to us as individuals. The totalitarian powers expressly reject the cardinal principles which are inherent in democracy, and which are inseparable from the historic creed of the United States. They deny what we affirm. They affirm what we deny.

1. Democracy affirms the right of every individual to exercise political power through the ballot and public opinion freely formed. Totalitarianism, on the other hand, proclaims that power is inherent in a leader, clothed with absolute authority.

[1] *Democracy in the Present Crisis.* U.S. Dept. Agr. Ext. Serv. Cir. 351, March 1941, 5 pp.

Kitty Winston

NEW YORK, N.Y.
JUN 8
4-PM
1941

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c/o CIO Headquarters
Detroit, Michigan

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Monroe Alumni Notes

MEMO — TERRIBLY IMPORTANT MEETING on Friday, October 25th, 1940 . . . We need your presence at Monroe High School, Room 151, at 8:30 P. M. . . . We're not discussing what color the school shall be white washed!! Instead we have great news . . . . A GALA DANCE in the Monroe Gym on November 23rd, 1940, plus a Faculty versus Alumni Basketball Game . . . Imagine seeing the familiar faces of Mr. Merovich versus Cully Shaback . . . We need your advice . . . Tell us how we can put it over . . . Plans are on the fire to have such luminaries as BILL HUTCHINSON, HANK GREENBERG, and JOHN GARFIELD attend the game and dance . . . Your brothers and sisters know about Friday, pass t meeting . ll pro- gram receiv- ing t writer's cramp achers and fr

PRC in the Monro lumni News" . . . "Hutch" is playing with the Football N. Y. Yankees . . Paul Caragliano is an assistant producer in Hollywood . . . Charles O'Keefe is a minister in Omaha. . . .

ADD MEM drop a line to We need you

Until Consc I'

P. S. Future Bu 3rd Fridays in D

BUDDY BURNSIDE OPINIONATES—

With all the hoodlums and lunatics flocking to LINDY'S group it begins to look like THE AMERICA CURSED COMMITTEE ...

Over worked and underpaid — transport workers — nurses and interns . . . More planes and ships must go to Britain and China . . . *Thousands of phonies ripping these down, 16 Americans putting them up...Help us even the score. Write Buddy Burnside P. O. Box 7, Times Square B. B.*

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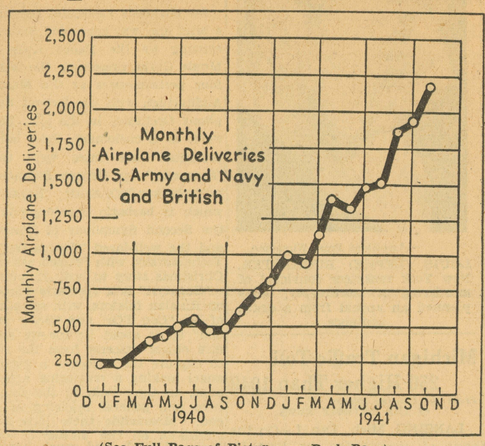
for Democratic Action

U.S. Plane Production Tripled in 12 Months



(See Full Page of Pictures on Back Page)

By ROBERT S. BALL
Aviation Editor, The Detroit News

"Planes, tanks, guns and ships have begun to flow from our factories and yards, and the flow will accelerate from day to day until the flow becomes a river, and the river a torrent, engulfing this totalitarian tyranny which seeks to dominate the world."—President Roosevelt, Sept. 18, 1941.

As the United States Army Air Force today launched the most ambitious recruiting program in its history, spokesmen for the aircraft manufacturing industry disclosed that production of warplanes has trebled in the last 12 months, and still is climbing.

With reference to the above-quoted observation of President Roosevelt, T. P. Wright, assistant chief of the aircraft branch, OPM, notes that the "trickle" of planes dispatched to England in 1940 became a river during 1941, and that the torrent stage is just now starting, with engulfment of "totalitarian tyranny" scheduled for 1943.

Col. John H. Jouett, president of the Aeronautical Chamber of Commerce, revealed that even today the airplane production of Germany and the other Axis nations has been exceeded by half by the output of American factories plus British production.

Military aircraft production stood at the rate of about 500 a month in May of 1940, when President Roosevelt first called for a goal of 50,000 planes a year and the industry's expansion program started.

By November of last year it had reached barely 750 planes a month. Today it stands at a rate in excess of 2,200 a month and by Dec. 31 may well reach a 2,500-a-month pace.

"It is now apparent that my prediction of last spring that 1941 would see 18,000 airplanes roll from American plants is being fulfilled," Col. Jouett said. "This striking accomplishment is in great part due to the co-ordinated work and planning of the Army Air Forces.

"Quality production has paced quantity production in doing the task described as 'the biggest job any industry ever tackled'."

Wright goes Jouett one better by forecasting total 1941 combat plane production at 19,500 units, and projecting his estimates onward with 28,000 planes for 1942, an increase to 39,000 in 1943 and a peak of 49,000 during the year 1944.

What makes this objective even more staggering is the increased emphasis on heavy bombers and the decreasing proportion of training planes in computing the totals.

"Although in the next year we may almost double the number of aircraft produced each month, it should be noted that in terms of weight of airplanes produced (or in terms of total horsepower of the engines with which they are equipped), there will be a three- to four-fold expansion required," Wright pointed out.

RESULTS OF SURVEY

To accomplish all this, the industry launched one of the most staggering expansion programs in all history.

On Nov. 22, 1940, the Aero Chamber announced the results of a survey which indicated that by 1942 the leading airplane, engine and propeller manufacturers would have a total working space of 33,370,822 square feet.

Less than a year later, on Sept. 1, 1941, another survey disclosed that airplane, engine and propeller manufacturers had completed 44,171,183 square feet of working space—and were rushing work on an additional 10,000,000 feet.

Employment has kept pace with plant expansion. With little more than 80,000 employes in May, 1940, the aeronautical industry has boosted payrolls to more than 250,000 and is aiming for a peak of more than half a million workers.

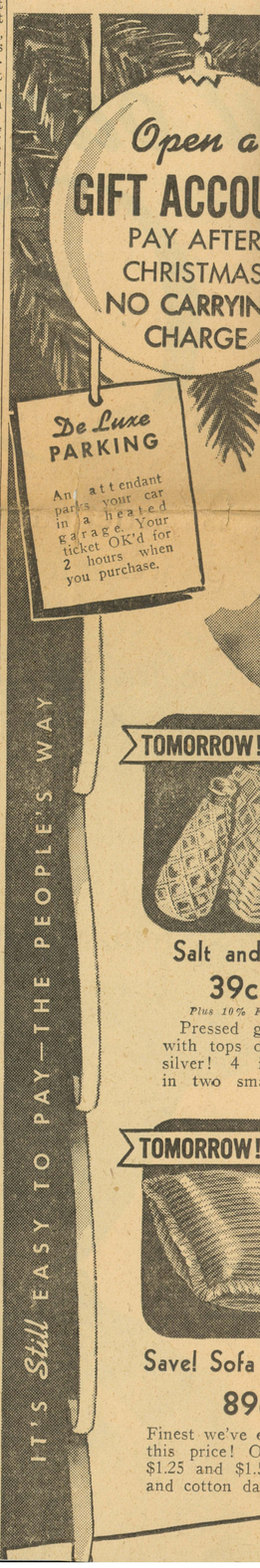
Unfilled orders on the books of industry components now exceed $8,000,000,000 despite record deliveries of the last few months. During the first half of this year, aircraft deliveries amounted to $617,345,086 as compared with $554,400,000 for the entire 12 months of 1940.

HALF GOES ABROAD

Approximately half of current output is being shipped to the world's battlefront — to Britain, Russia, China, Australia — with heavy and medium bombers making the transatlantic journey under their own power, fighters and light bombers going by steamer.

But deliveries, like production, are going to be vastly accelerated next year, and as good weather comes to the North Atlantic even pursuit planes, attack bombers and dive bombers will wing their way to Europe, via Newfoundland, Greenland and Iceland.

As the Army plugs its famed slogan, "Keep 'Em Flying" today and in the days to come, the American aircraft industry—well on the way toward becoming the second largest industry in the nation—will be kicking out the planes for the "Keep 'Em Flying" crews to handle.



LABOR POLICY AND NATIONAL DEFENSE

By

Z. CLARK DICKINSON

BULLETIN NO. 12

BUREAU OF INDUSTRIAL RELATIONS
UNIVERSITY OF MICHIGAN
1941

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FOREWORD

In the present emergency employers and employees, it is believed, will welcome statements by competent and impartial observers on policies intended to maximize production for defense and civilian needs, particularly if the policies are designed to bring about the necessary industrial mobilization with a minimum of economic disturbance.

The accompanying essay on these timely matters is by Z. Clark Dickinson, Professor of Economics at the University of Michigan. It is the substance of a chapter in his forthcoming work, Collective Wage Determination, which is to be published by the Ronald Press Company in the near future.

The Bureau of Industrial Relations at the University of Michigan deems it a privilege to make this essay generally available at this time, and expresses its appreciation to the author and to the Ronald Press Company for their courtesy in consenting to its publication as a separate bulletin.

John W. Riegel, Director

August, 1941

LABOR POLICY AND NATIONAL DEFENSE

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LABOR POLICY AND NATIONAL DEFENSE

Among the urgent and difficult problems forced upon Americans by the present World War are the new strains it puts upon our productive abilities and upon our price and wage structures. Even while we are merely engaged in strenuous defense preparations (as is the case while I write), the difficulties are very great; and they would pyramid rapidly if our nation were drawn into the actual fighting. Furthermore, there is the need to handle our labor and other economic affairs during the defense period in such manner as to minimize the depression effects which may ensue as hostilities cease or pause.

A "national labor policy," to be sure, is difficult to define, even in abstract terms; the sums of all laws and practices affecting wages, for example, in any country inevitably show many anomalies, due to the enormous variety of modern labor-relations. Nevertheless, the influence of government and of labor and employer organizations upon labor affairs is still rapidly growing, in the United States and elsewhere; and such growth tends to bring wage rates and other factors pertaining to labor under increasingly conscious and large-scale management. It is therefore important that leaders and constituents in these groups should study labor policy continuously in the interest of furthering defense efforts with a minimum of hardships, present and future.

An outstanding set of problems is raised by the newer labor standards (governing, for instance, wages and hours), established by law and by private agreements. Many members of our community regard these standards as contributing to defense efficiency, or at least not hindering it; while other people believe that the emergency demands some modifications. Here is but one illustration of the need for research on elements of national labor policy, and the coordinate need to achieve practical helps on these matters for employers, employees, governmental agencies, and citizens at large.

This bulletin attempts to clarify some of these questions.

The framework chosen for our discussion has three main parts. We begin, in section A, by outlining some main economic problems--notably the inflations and deflations--created by modern wars and their aftermaths; and proceed (in section B) to a review of effects of the present war upon labor in belligerent and adjacent nations. After examining highlights of this background, we go on (in section C) to deal with current American labor trends, showing some possibilities of more conscious, comprehensive, and effective policy toward employment, hours of work, productivity, labor disputes, and wages.

A. EFFECTS UPON LABOR OF MOBILIZATIONS AND DEMOBILIZATIONS: 1914-21 EXPERIENCES

1. Conscription and Other Controls, for Vast and Speedy Shifts

Rapid and adequate preparation for war, as well as its actual conduct, demands vast readjustments throughout national life, and

at top speed. In peacetime the aggregate results of a multitude of dealings, through both private and public agencies, have the supreme merit of contributing substantially toward individual freedom and democracy; the "law of supply and demand" is supplemented by public authority only to a minor extent in order that labor and other productive resources shall be applied in accordance with consumer wants and incomes. Not so in wartime! Then, in the words of B. M. Baruch, "because governmental determination (and not price) controls demand, and because only complete cooperation (and not competition) can produce supply in sufficient quantity, the law of supply and demand adjourns itself."[1] The nation becomes a planetarium--changes which normally would consume a whole decade (such as increasing the annual rate of airplane production from two to twenty thousand) must be accelerated into the span of a single year.

The utmost of national military power in the shortest time, however, will usually be achieved by a new combination of economic and political pressures, rather than by political control alone. While the emergency conditions are still novel, to be sure, many people favor extreme State regulation of industry, labor, and prices, including much official rationing of supplies (through "priorities" machinery and otherwise)--in a word, general "conscription of both labor and

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[1]B. M. Baruch, Taking the Profits Out of War, p. 22. Cited in C. O. Hardy, Wartime Control of Prices, p. 101. (Brookings, September, 1940).

capital," and all the other vocabulary of a completely and authoritatively planned "M-Day." But experience has shown that one new government control necessitates a dozen auxiliary controls, through a rapidly-growing and cumbersome bureaucracy. Hence central authority is never wholly substituted for private initiative, property, wages, and other bargaining. Wage policy, for example, becomes more complex, rather than more simple, in wartime today, because a nation can secure the most effective response from its whole labor supply only by means of many new combinations of bribes, appeals, and commands--not by any one of these alone nor by the normal peacetime mixtures.

2. Wartime Price-and-Wage Spiral: General and Relative Wages

More specific guides to the elusive and shifting golden mean of authority and freedom are difficult to demonstrate; but only a few glances over histories of great wars show some economic evils which we may strive to minimize as we make our large and burdensome defense preparations. One of these ills is great inflation of prices and wages, hitherto followed--as the great wars subsided--by acute or chronic general business depression. Many of us can remember how this cycle proceeded in the eight or ten years beginning in 1914. An important part of that cycle was the numerous labor disputes and the excessive labor turnover and absentism which developed, as many workers were painfully squeezed between rising rents and prices and slackened demand for their services, while many others, because of marked

increases in the demand for their work, could afford new luxuries.

As the preceding sentence suggests, relative wage rates and earnings are greatly affected by national defense and war. Within each belligerent or rapidly-arming country the huge and sudden addition of urgent demands for war production and for manning the armed forces naturally produces boom effects in many industries, occupations, and localities; while local slumps and maladjustments develop in other territories and industries. In 1914-18, for instance, British metal trade workers received wage advances nearly equal (on the average) to the whole wage of the less-strategically-situated cotton operatives, and coal miners' earnings sometimes increased still more. In the United States during 1915-18, average annual real earnings in manufacturing rose some 12.4 per cent, as compared with 6.6 per cent in "all industries."[1] Types of business deemed not essential to the war effort must adapt themselves to reduced supplies--if any--of materials, transport, finance, and labor, as well as to many other disturbances. Private use of motor vehicles, for instance, was drastically curbed in Europe even before the outbreak of war in 1939. Motor factories were soon shifted into war work, and the people who normally sold and serviced private cars were, as fast and as far as practicable, diverted into more war-like employments.

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[1]These and other examples are given by E. J. Riches in "Relative Wages in Wartime," International Labor Review, October-November, 1940, Vol. 42, p. 217ff. There was a world-wide lowering of relative wages of skilled workers after 1914.

3. Readjustments After 1918.

How did the wage rates and other labor policies of the first World War affect problems of military and economic demobilization at the end of that war?

The accumulated irritations with wartime controls of every sort led to rapid relaxations and abrogations of such controls. The American armed forces were rapidly demobilized, and within a few years governmental agencies had largely retired from management and operation of such industries as munitions manufacture, mining, railways, shipping and ship-building. All this was symbolic of the attempt to return quickly to pre-war ways of living. Numbers of labor disputes in Britain reached new high levels in 1919 and 1920, but in the United States the 1917 level was not reached again until 1937.[1]

Prices and wage rates continued to soar in all nations until 1920; and the number of wage earners employed in American manufacturing, mining, and steam railroads in 1919 was about 11.3 million, compared with approximately 9 million in 1914 and 11.1 million in 1923.[2] This brief post-war boom in private employment was perhaps more pronounced in the United States than elsewhere, due to such factors as the spending of war bonds by wage earners, continuance of employment in armed

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[1]The War Labor Board was kept at work for a year or two after the armistice.

[2]W. Bowden, "Wages, Hours, and Productivity of Industrial Labor, 1909 to 1939," Monthly Labor Review, Sept., 1940, table 5.

forces and in completion of wartime contracts, and above all to optimistic extensions of American credit to foreign countries.

The depression of 1920-21 was characterized by remarkably drastic and prompt wage and salary cuts in all nations; also by a considerable recovery in employment as early as 1922.[1] The years 1920-21, in other words, saw a sharp but relatively brief downward spiral of prices and wages.[2] Another phase of this economic debacle was a serious decline in trade union membership, which had reached a peak in 1920 that was not equalled again in the United States until the New Deal period, and has not since been equalled at all in Great Britain.

From 1922 to 1929, it appeared superficially that the American economy had made a highly successful transition from war to peace. But it is now all too clear that ominous maladjustments persisted throughout that decade, in our own nation as well as abroad. Much of reconstruction and of successful readjustment was everywhere accomplished, of course; but we can now see that a number of factors were preventing a real

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[1]The Conference Board's monthly series of average earnings per hour in manufacturing industries, for example,which begin (after the estimate of 24.7 cents in July, 1914) with June, 1920, show the peak of 61.1 cents in September and October, 1920. The rapid decline which followed carried this average down somewhat below 48 cents the last of 1921 and first half of 1922; after which it rose steadily to 56 cents by September, 1923.

[2]The U.S. Bureau of Labor Statistics present index of urban wage earner living costs (1935-39 = 100) stood at 70.7 in 1913, and had moved up only to 74.0 by December, 1915. In June, 1920, it reached its peak of 149.4, and by September, 1922 had been deflated to 118.7 --about 20 per cent down from the peak.

recovery. Among the more or less malignant tumors in the world's body politic were social revolutionary movements, particularly the Communist and Nazi varieties; also the "Balkanization of Europe" into the impracticably small-scale nationalisms and alliances which emerged from World War I. Two other factors, however, of international scope, compete vigorously for top rank of importance in preventing adequate readjustment after 1918:

(1) Most people expected an impossible degree of return to pre-war conditions. An outstanding illustration was the British resumption, in 1925, of the old gold parity for the pound, which in view of depreciation on the Continent produced a millstone of extreme deflation that thereafter hung upon the neck of the "unsheltered" British industries. Noteworthy among these was cotton manufacture. The more moderate deflation that was accomplished in the United States by 1923 was much nearer to an ideal readjustment among prices, wages, profits, and debts. The comparative rigidity of British wage rates against cuts was one hindrance to the greater degree of deflation which was sought in that country; this problem could have been largely circumvented by stabilizing the pound on a lower gold content.

