Suggested Outline for Talk to Electric Consumers Workshop

Monday, May 10, 1954

I. INTRODUCTION

(Transcript of your talk to the Electric Consumers Conference two years ago, May 27, is enclosed.) In that talk you discussed the power fight as part of the total fight for achieving abundance in peacetime against the restrictive forces of monopoly.

At that time we were doing well economically, thanks to Korea. GNP for 1952 was $18.2 billion above 1951. Unemployment during the year averaged only 1,064,000.

Today we are not at war, military expenditures have been reduced, note 1 and we have unemployment.

The equivalent of 5 million are unemployed.

Throwing away $30 billion a year by not producing it.

What that $30 billion would buy of the good things of life.

The challenge--can we make democracy work?

Some say we are doing all right--1954 will be almost as good as 1953. They are content to stand still, even to slip back.

While we say we can't afford to throw away $30 billion a year, they say we can't afford to reduce taxes $4.5 billion to start us on the way to recapturing that $30 billion.

They say we can't afford this investment in people and prosperity, which will recapture far more than it loses in revenue, but they propose to reduce taxes on corporation profits by nearly $4 billion. (January 1 and now.)

II. ECONOMIC DEMOCRACY

Draw three parallel pictures of the fight people are making (1) in industry, (2) in agriculture, (3) in the power field to achieve economic democracy in order to meet this basic challenge. And show in each of the three how economic democracy is under attack.

(1) Industry.

In the 1920's many industrial and political leaders boasted that we had met the challenge. But that was a masquerade prosperity. Only the stock market prospered. Labor was not organized to bargain collectively for enough people. Purchasing power was lacking. The whole thing collapsed.

Now labor organization is much stronger. And labor is fighting not for a larger share at the expense of others, but for a larger total for

everybody.

During the war and in a few postwar years we demonstrated the enormous productive power of the American economy.

We know now what we can do if we meet the challenge. We can have
note 2 a total output of $510 billion by 1960. Show what that will mean.

Even this goal can be surpassed by the new technologies. Tell the Ford engine plant story.

Is that good or bad? Good---provided we create new job opportunities for the workers displaced. Good---provided we put economic democracy to work in industry to make sure these new machines benefit all the people, not only their owners.

But economic democracy in industry is under attack. There are still stupid blind forces that want to destroy organized labor. Tell them some
note 3 of the points you made on Taft-Hartley before the Senate Committee.

(2) Agriculture.

In the 1920's farmers also were falling behind. They hadn't begun to achieve economic democracy.

Twenty years ago they had the government establish programs aiming to restore farmers to their rightful place in the total economy. This was their only alternative to collective bargaining---you can't negotiate a working contract with several hundred thousand provision merchants, meat packers, millers, creameries, commission men and other varieties of middlemen.

Because of these programs, and helped also by expanding purchasing power in the towns and cities, farmers performed miracles during these
note 4 20 years.

Now the economic democracy which farmers began to build for themselves 20 years ago is also under attack. The Secretary of Agriculture incites city people to rebel against the farm programs.

I don't know how the farm program ought to operate. That's the farmers' business. But I know an attack on economic democracy when I see it. I told Aiken and Hope what I thought of the Secretary's attempt
letter of 1-21-54 to get city people to fight farm people.

The Secretary also would have us believe that surpluses accumulated under the farm programs are a great peril and a great financial burden.
letter of 5-3-54 I believe food is the finest ammunition we can have in the world fight against hunger and starvation. I told Aiken and Hope that we do not believe that 35¢ a year---the cost of these farm programs to each American--is too much of a burden to bear. And I told them that foods are grown to be eaten and urged their approval of measures to put those surplus stocks to use feeding people in need, here and abroad.