(2) A second major factor which prevented needful economic readjustments after 1918 was the unwillingness of all nations to pay the prices required for such "returns to normalcy" as were feasible and needful. Pressure groups everywhere had become skillful in using the public purse to buy opiates for their own economic diseases--in

devising subsidy and price maintenance schemes for industries like coal, cotton, and wheat, which were bloated by the war.

In view of these complications it is clear that we could easily exaggerate the responsibility that should be charged against the 1914-20 inflation of wage rates and prices. Even if this inflation had been avoided, doubtless we should have been stumped by many of the industrial maladjustments left in the wake of the war. Nevertheless the degree of inflation by which the nations financed their political efforts after 1913 added materially to the other obstacles which hampered efforts to beat swords into plowshares. Prime sales points of both Communism and Naziism, for instance, were their alleged solutions of the unemployment problem which persisted after the war.

B. SOME EFFECTS OF THE PRESENT WAR UPON FOREIGN LABOR AND LABOR POLICIES

In the preceding section we opened up some major problems of wartime labor policy, with special reference to the first World War. Let us now undertake a brief review of some endeavors since September 1939 of foreign countries to deal with similar issues. Starting with a few particulars from the inter-war period (1919-38), we shall notice particularly actions in Britain, Canada, and Sweden with reference to certain aspects of labor standards, labor disputes, trade union rules, wage policy, and war finance.

1. Foreign Unemployment and Labor Standards in World War II.

In 1919 an Act of Parliament led the way toward restoring British trade union practices of 1913. Furthermore, the legal forms providing for compulsory arbitration of labor disputes were soon swept away--though public regulation of wage rates continued to be much more prominent in Britain than before 1914.[1] Labor legislation in most countries after 1918 was extended to deal with many new questions. In this trend the researches and conferences and agreements of the International Labor Organization were important factors.

After 1929 agitation for drastic reductions of working hours (without reduction in weekly pay) was accelerated by the unemployment crisis; and by the year 1938, work weeks of 40 hours or less had become general for industrial workers in several nations--notably France, New Zealand, and the United States.[2] In Europe, the 40-hour-

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[1] See, for instance, A.G.B. Fisher, Some Problems of Wages and Their Regulation in Great Britain since 1918 (London, 1926); and Dorothy Sells, British Wages Boards (Washington, 1939). Of the 49 Trade Boards which had been established by 1938, the oldest three were set up in 1910, followed by four in 1914. The number grew rapidly after the war's close--e.g. 11 were established in 1919, 20 in 1920. Among other types of governmental minimum wage fixing in Britain after the war was that of agricultural wage committees, which operated 1917-21 and from 1924 onward.

[2] See reports and proceedings of International Labor Conference, 24th Session (Geneva: I.L.O., 1938). In Italy, also, the official normal plan for industrial workers became a 5-day, 40 hour week--here, too, an important objective was to spread work for palliation of unemployment. In U.S.A. coal miners obtained a 7-hour day and 5-day week in 1934; and besides a few other strongly-organized trades which had likewise achieved normal hours shorter than 40 a week, the 6-hour day (permitting up to 4-shift, 24-hour operation of a plant, and usually

week movement was soon undermined, in part by its excesses in France, and especially by reports that 10-hour shifts or longer prevailed in German and Italian armament industries.

As international conflicts reached great war proportions in 1939, European belligerent and neutral nations alike promptly began a series of drastic cuts of their labor standards, particularly with reference to hours of work.[1]

At that time these nations had more slack of unemployment to take up than in 1914 (though relatively less than the United States in 1939-41); but outside of Germany, whose economy was already geared to war, there were many bottlenecks of supplies and of workers for key jobs and plants. The line of least resistance was to relax legal labor standards so as to give the war industries free hands; and one

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6 shifts a week for each worker) was gaining ground, especially in chemical and other industries in which continuous processing is important.

The I.L.O. reports show, moreover, that by 1938, penalty wage rates (from time-and-a-quarter to double time) were required, by law or collective agreements, for overtime work in a dozen or more lands. Outside the few 40-hour-week nations, such penalty wage rates usually applied to work over 8 hours in a day or 48 hours in a week. (The older types of legal hours controls, for women, minors, and hazardous trades, prohibited work beyond their limits, except through special permits; and the 40-hour regulations of many NRA codes and of the French laws of 1936-37 were of similar inflexibility. Other NRA codes--and the earlier Adamson Act--exemplified the present tendency to use a penalty overtime rate as a more flexible, less bureaucratic, means of controlling hours of work.)

[1]See International Labor Review, issues of the period, e.g. "Influence of the War and Mobilization on Hours of Work and Rest Periods," March, 1940, vol. 41, pp. 291-306.

result was longer weeks even for some occupations and areas in which capable unemployed workers were still available.

Penalty wage rates for overtime, however, were by no means discarded in the belligerent nations. In Belgium and Great Britain for example higher cash pay was continued (in some industries, at least) for work beyond normal hours. Other governments (like France) copied earlier totalitarian models in this matter and diverted part of the workman's overtime wage into social security or working-class welfare funds.

Again, as in 1914-15, a reaction followed within the war's first year. Probably in but few occupations and shop conditions, however, has it yet been rigorously demonstrated that the optimum work shift, from the standpoint of total wartime output, is below eight hours, or that the optimum rate of production per worker can be maintained by a week shorter than six 8-hour days.[1] Adequate supervisory and skilled

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[1]The German reaction in December, 1939, shortened the normal work shift to ten hours in war industries. The circular of British Minister of Labor Bevin in July, 1940, which called a halt on "the continuation of 7-day working, with an average working week of between 70 and 80 hours," recommended an average week in munitions production of some 60 hours (inclusive of short rest and refreshment pauses), until such time as recruiting and training of labor forces would permit" a reduction in the working week to the optimum hours, which experience in many manufacturing fields shows to be in the region of 55 or 56 hours . . ." International Labor Review, October-November, 1940, vol. 42, pp. 267-271. (A year later, however, complaints were still heard that long-shift seven-day weeks were too often required). Remember (a) that Bevin has been, for many years, a trade union leader of outstanding character and influence; and (b) that when he issued the circular just referred to there were still 763,000 or 5.3 per cent of people covered by unemployment insurance unemployed. Here is a

forces had not been trained for this emergency in Britain and France; furthermore owners and managers as well as wage earners were unwilling to shorten week-ends and holidays.

2. Compulsory Arbitration and Suspension of Union Rules in Britain

Labor abroad has been vitally affected by the present war in several other ways, especially through authoritative measures for mobilizing labor supplies and avoiding disputes. The 1914-18 pattern is again easily recognizable, though with some important variations. The belligerents in 1939-41 have resorted more promptly to industrial as well as military conscription and training, to the use of State employment offices and unemployment-insurance administration to minimize labor turnover and "labor piracy," to suspension of union work rules and practices, and (where it was not already in use) to compulsory arbitration. In Great Britain, for instance, the Minister of Labor received the significant additional title "and of National Service;" and in one of his numerous capacities, he is chairman of a Labor Supply Board which, with its local organs, can utilize emergency powers of conscription for civilian war service.[1]

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strong indication that a country which is in earnest about war effort can ill afford to wait until "full employment" is reached before lengthening permissible hours of work. A more important slack than short turns of work which has not yet been fully utilized by the democracies is idleness of plant facilities not operated as many hours as they could be by multiple and staggered shifts of workers.

[1]Particulars on these and other matters discussed in the above text are summarized in International Labor Review, October-November, 1940, vol. 42, pp. 252-264.

One new instrument for this purpose is the following revision of administrative regulations in the British national unemployment compensation system:

> "The definition of 'suitable employment' which must be accepted by an insured worker receiving benefit has been extended to include work certified to be of national importance. Such work, if on standard rates and conditions, is not deemed unsuitable merely because the worker has previously had better working conditions, or, if he has been unemployed for a fortnight or more, because the job is not in his usual occupation."[1]

As in 1914-15, British labor in 1939-40 gave up some of its cherished working rules for the War's duration, thereby again permitting such expedients as temporary "dilution" of union journeymen with unskilled and semi-skilled male and female labor. The conditions of Employment and National Arbitration Order, effective July 25, 1940, provides incidentally for filing memoranda giving particulars of such departures from "established trade practices", which notations will serve as evidence if and when the unions ask for restoration of pre-war conditions.

The main effect of this Order, however, is to set up a top tribunal for final adjudication of any labor disputes not otherwise settled. In this function, at least, the new board is analogous to the Committee on Production of 1915 and following years; and like the old Committee, the present National Arbitration Tribunal becomes largely responsible for the main outlines of British wage policy.

One way in which the present compulsory arbitration system of Britain

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[1] Ibid, p. 262

resembles those of World War I is that none of them has been able actually to halt strikes.[1] During the present war, British wage regulation approaches somewhat more closely to the peacetime Australian model than to that of Britain itself in 1915-18. Many more British minimum wage authorities, whose main business is protection of the lowest-paid workers, were operating in 1939 than in 1914. Apart from these latter wage boards and the new top arbitral tribunal, all with compulsory powers, numerous other agencies continue to assist in voluntary determinations of public and private wages and salaries.[2]

Many of the problems with which all these agencies have had to cope concern relative wages--comparisons and differentials among occupations and regions, and by age and sex. The Industrial Court, a distinguished full-time tribunal which has arranged voluntary settlements of labor disputes since it was created in 1919, has conserved a great deal of the experience and theory which was painfully wrought out in 1914-18. The large degree of independence among the innumerable British peacetime wage determiners, however, and the haste required to deal with wartime dislocations of employment, wages, and prices, made

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[1] Monthly statistics of labor disputes given in the Ministry of Labour Gazette show no marked trend upward or downward during the last several years. In March 1941, for instance, 121 labor disputes began. This was the first month in at least two years that the number had risen above the low 90's.

[2] Among these voluntary agencies are the Joint (Whitley) Industrial Councils.

it needful after 1939 to deal roughly and swiftly with the anomalies and injustices which the new contest produced. Particularly menaced were and are the numerous low-paid, ill-organized or un-organized workers not yet under the jurisdiction of any minimum wage board. Even if the lag of their earnings behind living costs leads to legislation committing them all to the care of new or old Trade Boards, the trend of their real wages is apt to depend much on the degree in which their work is deemed essential to the conduct of the war. In any desperate national struggle, the hard choice must often be made sustaining best the producers and wielders of arms.

3. Wage Policy in Relation to Wartime Inflation

Problems of relative wages in wartime are difficult enough at best; and their difficulties are multiplied when they are not handled with reference to a conscious national policy on general or average wages. What happens to wages is an important determiner as to how the great burdens of war shall be shared.[1] The problems of war finance, of "paying for the war," are at bottom problems of distributing these great deprivations over the whole population. As was intimated above, the respective behaviors of the wage and price levels are key-factors

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[1] Defense expenditures, which in modern total war may account for even more than half of the total national production, are not indeed quite a net social burden, for to some extent these defense activities (e.g. building ships, airplanes, and roads, preparing soldiers' food, clothing, shelter) replace normal peacetime industry. Nevertheless it is broadly true that both the armed forces and the war industries divert a staggering amount of any belligerent's resources into destructive actions, leaving progressively less for civilian use.

in war finance.

Where and Why Wartime Prices are High. --Let us analyze a bit further the factors influencing prices in any war emergency and then notice the import of this analysis for wage policy.

Wartime price changes are by no means all upward, even where a government's policies or lack of policies in the long run spell inflation. For a time, lessened demand for specific products may cause rather widespread weaknesses, as in the prices of young men's civilian clothing when a large and unforeseen mobilization occurs. More sustained price weaknesses affect goods whose markets or transport facilities are reduced by the war--examples are the vast stocks of farm staples, oil and coffee now dammed up in various spots on the American hemisphere. Retail price movements, moreover, tend to lag behind wholesale, notably because the "cost of goods sold" (at wholesale prices) is only part of the retailer's cost; other costs, for instance, are his own wages, rent, and taxes. In a neutral nation whose people are not making strenuous defense preparations and are not vitally dependent upon imports that are being riddled by a foreign war, the general price level is not greatly and immediately affected. Such a nation was the United States in 1939-40; and here are also clues to the much slower rise of living costs in Canada, as compared with those in Great Britain. By contrast, Sweden, though neutral, was immediately affected by sharp rises in costs of imports and in her own defense taxation as well as by decline in exporting opportunities; hence in August, 1940, her wholesale price

index was some 32 per cent above that of August, 1939, and her living cost index about 12 per cent higher.[1]

Many taxes occasioned by national defense, to be sure (especially income, inheritance, and expensive-luxury taxes), do not (at least directly) affect prices of the commodities and rents which are involved in the ordinary indexes of living costs. Yet when all people are required to pay vastly higher taxes, inevitably many of these levies do tend presently to help raise any broad index of prices.

As a war continues, each nation combats its own shortages by increasing the production of the deficient goods and of substitutes for them--e.g. of agricultural as well as war goods in Europe, and of steel, aluminum, and optical instruments in the United States. Such increases in production tend indeed to check price increases; yet even apart from the circumstances recited above, new wartime production encounters rising costs. Artificial rubber, for instance, will be very much more expensive than normally-imported plantation rubber for some years to come. Extra-shift work, even in efficient plants, and use of marginal to obsolete fields, mines, furnaces, and factories (also of the less competent workers), generally signify high-cost productive capacities which are usable only when prices are high.

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[1]Skandinaviska Banken, Quarterly Review, (Stockholm), October, 1940, pp. 107,110. In their article, "International Cost-of-Living Comparisons Conference Board Economic Record, June 11, 1941, White and Mellon give indexes for the U.S. and 17 foreign countries for each of the years 1914-20 inclusive, also many data for the same countries in 1939-41.

Anticipating what will be said below, let us assume that the resources which practically can be secured by taking up industrial slacks such as unemployment are not adequate to provide the whole increase of defense effort required by modern war. We arrive thus at the outstanding force in wartime price-wage spirals: competitive spending for scarce goods.

Much of this spending, moreover, is based on government credit. The new taxation which at first appears politically possible soon become inadequate to enable the government to purchase requisite commodities and services; and the extent to which war loans actually induce consumers to restrict their purchases of consumer goods (including housing and other services) is insufficient to bridge the remaining gap. Then come several varities of government borrowing through the banking system, by means of which the State outbids civilians for whatever supplies it requires (including those actually commandeered). Concurrent measures designed to protect the people with lowest incomes include: first, rationing the supplies of essential consumers' goods (at controlled--and perhaps subsidized--and relatively low prices); and second, advancing money wages on the heels of rising living costs. Such wage advances raise production costs and soon require further enhancement of prices.[1]

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[1]The following estimates, referring to U.S. experience in World War I, will supply quantitative illustration of the above proposition. Taking 1912-14 as 100, our total factory wage payments or payrolls mounted sharply to about 220 in 1918, 290 in 1920. Our total output of consumer goods rose only to around 120 by 1916, and very slightly more in 1919. (Cleveland Trust Co., Business Bulletin, July 15, 1940.)

Among the numerous undesirable consequences of this inflationary war spiral are two which it shares with any peacetime boom: (1) it creates social unrest through the "profits" due to rising prices; and (2) it produces a great volume of debt (much of it the government's war debt) in the high-price period, which becomes doubly burdensome in the phase of deflation which in some degree is inevitable.

Both Price and Spending Controls Needed. Swedish Method.--Two lines of attack can be made upon this great problem. One is the tactic of governmental price and rent restrictions. In the absence of such controls, prices and rents rise much faster. But price and rent regulations require an obnoxious degree of bureaucratic rationing unless they are accompanied by suitable limitation of spending for current consumption. Thus, in the last few years, a second line of attack upon war inflation has been widely recommended--namely, a series of levies upon the spendable incomes of consumers. This tactic gives a negative answer to the question whether all wage rates should advance in full proportion with the cost of living. It remains urgently needful, to be sure, to shield those wage earners and others who receive the very lowest incomes from deterioration of their already abominably poor living standards; yet economists are largely agreed that defense costs are now so great, in relation to total national production, that even if all incomes above a modest level could be confiscated, the sum would not suffice for a major war's financing.

In neutral, Socialist-governed Sweden, which is now burdened by

rising living costs as stated above, special protection was promptly provided to the poorer people by governmental subsidies to fuel and certain other necessaries of life; and simultaneously the trade unions agreed that during the war wage rates should be increased, not by the full rise expected in living costs, but by a distinctly lesser amount.[1]

Compulsory War Loans in Britain.--A valuable perspective on the matters discussed above has been afforded by the "Keynes Plan" as to labor incomes in relation to war financing.[2] Doubtless its most novel feature is the one which Keynes called "deferred pay." It, however, was but one cylinder of the war engine which he designed. Other cylinders were intended to improve the living standards of the poorest people, and to require progressive percentage contributions of both taxes and compulsory loans from incomes above the exempt level. Much of Keynes' argument was devoted to showing that it would be impossible to finance the war merely by current taxation (though everyone must pay enormously greater taxes), and that the practical alter-

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[1]See International Labor Review, May 1941, vol. 43, pp. 564-568. Agreements made in 1939 advanced wage rates, on the average, to an extent estimated at 75% of the expected rise in living costs. A bad harvest in 1940 aggravated the difficulties, and the agreements made in 1941 are said to bring wage rates up by little more than half the increase in living costs. (In many occupations, of course, weekly earnings have advanced as much as cost of living, if not more--by reason especially of steadier work and overtime.

[2]J.M. Keynes, How to Pay for the War. (London and New York: February 1940). For a digest and commentary on this plan, from the standpoint of labor problems, see article by E.J. Riches in Studies in War Economics (Montreal: International Labor Office, 1941).

native to compulsory loans would be concealed, inflationary taxation that would fall most heavily on small incomes. Hence, he said, "a demand on the part of the trade unions for an increase in money rates of wages to compensate for every increase in the cost of living is futile, and greatly to the disadvantage of the working class."

The principle of "deferred pay" or compulsory war loans was adopted by the British government in April 1941. The budget for 1941-42 undertook to raise a substantial part of the estimated $20 billions of war expenditure by many new types of taxes and loans. And

> "To mitigate to some extent the severity of these tax rates, the budget includes the innovation of a system of deferred credits to taxpayers. The essence of the plan is that the Government assumes an obligation to repay to both individuals and corporations a certain proportion of the taxes now levied upon them, and sets up for this purpose credits to their account in the Post Office Savings Bank, repayable after the war. Individual taxpayers will be credited with most of the increase in their taxes, up to £65 yearly, which results from the lowering of exemptions and the reduction of earned income allowance. As Sir Kingsley Wood explained in the Commons, a married man with two children who earns the equivalent of $1,400 will pay about $98 in income tax this year instead of about $22 which he paid last year; but some $69 will be credited to him in a post office savings account. Corporations are similarly to be credited with 20 percent of the 100 percent excess profits tax paid."[1]

By the close of the year 1940, after more than a year of war, British prices and wages had registered a considerable rise. Their history in 1914-15 was tending to repeat itself, but by 1941 the public had been prepared for more heroic remedies than it had in

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[1]National City Bank Economic Letter, May 1941, p. 58

1915. The December 1940 index of wholesale prices was 151 (August 1939 = 100); a similar index in November 1915 stood at 148 (August 1914 = 100). The official index of living cost as of January 1, 1941 stood some 27 per cent above August 1939 (23 per cent, when adjusted for seasonal variation); and wage rates had moved up, on the average, about 20 percent. Total wage earnings, by reason of fuller employment, overtime, transfers from lower-paid to higher-paid occupations and the like, had increased considerably more. Meanwhile price indexes in other parts of the British Commonwealth had moved up less, and in Germany scarcely at all--though European neutrals such as Sweden, Switzerland, Portugal, and Greece at that time had experienced price rises of about the same order as the British.[1]

No doubt a large part of the stability in German prices is attributable to undemocratic controls of prices, rents, wages and so on. International comparisons of this sort, however, should be handled with care because of special circumstances in individual countries. British currency, for example, was devalued some 15 per cent in terms of the dollar soon after September 1939; and prices of British foodstuffs and other imports have encountered greatly increased shipping charges. In the Dominions the latter factor had the opposite effect on prices of staple commodities like wheat, meat, and wool, which

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[1] Data in above paragraph from Royal Economic Society's Memorandum No. 85, London and Cambridge Economic Service's Report on Current Economic Conditions, London, February 1941. See Conference Board comparison, cited above.

they are accustomed to export. And finally, the various price and wage indexes, differently compiled and weighted, reflect in differing degrees the great wartime problems of deterioration in quality and of other resorts to substitutes. A significant part of the upward spiral in Britain in this war, nevertheless, seems due to British inability to use the National Arbitration Tribunal and other governmental machinery to work out and enforce a real national wage-price policy.

4. Canadian Wartime Wage Policy.

Canadian labor problems have many elements in common with those of the United States -- including the split between AF of L and CIO factions and conflicts of federal-provincial government jurisdictions. The national war-wage policy of this Dominion, however, goes beyond that of Great Britain, toward the compulsory arbitration systems of national wage regulation in the sister Dominions, Australia and New Zealand. It is less effective than the latter in that there is no central full-time personnel to administer the Canadian wage policy. Other Canadian war measures, which are not treated here but whose gears mesh more or less with those of the wage policy, are "anti-enticing of labor" orders, voluntary suspension of certain trade-union rules, and the War-time Prices and Trade Board.

The Canadian Industrial Disputes Investigation Act of 1907, together with later amendments and supplementary provincial actions, has accustomed the nation to compulsory "cooling-off" delays of

strikes and lockouts, not only in the transportation industry (somewhat as in the United States) but in several others such as mining and public utilities. For each serious labor dispute a Board of Conciliation is appointed, which attempts to arrange a voluntary settlement; and if the dispute persists, the Board makes public its findings and recommendations. Then the disputants are legally free to strike or use certain other economic weapons. This "cooling-off" system has broken down in numerous instances;[1] but it was thought to offer the most suitable basis for democratic and non-bureaucratic labor regulation during the present war. Hence its application was extended to all Canadian industries in war work, also to the paper industry.

The new wage policy, given legal form by an Order in Council dated December 16, 1940,[2] lays down several principles to be observed by all Boards of Conciliation and by the Minister of Labour--who has powers of review over these boards and over the more important voluntary collective labor agreements. Among these principles are the following: (1) Wage rates which, in September 1939 were as high as

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[1] See, e.g., the Twentieth Century Fund's report, Labor and National Defense, 100 ff. (1941).

[2] P. C. No. 7440. One brief commentary is given in Bulletin No. 5 of the Industrial Relations Section of Queen's University, Kingston, Ont.; another in the address of Arthur J. Hills, Chairman of the Canadian National Labour Supply Council, on April 17, 1941--available mimeographed through University of Michigan Bureau of Industrial Relations. See also the Queen's Bureau's report of its Industrial Relations conference of April 10-12, 1940, at which Professor Mackintosh's address foreshadowed most features of P.C. 7440.

they were in 1926-29 (or higher) are presumed to be normal (with some qualifications which are practically unimportant). (2) If and as the new official index of living costs rises as much as 5 per cent, that fact will in general be adequate ground for upward revision of wage rates. (3) But not for equal percentage raising of all wages; "The bonus should be a flat amount per hour or per week uniform for all workers and calculated to protect the worker against increases in the cost of basic necessaries of life." (Sec. 5-iii) Early in 1941 the official interpretation of this last clause ran somewhat as follows: In August 1939 half or more of Canadian wage earners were making 50 cents an hour or less; their living cost had increased not much over 5 per cent; thus an increase of 2 1/2 cents an hour (5% of 50¢) to nearly all wage earners would approximately protect the poorer ones, and the better-paid should bear some decrease in real wage rates as part of their war sacrifice. (No ceiling is placed, of course, on earnings--which the war affects favorably in Canada as elsewhere, by such means as increased use of incentive payments, fuller employment, and overtime.)

This policy encountered many serious difficulties, not the least being the new wave of wage-rate advances in the United States--where increases of 10 cents an hour or more soon became commonplace.[1]

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[1]The chief Canadian CIO organ, The Canadian Unionist, in its April 1941 issue gives the minority report (favoring the union side) of the Conciliation Board in the Peck steel dispute at Montreal, which was perhaps the first practical application of the new wage policy. The

Another problem arose from the attempt to co-ordinate actions of the ad-hoc Conciliation Boards, and of collective bargainers generally, by mere part-time work of the Minister of Labor and his staff. It would seem that national wage policy deserves the continuous attention of a top board, containing labor and employer representation, that is capable of securing and maintaining high prestige. Even as the scheme stands, however, there are many opportunities for flexibility in administration; and the policy seems likely to stand as a reminder to the Canadian people that all real wages cannot be fully maintained during a major war, and that control of money wages is but a disagreeable antidote to the poisons of inflation and bureaucratic rationing.

C. CURRENT TRENDS IN AMERICAN WAGE AND LABOR POLICY[1]

In the above survey of labor policy in wartimes already experienced, we could pause to inspect concrete details and accomplished facts. As we now attempt to suggest some policies suitable to the present emergency in the United States, we suffer the handicap that we cannot foresee the relative proportions and timing of events. We may proceed, however, by considering first the general differences

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primary split in this board was on the question: was the basic minimum wage rate of 1926-29 in this plant (30.7¢ per hour) "fair and reasonable" in the sense of Order P.C. 7440?

[1]On this topic see especially recent publications of Sumner H. Slichter, e.g. Economic Factors Affecting Industrial Relations Policy in National Defense (New York: Industrial Relations Counselors, 1941).

between the present emergency-and-post-emergency outlook in our own nation, as compared with other crises. Then we can formulate our chief objectives in labor policy, which will include: taking up remaining industrial slacks, development of wage and industrial peace policies for the emergency, and creation of agencies by which those policies can be implemented.

1. Differences between Present American Emergency and Others.

Although the over-all pictures of wages, prices, and labor unrest were similar for all nations seriously affected by the World War of 1914-18, some major differences among countries and among years within this period are readily apparent. Until American entry into that war early in 1917, for example, our own cost of living was less affected by new taxation than were living costs in the belligerent nations; and but little of our labor supply had been drawn into national fighting forces. By contrast, these two factors had tended, in all the war-waging countries, to advance both cost of living and wages much faster.[1] In 1941 Americans see trends very different from those we faced in 1916. Our rapid expansion of production of ships, planes, and other defense goods, are calling forth vast increases in public expenditures, loans, and taxes.

Two other great differences are also obvious: in reserve of

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[1]For the year 1916, e.g., the British index of living costs averaged about 145, and of wage rates 115-120; while American indexes of both living costs and wage rates were in the neighborhood of 107 (1914=100).

labor supply, on one hand, and in demand for armed personnel, on the other. The United States was more tightly squeezed from both these sides in 1917 than in 1940-41. We entered World War I with our labor force almost fully occupied, on account of the boom effects of our sales of war supplies to Europe; nevertheless we proceeded quickly to raise armed forces aggregating several millions. The contrast, on both scores, of our positions in 1917 and 1941 is very striking. Now we still have an unemployed labor reserve; and at the moment we are not planning to arm nearly so many men as we did in 1917-18.

And what is the import of our current "planning for the post-emergency"? Although the present war has already inflated prices (and wages less) in most nations, it does not follow that restoration of peace will necessarily mean another great deflationary depression. Some peoples, at least, are apt to emerge from this conflict under governments capable of combatting unemployment more effectively than was done at the close of previous great wars. Undoubtedly varying combinations of democratic and totalitarian means will be employed for this purpose, and many machine-guns will be beaten into WPA shovels. Few attempts, if any, may be expected (as after 1918) to restore old-time gold values of national currencies; and the present habit of regarding deficit financing by governments indulgently may seem still more appropriate to the few years of war-to-peace transition. Who can say what the net result will be?

Thus, as the present conflict is followed by a state of at least

relative peace, it appears likely that the nations and dependencies which then exist will exercise much more governmental control of economic life than did the nations which were on the map after 1918. If this probability materializes, complete and obvious unemployment may not again attain the proportions it did between 1920 and 1939. Even though a good deal of the post-war employment is accomplished by artifices for spreading and making work, the net result is apt to be favorable to national productivity. This gain, however, (if achieved), may be considerably offset by further restrictions on international trade, directed in part toward increasing each country's self-sufficiency for another war. Already we are familiar with demands from numerous of our own industries for new protection against imports from totalitarian countries, produced allegedly by more or less forced and down-trodden labor. The progressive strangulation of international commerce thus suggested obviously means a growing loss of the social advantages of production which is specialized according to regional advantages of labor, climate, and other resources. It also involves very serious additions to the factors already undermining exporting industries--the plights of our wheat and cotton growers are eloquent examples. Despite all such differences between this and other war-times, there is nevertheless ample reason for trying stoutly to min-imize the price-wage spiral in the present emergency.

Reversals of Emphasis Now Needed, as to Labor Standards. A war, or a sustained rearmament program, has many boom effects, especially

on total national employment. It is not widely realized how far such conditions call for public labor policies contrary to those suitable to most of the 1930's. The contrast has been succinctly expressed thus:

> ". . . The national industrial problems of wartime, once initial difficulties of transition are overcome, are in many respects the reverse of those of a peace-time depression. The problem is not to find employment for labor, but to find labor to perform needed services. It is not to stimulate a more rapid flow of money, but to restrain the forces of inflation. Consequently, all policies designed to make work or spread work among a larger number of individuals than are needed, or to push incomes above competitive levels, must be reversed."[1]

Whereas in depression we properly appealed to employers to sustain wage rates to brake the <u>downward</u> spiral, in the armament or war boom we must appeal to labor to hold down basic wage rates, and thus to brake the upward spiral.[2] For achieving full military strength we must train and ration our labor supplies, and ask labor organizations to forego full use of their power to strike and of their rules intended to safeguard job opportunities of their members. Large sacrifices must also be required of all other members of the community. Such sacrifices were not, indeed, required while our nation was initiating the defense program. During that period we could have both

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[1]C. O. Hardy, <u>Wartime Control of Prices</u>, p. 76. (Brookings, Sept. 1940)

[2]Total payrolls, and hourly earned rates and weekly and family earnings, however, are quite properly boosted, by such means as fuller employment, night, holiday, and other overtime, intensive training to increase skills, and profit and living-cost bonuses.

"guns and butter." But by mid-1941 most Americans realized that the military and naval production they wanted could not be merely superimposed upon normal peacetime production. Thus our present war emergency becomes increasingly like that of Britain today, and more unlike our depression emergency of the 1930's.

2. The Chief Objectives to be Sought

Wartime labor policy is but part of the more general attempt to discover and mobilize national resources in such a manner as to get the needed efficiency in defense, with tolerably equitable sharing of the burden. By common consent great efforts are made to maintain, and if possible to increase, the consumption of the poorest families even in wartime--though very much remains to be done in this direction in every country. Public assistance and other social services are too apt to be unwisely curtailed; but at least subsidies of bread and rationing of scarce essentials is virtually universal war policy. Industrial slack, notably unemployment, should be taken up as fast and as far as possible; and neither wage earners nor other members of the community should be asked to make sacrifices unless and until the increase of war burden makes such sacrifice necessary.

The preceding paragraph is, in part, an application of "the living wage principle"--whose theoretical ground is modified by war's onset only in that, if war continues on a sufficient scale, it may degrade a rich into a poor nation and thus lower the standard of "living wage" which the country can guarantee as a minimum.

As to relative wages, or differentials for skill (and among industries and regions), the factors which are commonplaces in discussions of peacetime wage determination supply valuable hints for wage adjustments as they are multiplied and speeded up in wartime. Such wage changes should supplement the needful compulsory labor mobilization measures, to effect as rapidly as possible the many shifts among occupations and localities that war efficiency requires. Less careful and time-consuming comparisons among wages can be made than in peacetime; and governmental agencies should assume much responsibility for the wartime wage structure. Rapid job evaluation procedures are in order, to avoid glaring irrationalities of relative wages.

As to general wage adjustments, the arguments emphasized by Keynes show that, in a major war, prices, profits, and over-all rates of physical output per man-hour lose much of their peacetime significance for wage-fixing. The index of all hourly wage rates, which in peacetime normally advances faster than the living-cost index because of the upward trend in output per man-hour (all industries and all occupations considered), must lag behind during a strenuous defense effort. Even before the slack of unemployment is taken up as thoroughly as it can be, the attempt fully to maintain real wage rates becomes futile and inflationary. War effort, to be sure, supplies many plausible grounds for demanding wage rate increases, such as rising profits (in the earlier stages), rising living costs (in later stages), and the premiums necessary to recruit labor supplies for many defense

operations. But unless this movement is restrained, it leads to an unnecessary degree of price-wage inflation, whose handicap on the next post-war economic readjustments may be especially severe because wage rates since World War I have become much more "sticky" or rigid against downward revisions.

To an important extent the progress of inflation can be impeded, and the general public protected, by governmental price and rent controls and rationing. The last half of the title of Mr. Henderson's office of Price Administration and Civilian Supply, too, symbolizes the obligation of governmental and private organizations to see that war industries do not unnecessarily encroach upon those administering to our other wants. To prevent the regulative bureaucracies from becoming too inefficient and burdensome, however, it becomes needful, as the war effort develops, to adjust individual spending downward to match the restricted supplies of consumer goods.

What amounts of consumer incomes should be so diverted? What part should be diverted by taxation, and what part by war loans? And what sorts of taxes and loans should be used? The first of these questions, though sufficiently difficult, is the easiest. As the public authorities determine what supplies shall be used for defense, the remainder available for consumption can be estimated accurately enough to show approximately beyond what rate of consumer spending would lie price-wage inflation or all-out rationing. The total of the prospective flow of money incomes to consumers, and the portion of

such flow diverted by existing tax rates, can also be estimated. The difference between existing tax yields and the current value of all supplies and services required by the government is the amount of money income which, if diverted, will relieve the government of the necessity of inflationary methods of "borrowing." How much of this diversion can be accomplished by new taxes depends in part upon variable currents of social psychology and balance of power among political-pressure groups; though beyond certain points this tax or that reduces the worker's or the boss's efficiency.[1]

Nearly everyone, of course, would choose to have his inevitable contribution taken as a loan rather than as a tax; and at first thought any of us will say: Let the individual decide how much war loan, if any, he shall buy. But if too many people choose to spend too much of their current incomes on consumer goods, the resulting price advances tend to make it difficult for any wage earner to lend--each then tends to be taxed through inflationary methods of war finance.[2] A program of compulsory war loans, along lines suggested by Keynes and the 1941-42

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[1]Certain types of extremely high taxes on profits, for example, tend to encourage lavish expenditures by employers for advertising and for labor bonuses, as well as carelessness about costs in general; and to favor passive as compared with active or venture investments. Low-paid workers may be made still less vigorous by fresh burdens of war taxes.

[2]One very probable result of an increasing flow of consumer incomes, not immediately and fully offset by higher prices, taxes, and war loans, is a rapid advance of installment buying, which expansion of installment credit may become inflationary in effect. More or less in keeping with Fisher's "debt-deflation theory of business depressions"

British budget, is surely better for most consumers than inflation. Still better, if feasible, is an adequate program of voluntary loans--supplementing, of course, rigorous war taxation. A chief social benefit of widely-diffused holdings of war loans, too, is the cushion of consumer spending power thus provided for the subsequent transition from war to peace economy. In this way and many others, war policies and methods can be oriented in part toward means of developing optimum economic production--not merely relief employment--after the war.

3. Taking up Industrial Slacks

When we ask what happens to standards of living during wartime we are apt to confuse two problems. One is concerned with the direction and extent of changes in real wage rates per hour; the other refers to changes in annual real income per family. It is still rather widely believed that American living standards in both these senses can be maintained or advanced despite the war emergency, mainly by putting the unemployed to work.

How unduly optimistic this view is, is revealed by a moment's thought. True, man-hours worked and payrolls are rising to new heights; but the goods bought by wage earners could be increased correspondingly (i.e. real earnings per hour could be maintained), only if the whole cost of defense preparations were borne by non-wage earners. That the latter class cannot bear the whole cost is indicated by the fact that

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we may say that American experience in 1930-31 shows that, even if wage rates are not deflated, prices may be; whereupon deflation of debts incurred during the high-price era has a very inhibiting effect on economic activity.

it receives only one-third of the whole national income; the other two-thirds is received as wages and salaries by employees. Furthermore, among the non-wage earners are millions of recipients of modest incomes--farmers, shop keepers, owners of small properties, professional people, and other self-employed persons. The sums needed to purchase the commodities and services necessary for the military and naval power we now require (including lease-lend expenditures) are so huge that there must be some cutting of real wage incomes per hour--although, so far as the levies upon such incomes are made in the form of war loans, wage earners might, after their bonds were exchanged for goods at some future time, have suffered no considerable reduction in the real hourly earnings for their wartime work.

The case as to annual real income per family, on the other hand, is rather different. Many worker families will increase their real annual incomes during the emergency--particularly those engaged in defense industries. The men in such families, on the average, will have fuller employment and more overtime than usual, at rising wage rates; moreover, many members of their families, not previously at work, will obtain employment. Thus, through more persons employed in the family, and other opportunities for more hours of well-paid work in the year, a great many families will increase their money incomes more than their living expenses and taxes. But these families will doubtless be a minority of the whole population. The others, if they escape an actual decline in money income, will not secure enough advance in it to cover

higher living costs and taxes. The only way to minimize such deterioration of living standards is to take up all the industrial "slacks" we can. These slacks are by no means all wastes, or even luxuries, in peacetime; but in wartime we cannot afford them, and must submit (for example) to increasing standardization and simplification of consumer goods, such as clothing.

Four potential resources or slacks which are of outstanding importance will be discussed in the present section, namely: re-employment; the basic work week; labor union rules and practices; and labor disputes.

(a) Re-employment of Idle Men.--The president of an important firm told the National Association of Manufacturers' Congress (in December 1940): "Until we put back to work those of the millions of unemployed who are able to work, I cannot see that we should worry or complain about a 40-hour week". Wartime demands for labor and wartime facilities for training and placement facilities do, indeed, offer unusual opportunities for taking up the great peacetime slack of unemployment and underemployment. Many complications appear, however, as one scratches below the surface of this set of problems.

It is possible to estimate the total of unemployment in the United States at any time only very roughly; and still more problematical is the minimum amount below which it cannot be reduced, even in wartime. A few illustrative figures will indicate the disagreements among statisticians, some reasons therefor, and the general

magnitude of this potential resource. In April 1941 total unemployment was estimated thus by the organizations indicated (nearest decimal in all cases): the CIO, 9.1 million; AF of L, 7.6 million; Conference Board, 5.4 million. These and other monthly estimates had been rather rapidly declining by reason of mounting totals of people on the various private and public payrolls; which makes it difficult to understand why the total of job-seekers registered in the active files of all public employment offices in the nation has remained so close to the 5-million mark for many months. In June 1941, furthermore, it was reported in a Washington newsletter that the labor experts in the government's Office of Production Management were making plans based upon the belief that total unemployment was then only 3 1/2 to 4 million, from which figure (it was said) must be deducted 1 1/2 million as the minimum "float" of labor turnover, leaving only 2 to 2 1/2 million as the slack of unemployment which practically could be taken up.

How far can these apparently violent disagreements be reconciled, by study of relevant materials such as those put out by the Census Bureau and the U. S. Bureau of Labor Statistics?[1] Our latest census showed that, during the last week in March 1940, about 8 million

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[1]See press release series P-4 of Bureau of the Census, especially No. 5 of this series (dated April 25, 1941); and the monthly Employment and Payrolls reports of the BLS. Cf. Conference Board's analyses of current employment and unemployment in its periodical, Economic Record.

Americans fitted within a reasonable set of specifications of "unemployment." This total included some 5.1 million whose households said they were actively seeking work, and about 2.9 million who at the same time were on payrolls of public emergency work projects--chiefly WPA, CCC, and NYA out-of-school programs. (Nearly a half-million students were also being aided by NYA; if these are regarded as unemployed, then the Census estimate rises almost to 8.5 million.) For March 1940 the CIO estimate of total unemployment was 11.6 million; of the AF of L, 10.3; of the Conference Board, 9.3. It now appears that all these were too high, mainly because most statisticians substantially over-estimated the total number of employables.[1]

How this Census benchmark can be used (and misused) for later estimates of unemployment may be roughly illustrated by the following items: The U. S. Bureau of Labor Statistics announced that total non-agricultural employment reached 37,222,000 in March 1941 (not including WPA, CCC, NYA or armed forces). This was said to be "the highest level on record for this month" (and the Bureau's April 1941 total of 37,617,000 "exceeded the previous high reached in September 1929 by 147,000"). For March 1940, the month the census was taken, the BLS comparable total of non-agricultural employment was 34,852,000. Deducting this latter figure from the 52,841,000 found by the same census

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[1]Many estimates of unemployment, too, are inflated because some types of employment--particularly in new and rapidly-developing service industries--are not adequately measured statistically.

as our total "labor force", we arrive at a remainder of about 18 million. This remainder seems just accounted for by the census estimate of 8 million unemployed plus 9.7 million employed on farms--until we notice that the "labor force" of 52.8 million includes not only soldiers and others in uniforms but also all active employers and self-employed, while the BLS "total non-agricultural employment" appears to include only civilian employees. Since the 1930 census of occupations found nearly 7 millions of "professional persons, proprietors, managers, and officials" outside of agriculture, it is a safe guess that several millions of the March 1940 non-agricultural "labor force" were neither employees nor unemployed. And even after we have done our best to measure the increase in industrial employment and military personnel since March 1940, we cannot safely assume that unemployment has been correspondingly reduced--for many of the people involved were counted as employed in agriculture in March 1940 and many others have reached an employable age since the census was taken.

Other difficulties in this field of "social-economic planning" include the obvious variations in age, health, skill, personality traits, and geographic locations of unemployed people as statistically defined. A fuller inquiry, too, would go into the evidence on the minimum practicable amount of unemployment in each month or season. Great Britain, which has never been as much plagued by seasonal unemployment as the United States (or, perhaps, by most

other types), during the present war has not managed to reduce the number of totally unemployed people much if any below a half-million--and her population is less than one-third ours. And, despite loose claims, I believe that none of the totalitarian regimes, even at the peak of war effort, has literally provided continuous full employment to all their people who were considered both economically and politically employable. As emphasized above, a real defense emergency demands quick industrial shifts; and many of the unemployed are in the wrong places and occupations for immediate utilization.[1]

The upshot of the foregoing paragraphs is that the slack of American unemployment which can practically be taken up is much less than the best-known estimates of unemployment have suggested. Our work-relief programs have already been, to some extent, geared into the war emergency; for instance hundreds of thousands of boys now on NYA and CCC rolls are no longer primarily work-relief "clients" but are being trained for work of defense significance. Considerable

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[1]In May 1941, total unemployment compensation payments were higher than in the previous month. The Social Security Board's press release (of July 2, 1941) remarked: "This increase, the first to occur this year, is in line with the belief of many observers that benefit payments will not fall substantially below the present reduced level, even though employment is on the increase. Labor turnover, temporary shutdowns due to scarcity of materials or equipment, and a number of other factors will, it is said, result in a continued volume of short-term unemployment for large numbers of workers." In the Detroit area, for example, now characterized by many labor shortages, automobile workers are seriously worried about the unemployment which may result from the curtailment of car production (of 40% or more) necessitated by the defense program.

further co-ordination is doubtless needful, and as the war emergency becomes more grave, employers must lower their standards of employ-ability and the work-relief agencies should redouble their efforts to mobilize jobless people by training and transportation so that they can secure real jobs.

(b) Hours of Work for Machines and Men.--There is no doubt that in under-employment due to lay-offs and similar lost time we have a peacetime industrial slack which can be considerably taken up by intelligent wartime governmental and business management.

Is the 40-hour week itself a slack? If workers and plant facilities are available for longer weekly hours in war industries, where is the limit of weekly hours beyond which there is no slack to take up? An outstanding reason why flexibility of working hours is essential to wartime industrial efficiency is the immense premium which war puts upon speedy increase of many sorts of production. In most organizations, with a work-day of eight hours or less, after the whole normal working force is employed, output can be accelerated much more effectively by working some of the already-employed people longer hours (say, six days a week) than by securing and breaking in unemployed people--even if these are near at hand and have the requisite skills and experience. At least this is so up to the point when more shifts, and seven-day weeks, must be worked to secure the maximum production.

American legal labor standards, unlike the French 40-hour week

of 1936-38 (for example), contain but few absolute prohibitions of long hours of work for men, and virtually no restrictions on the hours that plants may be operated. For the most part our state regulations, as well as the federal wage-hour and public contracts acts, rely on the comparatively new idea of controlling working hours by penalty overtime wage rates.

Does this method of regulation provide adequate flexibility of hours of work, and of labor costs and incomes, in wartime? If the hours of work per week which are compensable at straight time were stretched out to (say) 48 during the war emergency, no doubt this work-week would become more common and absorption of the unemployed slowed down somewhat. Certainly labor cost would rise less rapidly; for at present 48 hours' work in a week usually requires 52 hours' pay. In a very few cases excessive fatigue and accidents might ensue from making 48 hours the basic week; and some profits would be raised, especially as many overhead costs are reduced as plants are taken from five-day to six or seven-day operation.

To these somewhat dubious consequences of weakening the present hours regulations should be added the important one that, at the war's close, great unemployment might roll up, and even then the pressure toward short hours now exerted by high overtime wage rates might not be restored. It is doubtful how much effect a suspension of the present legal standards would have on the rate of reemployment at the present time, or on the rate of production of war goods (since

the government buyers of war goods commonly have little disposition to haggle over costs and prices). But there can be little doubt that the legal 40-hour week with 50 percent penalty overtime wage rates would promote work-sharing in the event of a post-war slump.[1] Laws and other public regulations concerning "prevailing wages" in public purchases and agencies in many cases set still higher standards for both straight and overtime pay. The Walsh-Healy Act, for instance, requires most firms selling goods to the federal government to pay their workers not less than 40 cents an hour straight time, and time-and-a-half in excess of 40 hours in any week or in excess of 8 hours in any day. Here is no wage flexibility either for individual days within the 40-hour week or for seasonal employments; and of course in wartime the number of firms selling goods to the government becomes very large indeed.

Do all these wage-hour laws inflate wages and prices, under war-emergency conditions? Several grounds for a negative answer have been put forward; these become less convincing as time rolls on.

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[1] Monthly statistics of "average hours worked per week" in general have shown progressive increases, especially in war industries, since mid-1940. In March 1941, e.g., the over-all average for durable-goods manufactures was 42.0, and higher averages were found in not a few industries, such as machine tools (51.9), engines (46.0), and aircraft (45.2). Average labor costs in such industries, even if wage rates remain constant, are advanced more than 50% of the excess of the average hours worked above 40, for many workers are being paid double time for holiday and other extreme overtime, and many more are paid premium rates for working unpopular shifts.

One ground has already been considered above--the argument that, in the United States, supplies of consumer goods can still be enormously and quickly increased (to keep pace with increasing consumer incomes), mainly by putting the unemployed to work.

Another argument is (or was): If workers are allowed the full benefit of all the penalty overtime wage rates, they will not press so strongly for advance of base or straight-time rates; thus, in the post-emergency situation labor costs per unit of output will automatically fall as occasions to work overtime become rare. There remains some force in the last clause of this latter proposition; and when we notice that the average rate of hourly earnings of factory workers (for example), which in mid-1939 was some 63 1/2 cents per hour, had risen by April 1941 to nearly 71 cents, we must remember that a significant part of this gain is due to application of penalty overtime rates. Such hourly earned rates will decline somewhat, as operations slacken. Nevertheless straight-time wage rates have strongly tended to rise since the latter part of 1940. The union papers are full of reports of such gains, and the U. S. Bureau of Labor Statistics announced that, in one month alone (March to April 1941), "more workers were affected by wage-rate increases than during any month since April 1937; these increases averaged 9.6 percent and affected more than 800,000 (factory) wage earners."[1] A little

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[1]At that time the U. S. national living-cost indexes were only 2-1/2% above their (slightly depressed) positions in Aug. 1939; and the

later the railway unions initiated their demand for a general wage rise of 30 percent.[1]

Thus, although our present wage-hour situation contains several important elements of flexibility, and is an effective means of spreading work during depression, it does significantly reinforce the other inflationary forces just now at work. Relaxation of these legal wage-hour requirements, by permitting longer hours without penalty or lowering the overtime wage rate (say, to time-and-a-quarter) or both, for the emergency's duration, would probably be sound social policy. An important obstacle to such action, however, would be the contrast which would immediately appear between workers whose net earned rates would be lowered (because they had been advanced mainly by law) and those whose rates would not be immediately affected (because they would be still held up by union agreements).

We have in this rising tide of both straight-time and overtime earnings an urgent reason for pushing sales of defense bonds to wage earners; and also for certain new taxes. The British plan whereby some new taxes on incomes are offset by postal-saving credits,

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all-commodities wholesale price index was some 10% above its (distinctly depressed) level of Aug. 1939. In various defense centers, to be sure, living costs--notably rents--had risen more.

[1]The various combinations of legal requirements and voluntary agreements governing railway wages, however, in general permit weeks of longer than 40 hours before penalty overtime rates apply.

available to the taxpayers after the emergency, should be very seriously considered. Another line of attack on the problem is also excellent in principle: higher rates of social security contributions. We are now in a good position to raise the payroll tax for old-age benefits from 1 percent--and rather rapidly to the 3 percent or more which is required in the long run to maintain the present scale of benefit payments. Experimentation should be promoted, too, with dismissal compensation funds. Defense contracts, or certain types thereof, could provide that, in addition to the regular social security payroll taxes, both employer and employee should pay certain percentages of wages over to the Social Security Board as trustee, for investment in national defense bonds. When the contract is completed (or earlier, in personal emergencies) the employee might become entitled to receive such bonds, to the amount of both his own and his employer's contribution. Here would be another check on consumer expenditures in excess of the value, at present prices, of the output of consumer goods during the war emergency, and a support to wage earners' consumption and re-employment efforts if and when a post-war slump comes on.[1]

(c) Work Rules and Practices.--More than a little slack may also be found in private labor standards, including rules and

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[1]See, e.g., J. Douglas Brown, "Dismissal Compensation in Defense Industries; a Proposal," Proceedings of Academy of Political Science (New York), vol. 19, No. 2, pp. 106-109 (Jan. 1941).

practices concerning such matters as eligibility to work, methods of work and of payment, and standards of labor efficiency.[1] It will be recalled that "dilution" of skilled labor, together with other suspensions of trade union conditions, was a well-recognized contribution of British labor in 1914-18 and again in the present war; also that Canadian unions are cooperating with their government in this fashion. Here is implicit recognition of the principle enunciated above, that peacetime emphasis, as to many labor policies, must be reversed in a major defense effort. As long as the war emergency lasts, the great demand for labor which it creates makes "job security" measures less needful than usual to trade unionists.

This aspect of wartime labor problems has been much less discussed in the United States than abroad. Although certain unions' restrictive practices were common knowledge in 1917-18, yet little if any attempt was made by the war time public authorities--as they provided conditions favorable for union growth--to mitigate the zeal with which some unions pushed their old make-work rules into previously-unorganized shops. At the present time a few at least of our craft unions are resisting "dilution" of conventionally-trained labor by recruits more quickly trained; some charge exorbitant fees for mere temporary working permits on closed-shop

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[1]To a large extent the cause of the slack in public and private labor standards is the same: the fact and fear of unemployment and underemployment.

jobs; and among many unions there is still considerable resistance to any sort of wage incentive method. Apparently the Chicago hod-carriers still enforce their ban on ready-mixed concrete.[1]

Numerous enlightened American labor leaders, however, are dealing constructively with such matters. Especially do they discountenance exorbitant union fees. Toward influencing other leaders, however--particularly in local unions--progressive unionists need the support of a better-informed public opinion. The Murray and Reuther plans, intended to utilize steel and automobile plants and labor more effectively, are welcome signs. President Murray's scheme seems to utilize principles successfully applied in a number of the British (Whitley) industrial councils. Such joint councils might well explore ways and means, industry by industry, of accomplishing needed wartime productive readjustments; and one of their best services would be to keep impressed upon managements that the unions' private labor standards must be restored when peace comes, unless other means, promising satisfactory job security, are then made effective.

(d) Labor Disputes.--No extended argument is required to convince the reader that strikes are an important type of industrial slack. A wartime boom, like a peacetime boom, tends to make them more

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[1] The remarks on such matters by Thurman Arbold and others in Fortune Magazine's 9th Round Table (on Labor Policy and National Defense, published July 1941) are illuminating.

numerous by reason of brisk labor demand and rising prices; and probably the larger part of our present labor trouble is due to the same factors which have produced great waves of strikes in Europe as well as in America, during this and former wars.

Several special factors, too, have been operative in the United States of late. One is the presence of Communists and other subversive elements in strategic union positions. The efforts of these people account for a sizable fraction of our working time lost in labor disputes, slow-downs, and other sabotage. Another source of strikes is the momentum of labor organizing campaigns; some unions grasp the opportunity to short-circuit the Wagner Act and establish themselves in hitherto unorganized plants by exercise of the strike weapon. And of perhaps greater significance than either of the above is the CIO-AFL rivalry. This leads to not a little "raiding"--to strikes and boycotts by unions which are not content with Labor Board elections, and it also spells weakened control by national unions over locals--since an AFL local expelled from its national is often welcomed with open arms by a CIO national, or vice versa.

What is the <u>extent</u> of time lost by reason of labor disputes, especially in our defense industries? Over-all statistics of numbers of strikes, strikers, and striker-days idle lend themselves fairly well to optimistic interpretations; for instance, 1940's record was better than that of 1939, and vastly better than that of 1937. The strike rate ran higher in the earlier months of 1941 than

in corresponding periods of 1940, but man-days lost by strikers are still only a small fraction of one percent of all man-days worked, and scarcely one-fourth as many as total man-days lost by industrial accidents.

Such optimistic calculations, however, disregard the unmeasurable amounts of man-days and efficiency lost, on account of strikes, by other than the strikers themselves. Partly due to the clever moves of subversive "labor leaders," defense industries have been especially plagued by strikes in strategic places. This point was thus expressed by Mr. R. W. Millar, President of Vultee Aircraft, Inc., in the recent Fortune Round Table:

> "I am not quite receptive to these statistics about man-hours lost through strikes on percentage of the over-all. . . . In our contracts to make airplanes for this and the British government, we have six hundred subcontractors, suppliers of materials, parts, equipment and accessories. . . . The easiest thing for unprincipled strikers. . . to do to gum up the works is to pick one of those six hundred subcontracors. Now, if they pick off one of the six hundred, they probably are not only going to stop us, but a lot of other companies at the same fell swoop, and they can pick a relatively obscure company, a company that probably has very little chance of getting any public hearing or any public sympathy."

4. Toward More Rational Wage Policy and Practice

There is, then, still considerable industrial slack, and evident determination among all classes to take up as much of it as possible. To be effective, this determination must be expressed through measures which give the various parties little reason to think their patriotism is being unfairly exploited. What wage policies conform

best to these objectives? And how can such policies be implemented?

(a) Main Arguments on Policy Needed.--The foregoing parts of this paper supply materials bearing upon the first of these questions. Our first task in this section is to summarize critically the views now current as to what should be done about American wages during the remainder of the war emergency; then we may ask how to do it.

The principal economic grounds upon which general wage advances are now defended may be outlined somewhat as follows:[1]

Arguments for Encouraging Wage-Rate Advances in Near Future

1. Living costs are rising, especially those of defense workers--who in many cases sustain special costs (such as moving and commuting to work) and uncertainties (as to how long job will last);

2. Most employers can afford to pay higher wages, because their profits have increased with fuller operation of plants;

3. Wage rises should not generally raise prices and cause inflation for physical output per man-hour has been rising, year by year--causing unit wage costs to decline;

4. Substandard wage rates (particularly those below 40 cents an hour), however, should immediately be raised, even where such labor protection necessitates increase in prices of products;

5. Government should control prices, rents, profits--and see that outputs of civilian as well as war goods are increased;

6. The 40-hour week and 50 percent penalty rate for overtime should be retained, if only to assure work-sharing if a post-emergency slump develops; and

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[1] See, for example, files of Labor's Monthly Survey (AFL) and of Economic Outlook (CIO); Problems in Wage Adjustment (Conference Board, 1941); and "Position on Wages"--leaflet of National Ass'n of Manufacturers, Dec. 1940.

7. Industry-wide collective bargaining should develop much further, and should level up wage rates in each inter-regional industry.

Of course these economic points are buttressed by many other appeals, such as those based on the dismally poor livings still secured by millions of Americans and on the alleged fascist nature of any curtailment of labor weapons and tactics.

Facing about, we find the economic case for both voluntary and legal restraints upon wage-raising, during the war emergency, stated in some such terms as these:

Arguments for Discouraging Wage Advances

1. Rises in average weekly and hourly earnings, due to such factors as fuller employment, overtime rates, intensive training, more piece work, and the Walsh-Healey type of requirements, meet but few reasonable objections; but normal or straight-time wage rates, on jobs of given contents, should be conservative;

2. Recent profit rises are mostly out of sub-normal cellars, and are being rapidly cut off by special war taxes; and to adjust each company's wage rates to its own prosperity would mean too great diversity in rates between companies;

3. Output-per-man-hour statistics come more from the older, staple-commodity-producing industries than from newer and service-rendering industries; hence they exaggerate the rate of advance of total national production per man-hour--especially in wartime (see 1917-20 data);

4. Minimum wage rates of 40 cents or less (in 1940) should be advanced to keep pace with costs of such earners' living, including indirect defense taxation; but the attempt to advance all wage rates in full proportion to living costs, or faster, means inflation because it accentuates other tendencies for consumers' spending power to outrun the values (at present prices) of the supplies which can be made available for civilian consumption;

5. With labor costs left free to rise, price and rent controls are futile except as accompanied by sweeping bureaucratic rationing or drastic contributions in taxes and loans--or both;

6. The upward spiral tends to increase inequities among wage rates, thus to make more difficult the problems involved in demands for industry-wide wage determinations and levelling-up; and

7. After the war emergency, industry's operating rate will at best be considerably lower than now, and employment will be discouraged by inflexible high debts, taxes, and wage rates if price-wage inflation is allowed free rein.

Of the many issues thus suggested, the following seem most worthy of commentary here. The rapid climb of wage-earners' total incomes is indicated by the advance of the USBLS index of factory payrolls, from slightly below 100 the first half of 1940 to 141.9 in May 1941. No satisfactory over-all measure of output of consumer goods and services is available, but comparisons of current and prospective rates of total national-income payments with rates of government expenditures for defense indicate that the prospect is for a decreasing rather than an increasing total of civilian goods during the emergency.[1] This rapid growth of wage earners' incomes, while the output of civilian goods has remained almost constant, threatens to bring about a serious rise in living costs and other prices.

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[1]For the calendar year 1940, our national income was officially estimated at $74 billion--which figure includes, let us say, not over $10 billion of actual defense expenditures. By mid-1941, total "income payments" were running at the rate of about $85 billion a year; and prospects are that at a peak of war effort they may reach $100 billion or a little over (in dollars of 1940 purchasing power). But defense and lease-lend expenditures are rising still more rapidly; for the fiscal year 1941-42 they may well reach or exceed $25 billion. Supplies of many types of goods (such as certain foodstuffs) are being increased for our own nation's civilian consumption, while others (like automobiles) are being restricted; the net result will probably be a decline in total supplies of consumer goods below the 1940 level.

To an important extent managements and workers can restrain such inflation by supporting measures which divert increasing amounts of their rising money incomes into the government's hands for defense expenditures--for instance by buying bonds and arranging new contributions toward old-age annuities, dismissal wages, and extended unemployment benefits. Only by widespread voluntary restraints on consumption, prices, and costs, in addition to drastic new taxation, can the nation minimize obnoxious government rationing and allied regulations--and mounting demands for maximum-wage controls.

Governmental price policies may check this spiral in several ways: by restraint of monopolistic and other "profiteering," and by giving employers no unnecessary margins for reckless wage advances.

Anyone wishing to crystallize his ideas on U. S. wage policy for this emergency period should examine the present Canadian policy--whose outlines, only, were discussed briefly above. In some aspects, perhaps, it could be revised or supplemented. For example, the Canadian provinces (like many of our states) could extend the sphere of wage-hour control over intra-state industries. The low-wage earners in those industries are apt to be worst pinched by rising living costs. And the national policy in Canada, by its emphasis on 1926-29 wage rates, appears to provide insufficient opportunity to level up local rates which are out of line

with prevailing wages in defense and related industries. On the whole, however, that policy drives well toward two important war-time objectives: safeguarding the low-paid worker's standard of living, and restraining the tendency of higher wage rates to become inflationary.

(b) Implementing a National Labor Policy, by Mediation and Otherwise.--What agencies are now affecting wages? Trade unions and employers, of course. On the employing side, moreover, a considerable shift is occurring from the peacetime position. The public authorities, through their military and civilian instrumentalities, are becoming increasingly important employers; and ever more private concerns are being made subject to Walsh-Healey and similar regulations, as they take government contracts. The federal and state wage-hour laws and commissions are receiving added responsibilities. The growing defense organizations, such as army, navy, and OPM are continuing to sprout labor-relations staffs and trouble-shooters; and the list of mediation and conciliation agencies is lengthening. The National Labor Relations Board is combatting employers' unfair practices, officially settling union-representation disputes and in effect mediating some other disputes. Several states are operating somewhat similar boards. In the transportation labor field, we have the National Mediation Board, supervising a well-tried and generally-satisfactory combination of what amounts to compulsory arbitration of disputes arising under voluntary

agreements, and compulsory cooling-off of other disputes. The Conciliation Service of the U. S. Department of Labor is hitting on a lot of powerful cylinders. The principal spotlight, however, now rests upon the National Defense Mediation Board. Need we ask for more?

As our labor, industrial, and political leaders cooperate for both study and action, the present machinery can be used much more effectively; yet some new organization and reorganization will also be expedient. The demand is now heard, especially from AFL spokesmen, for more direct and responsible representation of organizations of both labor and capital on the chief policy-making board or boards.[1] Hitherto individuals have been selected from these organizations--with more or less advice from their leaders; thus Mr. John L. Lewis (for example) has felt free occasionally to denounce the Mediation Board as a strike-breaker. The suggestion that a national labor policies board be constituted, containing persons formally chosen for it by the principal labor and employer organizations (as well as public representation chosen by the President of the United States) is worthy of serious consideration. Such a board, it is plausibly argued, would not only better reflect sentiments of the people on the firing-line but--of more importance--it could make these organizations assume greater responsibility for

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[1] This was an outstanding point in the Labor Policy Round Table, reported in Fortune magazine, July 1941.

execution of policies sponsored by the policy-making board. Feeling its way through vague commonplaces, it should strive to find workable solutions to such problems as what kinds of living-cost bonuses or wage advances are in the national interest--from both emergency and post-emergency points of view.

These functions can be performed by the National Defense Mediation Board, but less satisfactorily. That agency will continue to have its hands full of the most pressing issues involved in current labor disputes--many of these, at bottom, being controversies over wages. The Mediation Board, however, is the outstanding arm available for practical implementation of national labor policies. In its earlier months it made excellent progress, in the face of tremendous difficulties, notably the machinations of those subversive labor elements who are at once pawns of foreign governments and momentary allies of certain other American labor politicians. The Board has had to use whatever crude tools it could find, including use of military forces and rather generous wage increases. One of its worst handicaps, in my opinion, is that each of the Board's distinguished members has too many other irons in the fire. This agency's functions are of such vital importance that full-time personnel are needed at the top. Since it is obvious that our peacetime national labor law contains an aching void between the Wagner Act and the Railway Labor Act, in that many labor disputes and practices are insufficiently regulated, this

emergency board should collaborate with the agencies administering these two Acts to prepare ground for legislation suitable for the post-war situation. The British Industrial Court, created in 1919, might well serve as a preliminary model. For a national labor policies board, on the other hand, part-time services of distinguished leaders like Messrs. Murray, Lewis, and Green are thoroughly appropriate.[1]

We shall doubtless manage to work out better policies and practices on wages and other labor affairs in the present emergency than we obtained in 1914-18. Public regulation of labor disputes was then in its infancy, the boards of the period were numerous and conflicting in jurisdiction; and there was much less widespread realization than at present of the dangers of price-wage inflation. We must make every effort to hold within bounds the detailed bureaucratic regulation of prices, production, and wages; the indirect, informal, unsystematic methods of control will not long suffice. Responsible and well-informed policy-making is at a greater premium than ever; and it needs implementation by distinguished neutral, expert, full-time administrators.

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[1]As the war emergency subsides, many features of national wage policy will need changing. The strike weapon may then be more freely exercised and real wage rates should soon resume their upward course--as consumer-goods production encroaches again on that of war goods.

D. SUMMARY

Among the larger factors of special significance for wartime wages are two: the increased resort of public authorities to conscription of labor (and of other national resources) and the need of co-ordinating war wages and prices with government finance. Claims are made that, if some sweeping scheme such as comprehensive conscription, price-rent control, or the Keynes Plan were adopted, little difficulty would be experienced. We have seen that such views are dangerously over-simplified. Each of the three types of measures just mentioned would, indeed, have desirable and important tendencies toward speeding up the reallocations of resources required by national defense, with a minimum of inflation; yet a host of additional problems pertaining to wages and prices would still press for solution.

Many of these problems are concerned with three matters, ancillary to wage rates, which we treated at some length in previous sections: (1) public labor standards (especially as to unemployment, underemployment, and wages and hours), (2) private standards (especially working rules and practices), and (3) labor disputes. We found all these to contain large amounts of industrial slack, and thus to be potential resources for increased total production--but defense demands are so heavy that it is doubtful whether civilian-goods supplies can be significantly increased. In 1940 and the first half of 1941 public and private labor and social-security

standards in the United States presented no very serious obstacles, to the defense effort, at least to its first phases; in fact their work-spreading and job-making features seemed still to be needed to reduce unemployment. Increased earnings, due mainly to fuller employment and overtime, enabled millions finally to become self-sustaining and enjoy more comfortable living. But basic wage rates are now accelerating and in relation to the huge requirements of the defense industries and services, this vast increase in labor incomes has inflationary effect.

Managements, labor, and public authorities are already cooperating to reduce the slacks just mentioned. Such cooperation tends to step up total output, and thus to combat inflation from that side. From the other, the money-income side, inflation could perhaps be combatted by reducing the effective penalty rates on overtime; but probably a better antidote may be compounded of war taxes, war loans, new social-security contributions, and more restraint in the advancement of basic wage rates. The activities of the public wage-regulating authorities (notably of the National Defense Mediation Board) should be coordinated with these needs in view. For such coordination a new national labor policies board, plus provision of full-time members of the Mediation Board, would be helpful.



may, 1941

CHRISTIAN SOCIAL ACTION

Walter Reuther
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Detroit, Mich.

SWING AND SWAY THE C. P. WAY

By Joseph R. Barr

DEFENSE OF DEMOCRACY

By John Brophy

vol. 6, no. 5

10c

AROUND THE WORLD

airframe

Annual reports from airframe manufacturers continue to show that high profits obtain in the industry. Twenty-four major airframe companies doubled their 1940 income records, and the boys have just started . The airframe companies entered 1941 with a $4,000,000,000 backlog of orders.

Meanwhile wages in the airframe industry continue at 50 and 55 cents per hour—a disgraceful wage to be paid American workers on our defense planes.

auto

The auto industry continues to make a racket out of the defense program. Last week defense officials and the British arrived in Detroit in inspect the "defense" shops. Auto officials hurriedly stopped work on autos, whisked defense work into sight. As soon as the inspectors left, the defense work went back on the shelf and auto work resumed.

The auto industry is taking its time in handling defense orders so long as cars can be made. Car profits run to 25% and 35%; defense orders bring a minor 10%.

Detroit, boom town of this war, is cutting auto production by 20% in order to transfer men to defense. Curious aspect of the all-out defense effort of Washington is the fact that Chrysler is now laying off men. Dodge will soon lay off more men. Thousands of unemployed auto workers tramp Detroit streets looking for jobs.

In the face of this curious situation, the auto industry reports that 1940 profits are the highest since 1937. The combined net profit of 16 companies amounted to 9.4%, which represents a gain of 148% over 1939.

Insiders at Detroit scoff at Knudsen's OPM stand. They claim that the foreign born OPM executive is working hand in glove with the Detroit profiteers. Many ask what can be expected from Knudsen, who headed a firm which in Germany built the "Blitz" truck for the German Army.

Ford continues to work on his air engine for the defense program. It will be remembered that during World War No. 1 Ford made Liberty engines for the government, and incidentally made a profit of $1,000 per engine!

capitalists

The National Association of Manufacturers have just completed a poll of skilled labor which shows that longer hours are needed. This is the opening gun in the drive to preserve profits by cutting down on time-and-one-half.

The NAM and other capitalistic polls are distinctly on the corny side. Those in the machine tool, airframe, and auto industry know that there are thousands of skilled men still out of work.

communism

The American Federation of Hosiery Workers, CIO affiliate, has barred Nazis, Communists, and other brands of communonazis from holding offices in that union.

Slow but sure, CIO organizations are beginning to purge the Communists who poured into the CIO back in 1936 and 1937. Although some persons are still openly aiding the Communists within the CIO, the leadership of Philip Murray is giving many heart to expect that by next Fall the Communists will be well purged from CIO ranks.

Communists have no place in the ranks of American labor. They are termites who build only that they may destroy. As enemies of democracy, Communists will be driven out of the democratic labor movement.

conscription

An Association of Catholic Conscientious Objectors has just been formed in New York City. The Spiritual advisors are: Msgr. Barry O'Toole and Fr. John O'Brien, of Notre Dame. The Director is Arthur T. Sheehan. The address is: 115 Mott St., N. Y., N. Y.

The purpose of the ACCO is to accept responsibility for maintaining a camp for CO's at Stoddard, N. H. It will be a forestry camp for Catholic CO's.

CSA is interested in this project, because it may not be long until CSA is edited from Stoddard, N. Hamp.

The ACCO has sent out an appeal for donations to maintain this camp. It will cost $12,000 per year to operate this camp. Already $1,300 has been raised.

Young Catholics the country over are resisting the modern tyranny. Whether you agree with them or not, have respect for those who heed the voice of conscience. *Send in your cheque today and help make the Catholic camp for conscientious objectors a camp of work, of solidarity, of prayer, and of penance for peace.*

We urge ACCO to christen their camp, "Pope Benedict XV Camp."

Out from under the restraining influence of ordinary home and local environment, since last October, have come a vast segment of American youth. About 1,250,000 men have already been called to service to do their part in the programme of National Defense, under the provisions outlined in the Selective Service Act of 1940. The United States Military Department desires to see men trained and well-prepared for the exigencies of mechanized and totalitarian warfare. So far, indications are, that equipment for such training is not at the disposal of selectees. But at this moment, CHRISTIAN SOCIAL ACTION is interested in the secondary ambition of the Army to promote the common welfare of America by the protection of the health of this important section of the population now under its care. These men shall be the fathers of America's most important legacy of the future: its children. It is surely not the intention of the U. S. military authorities that the period of training shall serve not only for their development of military skill in youth but also for the social, physical and moral deterioration of its charges. We can visualize the so-called, hard-bitten, grim-eyed commissioned officers bellowing about such nonsense as expecting the army to take care of the private morals of its subordinates. But because of its interest in the maintainence of the family life as the prototype of all society, of its interest in the basic necessities of

national health, of its interest in the moral integrity of youth, so precious a treasure in an immoral era of international banditry, CHRISTIAN SOCIAL ACTION, is definitely concerned in the elimination, so far as possible, of the grimly real problem of vice as it exists in the vicinity of cantonments and naval stations. Youth is being recruited for the preservation of the land. CSA would like to see the moral and physical preservation of youth assured by authorities of the land.

Within the last several months, hope indications have become apparents. Ugly rumors that spread about the disgraceful conditions existing in nearby local towns have provoked public action as well as concern. Already organized in an effort to improve conditions is the national voluntary organization known as the American Social Hygiene Association.

There is at present before the United States Congress a proposed enactment, H. R. 2475. This proposal was passed April 21 by the U. S. House of Representatives and is now before the United States Senate. *Christian Social Action* does not entertain the horrible thought that the solons will vote against vice any more than they would dare to vote against the Constitution and the American flag. Calvin Coolidge's legendary dictum that he was for virtue and against vice is not too long past to be recollected by the Senators. But there are a few real estate agents whose ramshackled property make profitable stipends as houses of ill repute, and there are the string-pulling ward politicians entangled in their mesalliance with forces of vice, to contend with even in this period of national emergency. CSA would not mind its readers dropping a few letters to the Senators recalling to their mind that this little item should not be entirely dropped amidst the storm and strife of foreign policy. The average family with their selectee son is deeply concerned though the issue is not so stirring as potential seizures of Dakar or amusing slogans such as "Remember the Zamzam". To return to the enactment, it provides in substance that the Secretaries of War and Navy shall be authorized to set up zones of such radius as deemed necessary around military camps and naval stations within which prostitution shall be considered a federal offense.

The experience of the World War displays a record that indicates federal legislation of this nature is supported by decisions of the Supreme Court of the U. S. It also has been extremely effective in inducing reluctant state and local officials to enforce their own law.

Realizing the social importance of this situation, Federal Security Administrator Mr. Paul V. McNutt has established in the Federal Security Commission a department entitled the Division of Legal and Social Protection. This is recognition on the part of the U. S. government of its other than purely military obligations to its defenders and the duty the government has of strengthening public information by factual presentation of conditions. Under this governmental set-up, CSA is informed, the weapon of public propaganda shall be exercised on the men themselves. The case against exposure to social disease is being presented by chaplains and medical officers on religious, moral and health grounds. The Division also expects to make available sound factual information and the best scientific opinion on the sexual problems of youth. What precisely this will mean, CSA is unable to say. However, eighty members of the Federal Security Commission have been allotted to the new division. Its organization shall be decentralized into religions and a member assigned to each cantonment. The Division also expects to attempt an integration of acts on the federal and state levels with the endeavors of local communities.

Genuine interest is widespread in this problem. It has particularly interested women organizations. It is being supported by a radio, newspaper and magazine campaign, that may grow in future months. Stories of unsavoury conditions, events of a sordid type should definitely be examined and competently investigated. If such environment does exist, in spite of some local real estate dealers who would stoop to profit by such traffic, and in spite of the usual liason between vice and local politicians as may be, determined efforts should be undertaken by federal officials to clean up any such mess. Public opinion will demand it.

During the World War, the American soldier had the lowest venereal rate and the best general health condition of any army recorded in history. The present army can and shall be a further improvement.

Surgeon-General Parran of the U. S. Public Health Service has stated recently before the House Committee on Military Affairs:

". . . . federal laws and appropriations should be applied to break up interstate and intercommunity vice rings, to stamp out commercialized prostitution, stimulate state and local efforts to prevent social delinquency, encourage rehabilitation of prostitutes and the provision of appropriate recreation."

While CSA is not so naive as to suggest that (1) there is no interior moral discipline in American youth or (2) there is only the necessity of passing legislation to abolish a moral problem, nevertheless, it does propose that the enactment of proper legislation handicapping and eliminating the occasion of physical and spiritual debilitation in conjunction with an adequate leisure-time programme of recreation, is a definite advance toward the fulfillment of such obligations as the U. S. government and each local community have to its defenders.

Accordingly, the campaign of the U. S. O. (United Social Organization) promoting $10,765,000 for the development of adequate leisure time services for soldiers outside cantonments and for defense workers near factories, is a concrete contribution toward the amelioration of a potentially dangerous moral problem. This is a work which enlists the cooperation of the Catholic Church, the Protestant faiths and the Jewish religion under whose joint auspices the U. S. O. is established.

The organization of an effective program, attractive and wholesome, is a recognition that American society as well as the American government have a debt to the youth of National Defense.

education

Educators should keep their eyes on John W. Studebaker, United States Commissioner of Education.

Under the defense program, Mr. Studebaker is building up an educational machine which may crush our Catholic schools.

Studebaker has several irons in the fire. The U. S. Office of Education, representing Dewey-ism and similar brands of academic poison, is greedy for new fields.

It is a dangerous trend.

Recognizing in higher education the same general tide toward centralization apparent in other phases of American society, the Rev. Samuel Knox Wilson, distinguished Jesuit educator and President of Loyola University of Chicago, expressed the opinion that government taxation of college and university property as well as the possibility of federal and state control of education is imminent. His words were addressed to the assembled educators who were convened on April 17, at the National Catholic Education Association, held this year in New Orleans. Dr. Wilson suggested in his address as an alternative to "the destructive effect of federal taxation" on larger universities, the placing of stress on the development of smaller but truly representative liberal arts colleges.

This is another admission by a prescient member of Catholic educational associations, that the influence of the Dewey-Thorndyke type of college teacher, fresh from secularized normal schools, is conditioning the temperament of general American education toward state control. Dr. Wilson's remarks should be evidence considered by competent Catholic educational thinkers that there must be a definite movement initiated to preserve what is integrally worthwhile in liberal arts education. A nation's youth without its roots in the past, is subject to the beguilements of today's demagogue; without the value of historical long-range experience, youth does not judge but accept the present; without immutable standards, they possess no yardsticks for judgment either of the truth of remarks and events, or of men.

Ford

The U. S. Labor Board set May 15 for the date on which approximately 80,000 workers at the River Rouge Plant of the Henry Ford Motor Company would vote whether they wanted (1) UAW-CIO, (2) AFL or (3) no union, as bargaining agent.

Mr. Ford was now disillusioned about his boast that his workers would wish no union as bargaining agent since he treated them so well. Not only did the River Rouge plant workers vote for a union but they selected overwhelmingly the UAW-CIO which valiantly fought for the workers' rights with Mr. Ford ever since he refused to recognize that he too was subject to the law of the United States.

housing

The defense housing situation continues to grow more critical. Defense Housing Co-ordinator Palmer continues to make grandiose speeches and does nothing for harried industrial workers.

Rents in Pontiac, Mich., have gone up 50%. Palmer has done nothing.

Rents in Detroit, Mich., have gone up 20%. Palmer has done nothing.

Workers in Connersville, Ind., are living in tents. Palmer has done nothing.

Workers in Indianapolis live in rat traps. Palmer makes more speeches.

America's defense is on the production line. Workers cannot remain ill-housed and ill-fed without serious repercussions on our national industrial output. Proper housing is a requirement of common decency.

J. O. C.

Manchester Federation of the J. O. C. have moved their headquarters to a larger Centrale. Eight vigorous young militants are now engaged in the work of organization of their movement along parochial lines of liturgical advancement, social education and religious orientation. The French-American populace of this New England State is being aroused to a Christian sense of socio-economic community.

The Rev. Henri Roy, O. M. I., dynamic founder of the Canadian national federation of the Jocists which rose under his guidance to 50,000 members, is now in charge of the activities at Manchester. A further practical step in the development of the Christian social reconstruction of the working man has been undertaken by the recent establishment of the LOC, the League of Christian Workers, which shall incorporate under the banner of Christ the Worker, all working men above the age limit of the JOC.

Though the movement is small, its significance should not be taken lightly. Already a steady trickle of youth leaders, editors, socially-conscious priests and laymen, are making a pilgrimage to the social experiment of Manchester.

propaganda

The touch of the gods was found in a recent issue of the *New York Times.* The UAW-CIO negotiated for months with General Motors for a 10c an hour raise. The corporation made a net profit last year of $195,000,000.00.

GM responded by running full page ads in every newspaper in America—from Amarillo to Duluth, from San Diego to Boston.

The *New York Times* recently ran a page 1 blast from Knudsen which carried the headline—KNUDSEN DECLARES STRIKES CRIMINAL. Inside the same issue—just one of those coincidences — was a huge one-page super patriotic ad saying that General Motors was doing its part in the defense program.

racketeering

In some cities, officials are voted out of power. In Detroit, they send most of them to jail. Last week, due to the graft trials having just about depleted the ranks of the police department, Detroit advertised for more "coppers".

Three of Detroit's councilmen are in jail awaiting trial for having accepted bribes on a housing project. The last Mayor just paid a $10,000 fine for a "phoney" income tax report. The County Prosecutor and a flock of minor officials are still on trial for having run the vice racket.

When will an aroused citizenry rise to crush these civic monsters?

social action

The continued vitality of the Catholic Worker movement started by Dorothy Day is evidenced by the summer camp planned by the Catholic Worker of 2305 Franklin Ave., Cleveland, Ohio.

The camp will be held at Wayside Farm, Avon, Ohio, from July 10 to August 10. Courses will be given in cult, culture, cultivation, Church history, liturgy, lettering, sewing, and folk dancing.

Among the teachers will be the famous Ade de Bethune, Mary Finegan, Dorothy Schmitt, James Robicheau, Peter Maurin, and others.

The school has received the blessing of Most Rev. Bishop McFadden, Chancellor of the Diocese, and will be chaplained by Father Lauer, a labor-minded Jesuit of Cleveland who has done yoeman's work for the Catholic social movement.

There is no charge for the school. Donations will naturally be accepted. For further information or reservations write to Thomas M. Durkin, 2305 Franklin Ave., Cleveland, Ohio.

CSA gives the school a 150% send-off.

To Our Readers . . .

In the crisis of national defense, such items as social reconstruction are going by the board. All attention is now being concentrated on defense of our democratic institutions.

We believe that an integral part of that defense is continued reform of our moribund social disorder.

CSA has suffered increasingly during this crisis. We are again in debt. Not heavily, but uncomfortably.

We appeal to friends of CSA—those who have followed our work during the past six years. If you can send in a new subscription for a friend, please do so. If you can send in a contribution, we will receive it with heartfelt thanks.

And no matter what you can do, pray for us.

—The Editor and Staff of Christian Social Action.

strikes

Press and movie continue to frighten the country to the idea that defense strikes are sabotaging the defense effort.

No mention is ever made of the corporation officials who are using the patriotic club to beat workers over the head. Most defense strikes have been more than justified in recent weeks. What is wrong is that the Administration, by refusing to take a Christian stand on war profits and patriotism, has encouraged manufacturers to the present "all out effort to sack the unions."

steel

United States Steel last month reported the largest profits since 1929. They amounted to $36,559,995, or $3.47 per share.

This national defense business is just ruining the country's industry!

taxes

The Census Bureau tells us that out of every $5 the average American earns, no less than $1 goes for taxes.

The average tax per person is PVJT *per year. That means that a father with wife and family of two children must pay a tax bill of $436.*

For the first time since the installation of the NEW DEAL, the Secretary of the Treasury, Mr. Henry Morgenthau is proposing to a startled Congress a pay-as-you-go system for defense financing. Taxes will sky-rocket as indeed they must. Is this symptomatic of the state of the national credit capacity? The United States may be confronted with an inflation crisis.

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A CIO Leader Speaks . . .

Defense of Democracy

By **JOHN BROPHY**

THE DISASTERS in Czechoslovakia, Poland and Norway, the low countries, in France and the Balkans, have spread fear among democratic people through the world. The organized working people are fortunate, perhaps above all other groups, in being able to fall back for protection upon their industrial organizations And it is certain that those organizations are the most solid pillars of democracy, both in domestic and foreign affairs

The Congress of Industrial Organizations stands four-square for the defense of the democratic cause both at home and abroad. This is no time for ambiguous phrases, for doubts and reservations. This is a time when fundamental things must be made crystal clear. There should be no uncertainty among us whatsoever as to our position in the international struggle.

● We stand for aid to the defenders of Great Britain and all countries resisting totalitarian aggression.

● We stand for aid of a very tangible and comprehensible kind: in the form of tanks, guns, airplanes, and all weapons of defense which democracy throughout the world must have if it is to survive.

● We stand for prompt and efficient production of those weapons and for the full utilization of the vast resources of this country, in terms of plant, machinery and man power, for that purpose.

We have given tangible evidence of our position on these issues. We have laid before the President of the United States specific and detailed proposals for the reorganization of our methods and agencies of defense production so that they may fully serve the needs of the country and the democratic cause, rather than the private interests of our manufacturers and bankers.

Murray Plan

The first of these proposals which has come to be known as the Murray Plan, was advanced by President Murray of the CIO early this year. It called for the creation of new administrative structures, charged with the responsibility of producing war materials in needed quantities and on time.

In these new agencies, labor would carry its full share of the burden: equal numbers of representatives of labor and of management, with a government chairman, would assume responsibility and be given full authority for doing the job which management alone has proved itself unable to accomplish.

The new agencies would be known as Industry Councils. One of them would be set up in each of the great industries concerned with defense production.

A central board, entrusted with the duty of coordinating the work of the Industry Councils, was likewise proposed, also to consist of equal representation of management and labor, with the President of the United States, representing the government, as chairman.

Reuther Plan

On the heels of the Murray Plan came the Reuther Plan for the reorganization of the automobile industry to make possible the production of airplanes on an assembly-line basis.

Known by the name of its author, Walter P. Reuther, Director of the General Motors Division of the United Automobile Workers, CIO, the Plan comprehends the unification of the entire automobile industry, the centralized planning of its production methods, and the democratization of its management by the creation of an Industry Council consisting of three representatives each of labor, management, and government.

The advocates of the Reuther proposal contend that it contains the key to the rapid production of that most indispensable of all modern weapons of war, the airplane, and that upon its adoption may well turn the outcome of the war.

It is enough to say that the opponents of the plan have never dared to come forward publicly against it, contenting themselves with anonymous objections It may be added that in considerable measure the suggestions it contains are more and more rapidly being adopted by the industry, out of the necessities of the situation.

Steel Plan

The third of the major proposals which have been advanced by the CIO as practical contributions to the problem of democratic defense is the Steel Production Plan, offered by the Steel Workers Organizing Committee.

In the steel industry the problems were different from those which faced us in automobiles. In steel, the problem is to make efficient use of scores of small plants capable of turning out everything from basic steel to parts needed in the fabrication of tanks and planes.

Government orders have been going to the big producers, like Bethlehem Steel. These producers are undertaking the expansion of their facilities, a task which will require a year and a half or two years at least, while abudant facilities are lying idle in the same areas through lack of planning and coordination.

Again the CIO suggested the creation of Industry Councils to undertake the democratic planning

and management of this essential war-time industry.

I think of the CIO defense plans as proposals for the extension of our American democracy. Of all countries in the world, we have the oldest and most certain traditions of democratic political government. It is but recently, however, that the American people have become alert to the necessity of extending that democracy into the industrial, as well as the political field, if political democracy itself is to survive.

Trade unionism is such an extension of democracy from the political into the industrial field. But trade unionism in the narrow sense, indeed even modern industrial unionism, will not be enough, unless organized labor assumes certain fundamental responsibilities, and for that purpose undertakes an even broader extension of the principles of democracy.

Labor's Contribution

These new responsibilities have to do with industrial production and with management. Labor has a contribution to make to the economic life of the nation far greater than its simple contribution of manual strength and skill. It has a contribution to make in terms of its understanding of the processes of production, its first-hand acquaintance with the methods and the tools by which goods are made.

And labor alone is in a position to make that contribution, because labor alone at once knows how the job is done and has the will to do it, not in the interest of private profit, but with the welfare of the nation as a whole in mind.

The assumption of that responsibility, the achievement of that power and authority in our economic life, will constitute the fruition, the maturity, of democracy in America To the realization of those objectives our movement dedicates itself

Essential to the assumption of responsibility by labor in production is the development of systematic, orderly, and intelligent plans of operation within each industry and for all industries taken together throughout the country. The elaboration of such plans, and their application, are part of that d e m o c r a t i c development which we propose.

Our Emergency

In war-time, in time of desperate national emergency, those plans must be drawn first of all with a view to top production in the goods which are needed by the armed services of the nation and by the fighters of the countries to whom we lend our assistance.

Yet defense is not solely a matter of weapons, least of all in a democracy. If we are to defend ourselves well, and particularly if we are to know with certainty that our loyalty is not misplaced, it is imperative that standards of life for all our people not only be maintained at present levels, but be expanded.

With intelligent planning, this is not impossible, for our capacity to produce in this country, even with our existing plants and equipment, is so far beyond anything which has thus far been utilized in the life of the nation as to constitute a condemnation of the inefficiency and stupidity of that private management which has claimed the exclusive right to control our economis destinies in the past.

Defense

Defense is a matter of both guns and butter. Defense means the production of weapons for democracy when they are needed, and in abundant quantities. It also means the continued provision of the necessities and comforts of life to all the people. Plans for defense which fail to meet both of these objectives are inadequate for their purpose.

The proposals of the CIO in relation to defense production have an importance which carries beyond the immediate military emergency. We look ahead to the period after the cessation of hostilities, when the false stimulus to production provided by the necessities of defense gives way and intelligent planning for peace-time purposes takes its place.

It is essential that we take the necessary steps well in advance to complete that planning, and to realize the necessary social control over production, so that we shall not find ourselves faced with another post-war depression of such magnitude as to wreck our unions and destroy all the gains which we have made throughout these difficult years.

There need be no mystery about the steps which we must take. On the basis of an overall plan and special industry plans it is possible for us to set up schedules of production at levels which will give full employment to our productive equipment and our man-power.

By adjusting minimum wage levels and maximum price levels properly so that industry pays out enough in wages and salaries to buy the goods which are produced we can make sure that our entire economic system operates permanently on a balanced basis without pumping unlimited quantities of government money into it.

Doubtless the need will continue over a limited period of time for special government expenditures on public works. We will want to go ahead with the enlargement and perfection of our social security system. If the new controls are to operate properly we will need to revamp our banking system, and may need to make cheap government credit available to our business men

Down to Cases

Let me be a little more specific. I think it is important in these matters to get our minds as clear as we can on the concrete details of the action we must undertake.

This country is capable of turn-

ing out goods and services in the amount of about 110 or 120 billion dollars worth a year if it puts its economic house in order. We have been limping along at 70 or 75 billion dollars a year. In the depths of the depression we dropped as low as 40 billion dollars.

A production level of 110 billion dollars would give every family in the land an income well above the minimum necessary for health and reasonable comfort. The only reason we have not reached that level already is that we have proved ourselves incapable so far of getting our heads together and planning the job.

The main steps we would have to take in this planning process can be anticipated without difficulty. The overall planning agency which President Murray has proposed should first make an analysis of the goods and services which the American people would consume if they had 110 billion dollars in their pockets each year to spend for the things they need and desire. Students of economics have enough information on this subject to begin with now and the planning board could undoubtedly obtain enough additional information for our purposes in a relatively short time.

Having made this preliminary estimate, the Board, working with the Industry Councils, would outline schedules of production under which the goods necessary to satisfy the wants of the American people would be produced in proper quantities each year.

When schedules had been worked out for each industry, and a master plan had been developed for the entire country, it would be necessary for the government to see that the various industries produced their particular product, in the amounts determined, and at approximately the same time.

No Sabotage

There is some reason to hope that there would be sufficiently wide-spread approval of the program and sufficient confidence in its operation so that the various industries and all the individual businesses in each industry would go ahead with the required production without compulsion.

Probably there would be a few stragglers, however; this problem could be met by measures similar to those which have already been used by the Agricultural Adjustment Administration, namely the collection of processing taxes which are repaid practically in full when the government is satisfied that the individual producer has complied with requirements. Where individual producers failed to meet their obligations to society even under such arrangements, provision for temporary receiverships might have to be made in the interest of the common good.

It might well be necessary in addition, in order to avoid undue losses by individual concerns, for the government to guarantee businesses against loss due to the program by purchasing unsold surpluses at cost, holding them temporarily in an over-normal warehouse, and adjusting production schedules for the next year to enable the government to market the surplus at proper prices.

By arrangements of this kind we can make certain that all business will operate at high levels of production simultaneously. This means that millions of men will be employed who would otherwise be without work and without money to spend This means in turn that all the goods and services which are being produced under the program will be purchased by the workers in other industries, who have good paying jobs and are getting the wages they need In other words, the system will operate under its own steam, on a pay-as-you-go basis, without the government having to pump millions of dollars into the operation.

The task is first to make certain of full production and second to make sure that enough money is paid out in the form of wages and salaries to buy the product. The mere reemployment of millions of men is the best guarantee that enough money will be turned out to buy the product. Failure of purchasing power in our economy is largely a failure of employment.

Rational Control

Yet in addition we must make certain that wage levels are kept up to the proper point and that price levels are kept down so that the cost of living does not consume all the advance in wages.

Collective bargaining, aided by the machinery of the Industry Councils which we propose, together with statutory minimum wage guarantees such as the Fair Labor Standards Act, again tied in with the Industry Councils, will provide the means of minimum wage level control.

So far as prices are concerned, the federal government is now acquiring abundant experience in this field and the industrial unions must throw their weight on the side of price reduction rather than price advances. Such price reductions will become an easy matter for industry when production levels advance sufficiently to assure substantial reductions in overhead charges.

Liquidate Usury

As I have suggested along with any such program must go a program for the reorganization of our credit machinery in this country. Farmers and businessmen must be able to get enough money to operate with at rates which reflect only a reasonable profit for the bankers over and above their costs of operation. One per cent interest, or 1½ or 2 per cent at the most is quite high enough. There is no justification in most instances for charges higher than that.

Government credit will probably have to be put into the field to

bring price credit rates down to this level, but it seems to me that if there is one thing the American people as a whole can agree upon, regardless whether they are farmers, or industrial workers, or business people, it is that the bankers in this country should not be allowed to choke off our economic life.

None of these measures is Utopian. None of them in unheard of, or impossible of achievement. None of them is revolutionary, or destructive of the fundamental institutions in which we believe. By resolving to achieve them we can put an end once and for all to insecurity, unemployment and poverty among us.

Unless we look forward now and prepare for the future, we are in great danger. If we lay our plans carefully, if we take the necessary steps to deal with our problems, we have nothing to fear.

No More Hoover "Booms"

It is the purpose of the CIO to go forward with its proposals for the democratization and rationalization of our economy as a measure of defense during the emergency and as a measure of progress and security in the post-war years.

It is imperative that we resolve now never to return to the desolation of the depression years. We must resolve now to press forward with our proposals for economic planning and economic democratization, to the end that unemployment and poverty may be well on their way to elimination by the time the emergency is over, and may be completely mastered in the ensuing years.

Nothing less than such an achievement will justify in the end the sacrifices, moral and material, which Americans are making now, and which they must make tomorrow in greater measure, for national defense. Nothing less than such an achievement will discharge our full obligation, as leaders of the American labor movement, to the society of which we are a part.

For All

It is my own conviction that the program which the CIO has enunciated for America should be offered to democratic peoples throughout the world. That the planet has shrunk to the size of a small community has become a platitude. The conditions of life for all people through the world affect most intimately and seriously the conditions of life for Americans.

If basic economic problems can be solved in this country by democratic methods, and if democratic forms can be preserved in the rest of the world or a substantial part of it, there is no reason why those fundamental economic ills which have afflicted us may not be dealt with also in other countries.

In this connection, the Steel City Industrial Union Council recently assumed leadership among our organizations with a proposal which merit our very careful consideration: the suggestion that the CIO undertake to establish direct communication with the British labor movement for the purposes of military and economic defense and for the additional long-range purpose of working out clear formulations of the precise objectives for which the democratic forces are fighting.

Be Practical

The defense of democracy in terms of military combat stands alone and self-sufficient as an objective of democratic people. Yet the democratic cause might be strengthened fundamentally by an announcement from the governments in the democracies that they propose the very extension of democracy into the economic sphere in all nations which the CIO envisages for America

I believe further that it would be well if democratic people were to make it clear to the oppressed in all conquered lands that their purposes include the establishment of some integrated world-wide democratic federation of the peoples, and full political and economic democratization throughout the world

I believe that we in the CIO who have the responsibility of leadership and for the formulation of the objectives and the methods of movement must give serious and immediate consideration to these issues. I think it is incumbent upon us to decide whether we must not, taking time by the forelock, assume promptly and before it is too late the prime responsibility for the announcement and the prosecution of such aims.

Opposition to such proposals comes now from strange quarters. There is the extreme right which seeks to drag our democracy backward, or bids it at the best mark time, deluded by notions that it may yet be possible to return to the good old days, which were not so good, or unfettered business competition, periodic economic collapse, unbridled destruction and wastage of our national resources, and wanton disregard of the needs and rights of the individual common man.

Nix On Revolutions

And there is the extreme left as well, encumbered by illusions that American problems may be solved by methods which have already failed in other lands.

Reactionary and so-called radical alike, these enemies of progress within our ranks, combine in their opposition to the democratic proposals for the democratization of our economy which have been adopted as part of the official program of our organization.

Together they hope to profit by confusion. They await that break down of our economy and our entire social structure which they believe must prove their opportunity for supreme political power, but which in truth must mean the col-

lapse of trade unionism, of democratic government, and of all the ideals for which our movement stands.

Democracy No Mere Slogan

They give lip service to the democratic idea, but in opposing those who seek to apply it, they betray it in practice.

With us, the democratic idea is something more than a phrase. It is something more than a trick to be juggled with for political advantage within our unions and in the halls of our legislatures and our Congress.

Excelsior!

We take our convictions seriously. We are aware of our responsibilities. We propose to go forward by democratic methods toward those democratic objectives which contemplate the hapiness and dignity of all human beings the world over.

The opportunity to assume definitive leadership in the achievement of those objectives belongs to the movement of which we are a part. That opportunity we embrace with gratitude and accept with courage.

Christian Humanism

Christian humanism, integral humanism, is able to accept all since it knows that God has no opposite and that all is borne irresistibly by the tide of His providence. It does not reject what springs from heresies and schisms in its human heritage, the works of the heart or reason gone astray. It knows that these historical forces energized by error have served the work of God despite themselves, and that in their own despite throughout the whole modern period they have felt the surge not only of illusory but also of Christian energies in this temporal life. In the scheme of Christian humanism, there is a place not for the errors of Luther and Voltaire. . . . In spite of themselves they have contributed to human history a certain increase and growth (which belonged to Christ as does all the good we know) I am glad to be Voltaire's debtor in the matter of civil tolerance or Luther's in that of non-conformism and for these things I honor them; they belong to my cultural universe, they have their part there and their office; there I can talk with them and when I strive against them, even when there is war to the knife between us, they are still alive for me. But in the scheme of Marx's humanism there is no place for St. Augustine or St. Theresa of Avila, save as moments in the progress of a dialectic whose only advance is over the dead."

JACQUES MARITAIN, *True Humanism.*

Cutting the Rug with the Commies . . .

Swing and Sway the C. P. Way

By **JOSEPH R. BARR**

SWING MUSIC is an innovation of modern times. The main thing about swing is that although an orchestra adheres strictly to the basic musical pattern, the melody varies according to the desires of the musicians.

Anyone who has heard Benny Goodman swing "Indian Love Song" knows what I mean. At times you know what he is playing, but again at times you don't.

So it is with the Communist Party (C. P.), USA. Although the Comrades adhere to the party framework, they improvise from time to time and you would never know that it is the Communist Party line that is being peddled.

Beginnings

The Communist Party, USA, is one of the most powerful organizations in the United States. It is a s e c r e t, subversive organization which uses any means to obtain its end: the implementation of the foreign policy of the Soviet Union.

The center of the Communist Party is in Moscow. There the party bosses decide what the line is going to be, and once it is decided the word goes out over the wire to the various party headquarters around the world. Hence the slang expression, "C. P. line."

It all began back in 1917 when there was a Revolution in Russia. Under the dynamic leadership of Lenin, the party organized a revolution in "democratic" Russia and seized power. With a lust for power which has gone unrivalled during the centuries, the party purged and liquated right and left.

In America, when the CP was organized, there alrady existed an old and quite respectable Socialist Party. The Socialist Party was working for gradualistic reform of the capitalistic system by democratic means. The Socialist Party had headquarters, a machine, a press, and all the apparatus so necessary for organized propaganda.

The CP organized its members, and they joined the Socialist Party. Hiding behind the mask of Socialism, the CP began to take over party headquarters and steal Socialist Party property, machinery, and so forth. The Socialist Party which Eugene Debs led was dismembered in the tug-of-war of a factional fight.

Labor Unions

With the CP boring into the Socialist Party, the next step was to capture the labor unions. Labor unions are ripe for CP propaganda and CP capture because they have

(1) a large membership, (2) money, (3) discontented members, and (4) an idealistic yearning for a better world.

The AFL was the leading labor union, and the CP tried to join the AFL and capture the old Federation. In this struggle to capture the AFL, the CP confronted John L. Lewis, then President of the United Mine Workers. Lewis opposed this attempt on the part of the CP, and John L. Lewis during the middle twenties was bitterly attacked by the Commies as a reactionary, a stool pigeon, and an agent of the employers. But Lewis was adamant and the CP gave up the struggle.

In other unions the same thing happened. Hence the party line on unions began to swing and sway. The CP began to organize the Communist trade unions of the later twenties. Having found that it could not capture the AFL, the CP made its own unions and began to attack the AFL as a reactionary, capitalistic institution.

The CP formed the TUUL (Trade Union Unity League) which carried on organizational campaigns and organized a ceaseless propaganda to woo the wily trade unionists.

Under the CP some strikes were fought. Some were won, others lost. The workers who were misled in the Passaic textile and other CP-led strikes didn't matter much as long as the CP line was carried forward.

Democracy was biterly attacked as the opiate of the people. Had not Lenin said that democracy should be scuttled and thrown into the "ashcan of history?"

But Comrade Lenin and the boys had not said that you couldn't be a democrat. Lenin said that democratic means must be used "the better to wring the neck of democracy."

During the depression the CP was not making proper progress in the unions. Something had to be done. The Revolution was not progressing.

Cutting the Rug

Then came another swing and sway when the CP became the friend of democracy. The CP sang the song of peace, unity, bread, and democracy. It called upon all progressive forces to unite with the CP to fight the forces of capitalistic reaction.

In country after country in Europe, the Communist Party made great organizational strides. Certain wings of other leftish parties lined up with the CP. The "Peoples' front" became important.

As the Communist Party gained strength within the German trade unions, the forces of reaction began to organize against the Communists. The Communists built a great front, but the Communists forced the advent of the blind fascist terror.

It should be noted for the book that Communist treason and Communist terror brought fascism in country after country. COMUNISM IN EUROPE WAS THE MOTHER OF FASCISM. If it did not create fascism, it was the telling point that fascism used in advancing to power.

The Line Gets Crossed

Fascism, when it came in, stamped out Comunism. The first thing the Nazis did was to suppress the Communist Party. Then they suppressed the trade unions.

Comunism was responsible for this historic betrayal of the working classes of Europe.

But the workers forget easily.

The party line then became "unite against war and fascism." The Communists, hiding behind their democratic false faces, sang a song: "Stop the chain of fascist aggression."

Leagues Against War and Fascism sprung up on every side. Trade unions departed from their usual business to fight the world over against war and fascism. They followed the CP line.

Then came the Spanish War. Here, again, the Comunists bored into a quasi-democratic government let loose the terror of Communism, and forced ultimately another brand of Fascism, the falange. War and its horrors visited Spain. The great old country was rent asunder as the Communists had their day with their enemies.

Democracy was scuttled, Communism made mince meat of Spain's youth . . . and the Party line continued its devious course.

In America, and especially in the labor unions, the CP line was found on every side. The CP line used to be "against war" but when the Communists in Spain got caught, they suddenly became the worst war mongers in the country. Union officials fell for the CP stuff about "democracy" in Spain. Americans fought to have their government give "all out aid" to the Communists in Spain.

Another Rug Is Cut

The popular front failed in France. Communism in Spain was liquidated. Communism and Socialism in Austria had been liquidated.

Something had to be done. Once more the Comrades went into a huddle and changed the line.

For years the CP line had been against war and fascism. At first the Communists dropped the war part. Then they dropped the fascism part when Hitler and Stalin put their arms around each other in an historic embrace of the enemies of the world. The traditional policy of the Soviet Union was shaken to its foundations.

In America, the Stalinists in the trade unions now had to do a handspring. They suddenly found that fascism was not so terrible after all. Now they had to think up a new set of slogans "to bring in the suckers" The League Against War and Fascism was scrapped. Now they had Leagues for Peace and Democracy.

World War II

World War number two found the Communists on the run. They were in a terrible mess. Then it was that their former partner in international crime, that great democracy, England, now suddenly became a vicious and imperialistic nation.

For years the CP Press and speakers had referred to those "four great democracies," Russia, France, England, and the United States. The Communists ruined France. Now they are busy knifing England.

Today the Communist who four years ago was fighting the war in Spain is all for peace and bread. He does not want to leave these shores. Where once the Communist organized the "Abraham Lincoln brigade" to fight in Spain, they now picket the White House and demand that not one drop of American blood be spilled on foreign shores.

Now the Communists have popped up with a new league—this time it is the American Peace Mobilization. This, as all the others, is just one more red front for the Communist Party — USA. And once more the Commies are busy in the labor unions getting donations for the American Peace Mobilization. They are holding mass meetings and demanding that "democracy at home be defended." Those who once cried "all out aid for Spain" are now screaming "no aid for Britain."

And so it goes The tale of the Communist Party in America is one of the most sordid and vicious tales to be written.

Politics

It should be noted in passing that the Communists once fought John L. Lewis as a reactionary and a stooge. John L. Lewis lined up with Franklin Roosevelt in 1932. He gave $500,000 of the miner's money in 1936 to secure the New Deal in power. But suddenly Roosevelt was no longer a Soviet Saint. The Communists who fought for Frank Murphy and Franklin Roosevelt suddenly discovered that their friends had "sold out to Wall Street."

The truth is, of course, that Murphy and Roosevelt continued the logical development of their policies. The party line changed . . . and the Communists started to do a hatchet job on Roosevelt and his friends.

In the labor movement this change in the CP line was reflected in the growing antagonism toward Roosevelt. Lewis and Franklin had a falling out, and the great Lewis went so far as to endorse the warmongering, reactionary Wendell L. Willkie. The Communist Party lined up solid with Willkie and revealed what we have long suspected: that *the Communist Party is just another reactionary organization like the Republican Party.*

Sumary

And so on flows the song of Communism. Swing and Sway the CP way. Cut a rug with the Communists. Today all those, like Sidney Hillman, who support Roosevelt are "Hillman stooges." All those who are for Communism, Willkie, "peace" and "democracy" are progressive Americans.

Honest trade unionists are worried about the course of the New Deal. They feel that OPM is the agent of the copitalists. They think that Roosevelt has sold them out. The Communists, by singing their old refrain, "peace, unity, bread, and democracy" are marching thousands of American trade unionists straight down the Communist Party line.

This does not mean that all who want peace are Communists. But it does mean that those who call for peace should be careful of those who join in the chorus. The Communist use of slogans and phrases is as old as sin. And, unfortunately, it is just as effective.

Our Menace

Today the Communist Party in America is stronger than it ever was before. Little is said about it, and few people feel that Comunism is a menace. If the Communist Party in America is allowed to continue along its path unmolested, the time will not be long before the Communists in America will do what they have done elsewhere: scuttle democracy by forcing fascism. Today we approach that dangerous gulf.

Three years ago, the Stalinists formed the "League for Peace and Democracy" to aid the "democratic" government of Spain. Now the Reds are the guiding lights of the American Peace Mobilization, the primary aim of which is to stop aid to Britain and to sabotage the defense program.

If the Spanish Loyalist government had any semblance of democracy, then England's claim to such government principles is unassailable. How that old CP line swings and sways!

(*In the next issue, a careful analysis will be made of the manner in which the Communist Party infiltrates labor unions and sells the party line to those who never suspect that they are eating out of Stalin's hands Read "Stalin's Stooges" in our June issue. Pass it on to your friends in the labor movement.*)

Join with Holy Father Pius XII:

Pray for Peace!

Christ Behind Bars

By VERNON WILSON, JR.

RELIGION HAS a definite place in the modern American prison. Without it, the fabulous sums of money spent annually by the taxpayer to modernize the American prison would accomplish little more than to leave a thin impression with the general public that rehabilitation was in process behind the portals of the average penal institution.

It is a fallacy to believe that a proposition involving the changing of human character could operate without the ameliorating affect of religion to secure the ultimate end. But this does not go to say that where religion has found its proper place in prison and has become by virtue of its intrinsic value to the program of rehabilitation, a pillar of the penal systems of the state. It can be regarded, or is regarded, in a sense that one would tolerate the whim of an octogenarian.

Look in Prison

It should not be out of place here for us to look behind the scenes at Southern Michigan prison, at Jackson, Michigan, where is to be found in operation what is regarded by penologists and state officials alike one of the nation's finest rehabilitative programs.

Prison School

Contrary to popular belief, there is a definite course followed in the pursuit of religious training in our modern American prison; not simply a Sunday service officiated over by the prison Chaplain. Here we have a school of religion which is designed to provide moral instruction in a way that is educationally sound. The program entails the operation of ten classes, with an aggregate enrollment of six hundred inmates. The duration of the period of instruction in each class is two hours a week. The classes are graded in academic continuity by a set of achievement tests devised for the purpose; and college credits by the Michigan Department of Education are given for each subject completed, as the course being taught meets the requirements set up by the state for the religious and Biblical training.

Primarily, it is the aim of the school to offer the student a generous knowledge of the Old Testament, and furnish lessons rich in character-study and wide in moral

instruction. Major emphasis is being placed upon the life of Christ as being ideally workable and liveable. The profound truths of the New Testament; e.g., the love of God; His generous way of forgiving wrong; and the power of retribution and restitution are used as first hand therapy for changing character and helping the inmate obtain a new set of values. The narratives, the Bible characters, and particularly the life of Christ are stressed to give illuminating material on what is right and what is wrong.

It is accepted that the wrongdoer should first be shown how he broke faith with society and violated a moral law, and how and why his act led to such a dire end for himself. Further, in the school it is taught that while breaking the civil law is a serious offense with ill consequences for the perpetrator, breaking the laws of God destroys the individuals personality and character to a degree far transcending the calculations of ordinary arithmetic.

Technique

No denominational theory is followed or is permitted of discussion in the prison school of religion; but the elementary and primary religious and moral concepts of all faiths alike are taught out of the Bible. Never-ending effort is made to thoroughly explain in terms of their meanings and values to the practical issues of life.

Paramount is the object to equip the students with moral tools with which to face themselves and their problems under stress of extraordinary circumstance and any situation which may confront them if and after they are returned to society as free agents. They are taught to regard the Bible as a faithful friend from whom they may at any time get advice and counsel.

'The unexamined life is not worthy of man' seems best to express the idea behind the theory and method evolved in preparing the school of religion courses. This affords inmates interested in special instruction in religion the opportunity to study the Bible, to receive such benefits thereof as they may obtain through applied study of that great 'friend,' the Bible, the omnipresent source of advice, counsel, warning and comfort. Then too, it teaches them to regard the Bible in a sense that he who would wear the golden oxford must first believe that it would fit, and not in the manner that one would appraise a passing 'best seller.'

The lesson material carefully presents the validity and truth of Bible stories, not arbitrarily, but as being workable as applied to man's everyday problems and experiences.

A sincere attempt is being made to stimulate a seeking interest in each student and in him the de-

sire to analyze fully his individual problems.

Does It Work

The religious classes are conducted in open forum; hence, an expression of his views and opinions are welcomed from the student. The success enjoyed by the officials in their efforts in this particular field has been gratifying indeed; for as the result of their participation in the program, many inmates have found themselves to the end that they will view life-after-parole in a way that will clearly demonstrate the difference to them between living and merely existing from day to day. They have learned to use the tools they have machined from the steel of their will, and they need no further instruction than has brought to them this stage of their progress.

Redirection of anti-social instincts in the prisoner and the substitution of noble traits will ever be the problem of modern penology. Of greatest value to this particular phase, perhaps, are Bible stories that are especially adapted to develop confidence, goodwill, respect for the rights of all men.

Redirection

Bad conduct and undesirable personality characteristics are shown for what they really are in the light of man's experiences through the ages. Many of our students admit that they were not aware that God's help was available to them. The desirable character is developed in the inmate as the nature of the individual is changed and his efforts directed along the lines of a constructive religious philosophy. The school of religion does not stop where the individual renounces the things that make for anti-social attitudes.

It teaches him to learn to accept God's pardon only in the spirit in which it is earned, and to submit to God's will; not only to deal justly with the symptoms but to get at the very source of personal life and trouble and social relationships. As conduct changes are noted in many individuals so it is absolutely necessary to supplement these changes with a transforming religious philosophy that is fundamental in destroying basic causes of anti-socialism and blemishes of character.

Real Growth

As the stdent comes into a clearer and more mature relationship with his creator through his studies of the theories and practice of historic religion as explained in terms of his own experiences and problems, he is able to obtain a particular basis for progressive judgment and constructive conduct attitude. Without registered number, prisoners who have pursued our course of religious training have frankly expressed the vast benefits he has inherited with the cultivated desire for purposeful living. Thus there has been established a medium for his true growth to maturity.

That a course of religious training is sorely needed to complete the program of any modern prison is clearly defined by the knowledge that of 5000 inmates interviewed by the prison Chaplain, 4,500 were found to be religiously illiterate, they could not answer the simple question: What is the first book of the Bible?

That this particular field of progressive penology must yield in greater volume as time affords the measure of perfection is illustrated by the gratifying fact that among the number who are returned to prison as violators of their paroles, only a few have had the advantage of our courses of religious training before they were admitted to parole.

Our Contributors

VERNON WILSON, a young inmate of Jackson Prison, Michigan, is the supervisor of the school of religious education at that institution.

JOHN BROPHY, Director of Industrial Union Councils for the National CIO, is an outstanding intellectual Catholic leader in the labor movement.

JOSEPH R. BARR contributes frequently to CSA.

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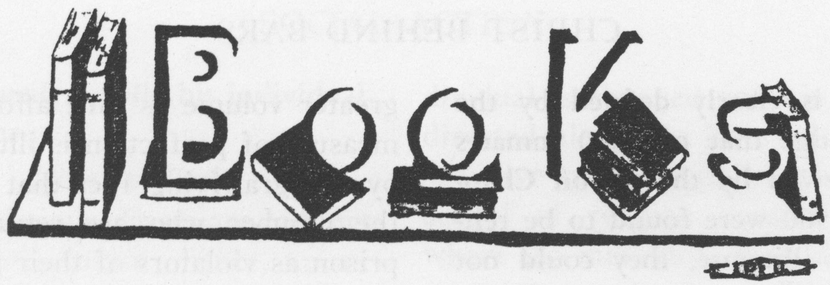

SOVIET POWER; *Very Rev. Hewlett Johnson. Modern Age Books, New York, 1941. 352 pages.*

The harsh reality of contemporary events may break the complacent conservatism of Low's Colonel Blimp but it does not smash the guileless credulity of a British brand of socialist humanitarianism that is a product of false hope joined with baseless illusion. This book is a startling and almost discouraging testimony to the limitless capacity for self-deception indigenous to the fellow-traveller of the Kremlin party-line.

The Very Rev. Hewlett Johnson does not assume a stand that is novel to his customary reader. The Red Dean is just himself. Since the Very Rev. Hewlett Johnson occupies an important post in the Church of England as the Dean of Canterbury Cathedral, the mother Church of Christianity in the embattled British Isles, he is a cherished possession of British Marxists, a wedge into the religious life of the nation. For many years he has been an exasperating thorn in the ecclesiastical side of the ultra-conservative and politically potent Most Rev. Cosmos Lang, Archbishop of Canterbury, and Primate of the Church of England. Ever since the days of the last World War, the story has been circulated that as a curate in a small parish, Dean Johnson flew the red flag of international socialism from his church steeple to the dismay of his parishioners. Whether true or not, Dean Johnson has been assiduous in his search for the true earthly city of man. His passion for the U. S. S. R. is born not, this reviewer feels, so much of the mind as of the heart. He has known the poor, the industrial proletariat of the capitalistic system and feels that justice for them must issue from a system other than the one that abused them.

Dean Johnson describes the Soviet Union in terms as glowing as they are unqualified. An embryonic Utopia arises on the Russian steppes. The Soviet is carrying the torch of a progressive and emancipated humanity. The Communists are molding out of a gigantic and inert nation, a land dedicated to science and industry, culture and production. Their ultimate human product will be the "fully developed man." I believe this man shall be more like the humanity visualized by the Webbs than the classical notion of the full man. For Dean Johnson, the seduction of humanitarianism as secularized Christianity is too powerful not to allow him to assert that the Russian plan "was built upon those moral foundations which Christianity has always demanded." "As such, the programme, at least, claimed a warm welcome at the hands of Christians and scientists."

The evidence Dean Johnson presents, warrants critical scrutiny. Must the testimony of American newspapers and authorities be totally impeached as the author implies? Are the repudiations of the once Socialist, Max Eastman, or the former Communist, Andre Gide, to be disregarded, not to mention the leftist exposures of the late Leon Trotsky as surely murdered in Mexico at the command of Joseph Stalin as Rykov in Moscow? It seems unlikely that the collective leg of the American people has been pulled by the continuous reports of Russian dictatorship, anti-religious activity, political liquidations, economic and technological inefficiency, and the steady wasting away of the restricted rights once granted the Russian workers and peasants by what was once called the Proletarian revolution. If we are to believe the testimony of Louis Fischer, it seems that all blotting out of damaging information has been likely in the favor of the U. S. S. R. during recent years.

The Editorial Board of CSA wishes to announce full assumption of responsibility for the contents of the article entitled "Christian Solidarism," lately published in the April issue. Since the issuance of the magazine of that date, the Board is in receipt of a communication from the previously accredited author who repudiate any association with its content and objects to the editorial strictures of the article made by the board. If in any manner, CSA has distorted the conceptions submitted by the author thru exercise of editorial prerogative or has, in any way, done injury to the position of the author in respect either to his own integrity or the worth in which he is held by the readers, the editorial board regrets the incident.

In justification of the Soviet system the author ignores some considerations—which to him, as a divine, should not have been overlooked so readily. Evidently Dean Johnson regards an examination of a fundamental tenet of Communism —materialism—as unimportant. He denies an undeniable natural law—man's right and necessity of owning personal property. He quotes Lenin often—and Marx too. Some familiar quotations like "religion is the opium of the people," originally stated by Marx and frequently reiterated by Lenin, are not mentioned. The Communist concept of society as a continuous class conflict solved only by violence and class war is given no play in the book.

To cite the author, the Russian people have "the most democratic constitution in the world." It is of little effort for Joseph Stalin to manifest an academic interest in democracy when there is one-party government and both governmental and party bureaucracies are conjointed in his person If the Dean is considering democracy as commonality, and commonality in the sense that everything belongs to everybody, or more precisely, nothing belong to anybody, then he may have an interpretation of democracy that will fit the Alice-in-Wonderland set-up of Soviet democracy.

It is possible that the Dean's solution of dictatorship rests in the quotation cited from Friedrich Engels: "The state will not be abolished. It will wither away. "Likely intrigued by the vision of an emancipated humanity freed from restraint of even the state, Dean Johnson neglects the reality of the

present dictatorship, so important to those who live under its iron rule.

The author's nut-shell condensation and summary of the Soviet foreign policy is "self-preservation and peace, and where the two may clash, self-preservation comes first." This is an obvious disregard of such recent events as the Finnish-Russian War, the Polish violation and the recent Nazi-Soviet alliance, all of which are by their nature evidently imperialistic designs of a nationalistic power.

—C. W.

* * *

SOUTHERN INDUSTRY AND REGIONAL DEVELOPMENT; *by Harriet L. Herring, U. of N. Carolina Press, Chapel Hill, 1940. $1.0*J. MEN AND RESOURCES, *Northwest Regional Council, Portland, Ore., 1941. n. p. g.*

The first is an excellent statistical and industrial study of the South and its industrial possibilities. The second is an investigation of economic opportunity in the Pacific Northwest, with especial references to the proper utilization of natural resources.

Both are invaluable aids for controlled, sensible planning of industrial growth and progress.

—R. D.

* * *

CAPITAL PUNISHMENT; *by L. Vernon Briggs. Wright and Potter Printing Co., Boston, Mass., 1940. $3.00.*

The author has been long prominent as a penologist and a student of mental hygiene. In this volume he makes a survey of capital punishment: in ages past, the forms of punishment, the public effect of executions, and so forth. The thesis of the book is that capital punishment does not stop crime. And while it does not stop crime, it at the same time brings to the surface morbid phases of human reactions which are better never aroused.

It is a powerful plea for the humane treatment of the criminally sick. Most crime is either economic or pathologic in origin. Killing men solves nothing.

—R. D.

* * *

NATIONAL COUNCIL FOR THE SOCIAL STUDIES; 1940 YEARBOOK. *National Council for the Social Studies, 1201—16th St., N. W., Washington, D. C., 1941. n. p. g.*

The report of the NCSS is concerned primarily with economic education. Good papers are included which deal with the teaching of economics at the various scholastic levels, and the various techniques of economic education, such as the use of motion pictures, visual charts, field work, and so forth.

The volume is heartily recommended for teachers of social science.

—R. D.

* * *

WHAT PRICE ALCOHOL?; *by R. S. Carroll, M. D. Macmillans, New York, 1941. $3.00.*

Alcoholism is again becoming one of the menaces of the American youth and the American adult. It is not merely a menace because of the physical effects of alcohol, but more so because of the mental and psychic effects of this drug.

Dr. Carroll writes his book as a "shocker." He describes page after page of the pitiful mastery of man by alcohol. He traces the tragedy of the man who goes from the glass of beer to the quart of whiskey.

The good Doctor should have a wide audience for this book. It is written in a very interesting manner, and no one who reads it can but reach the conviction that total abstainence should be a much more popular thing than it is today.

A few years hence, America will again be faced with the drink problem that gave us prohibition. A better understanding of the menace of alcohol may lead to a temperance movement that would circumvent the recurrence of the horrors of Federal Prohibition of alcoholic beverages. Reasonable self-restraint is far more effective than any outside restraint.

The Catholic clergy should see that such books as this get into the hands of adolescents. They should not be permited to go the American, the tap-room way.

—R. D.

* * *

DEALING WITH DELINQUENCY; 1940YEARBOOK. *National Probation Ass'n., 1790 Broadway, New York City, 1941. n. p. g.*

This is a three hundred page collection of papers on current opinion on the treatment and prevention of delinquency and crime. It also includes a good picture of what the various private and public agencies are doing to handle this growing problem of juvenile delinquency.

—R. D.

* * *

SOCIAL WORK YEARBOOK, 1941. *Russell Sage Foundation, New York; 1941. $3.25.*

This is the sixth in a series of biennial reports on social work to be issued. It is a 700-page "concise encyclopedia which undertakes to report the current status of organized activities in social work and in related fields."

Various authorities have contributed to make this one of the most valuable reference works in the field. Factual, authoritative articles include such subjects as adult education, birth control, family social work, Catholic social work, labor relations, negroes, old age assistance, rural social programs, social hygiene, unemployment compensation, vocational rehabilitation, work relief, and youth programs.

This volume should be on the shelf of every Catholic pastor's library.

—R. D.

COQUETTE

Oh talk to me of progress!
You utter, bitter fool.
Tell me of the new machine.
How obsolete the mule.

Oh talk to me of progress!
Gods, broke beneath your yoke.
Once wood, now steel—
But still, no less, it chokes.

Oh talk to me of progress!
You beast in tailored suit.
Tell me please how far you've come.
But hush! I hear the martial boot.

Oh talk to me of progress!
Of doctor's skill, so great—
For men once died of God's disease;
But now they die of hate.

Oh stop this talk of progress!
Oh wave the bloody shirt!
For man is ever on the make.
The devil is the flirt.

—BOB HOOKS.

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ECONOMIC PRINCIPLES AND PROBLEMS; *Edited by W. E. Spahr. Farrar and Rinehart, New York, 1940. 2 vols. $3.50 each volume.*

This is the fourth revised edition of an original excellent series of papers on economic and related problems. Written by such experts as Sir Norman Angell, C. R. Daugherty, S. S. Huebner, Bruce Knight, Paul Nystrom, and Willard L. Thorp, the set is a worthy addition to the library of any student of socio-economics.

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OPEN AIR CLASSES AND THE CARE OF BELOW PAR CHILDREN; *ditto.*

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