If Russia [illegible] / [illegible]

(3) Power.

note 5 To produce abundance an ample supply of low-cost power is a prime essential; it fuels the advancing technology that makes every man-hour of labor more productive.

note 6 The production gains we have made in the past have required a rapid increase in the amount of electric power for every man-hour of production.

note 7 We are told that we will need 3½ times as much electric power capacity in 1975 as we had in 1950. But that estimate assumes that the national product will only double during those years. This is far less than we should shoot for. If our demonstrated rate of expansion is con-

note 8 tinued without interruption, national output in 1975 should be at least 2 3/4 times the output of 1950. We shall need a very large increase in electric power supply.

note 9 We cannot count on private power monopolies to provide all the power we shall need. Left to their own devices, they have always been too late with too little.

note 10 Here again we must look to the economic democracy of the people, expressed through municipal plants, electric cooperatives, public utility districts and the federal government to lead the way. These democratic instruments of the people may provide only a small part of the additional power, but they can spur the private monopolies into doing a job, and they alone can be relied on to keep down the cost of power so that industry can put it fully to work.

note 11 But in this field also economic democracy is under attack. I don't need to tell you that. You know it all toowell. But I want you to know that we understand what is happening to you in the power field just as we want you to understand what is happening to us in labor.

We know that the private utilities, which for all these years refused to take electricity out to the farms, claiming there was no market there, no money in it, now want to seize the rural electric systems and the good market you have built up with your own hands.

We know that these same monopolies who said TVA would duplicate their power supply and be a waste of taxpayers money now want to take over that magnificent living proof of economic democracy and convert it to their own stupid and selfish purposes.

We know that the power monopolies which derided the idea of Grand Coulee and said it would be a white elephant now hope to get a stranglehold on that power.

note 12 Atomic power---even before it is born---they are plotting to reserve as the exclusive instrument of their private monopolies so that no part of it will ever be marketed by government to create a new competitive yardstick.

III. Political Democracy.

This, of course, is not a political action meeting. You should make a mock point of saying you can't talk politics here, but you can let them in on a secret---we have discovered that the twin brother of economic democracy, is political democracy, such close twins that one can't get along without the other.

We also have learned that political democracy is not something that anyone can give us. It wasn't given to our forefathers by the Constitution. It can't be handed down to us. It's something we have to create for ourselves by practicing it day by day.

So you aren't telling anybody what to do, but you're glad to let them know what we're trying to do.

# ELECTRIC POWER

This is not a speech outline but a summary statement of the power issue from which high points can be selected for speech use.

Section I summarizes the new Administration's attempt to reverse long-standing basic federal policy in the power field and the significance of this reversal if carried through. It describes also the high-voltage political horsepower that is building up around this issue for the 1954 campaign.

Section II recites the steps taken since Jan. 20, 1953, to accomplish this reversal of basic policy and Section III describes the attack on rural electric cooperatives by Congress and the Administration.

SECTION I

Beginning with Pres. Theodore Roosevelt in 1906 and continuing through later Republican and Democratic sessions of Congress the national power policy has been to retain under public control and to develop in the public interest at lowest possible cost the water power resources of the nation. The so-called, and now hotly debated, "preference clause" in the act of 1906 and several subsequent acts prescribed that, in order to accomplish this public purpose, non-profit distributing systems should have first claim to publicly generated power. The purpose was to make sure that low-cost power reaches the consumer at low cost. Rural cooperatives, of course, came within this preference classification by the New Deal legislation establishing the REA. (Note 1).

Steps already taken by the new Administration reveal its purpose to reverse this policy by (1) giving private utilities first claim to the public power and (2) moving the rates charged for public power up close to the rates charged by private utilities.

Effect on economy. This reversal of policy, if carried through to completion, will have profound effect on our economic life through (1) curtailing the future supply of power and (2) increasing the present and future cost of power.

By 1975 we shall have to increase total electric power capacity by three and half times to meet national needs. To accomplish this we must have maximum possible development of all power sources, hydro and steam, public and private. (Note 2) If hydro sites are turned over to private development, both experience and common sense show us that the necessary development will not take place. (Note 3)

The policy of private utilities always has been and still is to expand slowly -- to hold down supply in order to hold rates up, to sell a little current at high rates rather than a lot at low rates. Only TVA-type competition has been able to force some of them to discover there is more profit in the low-rate policy.

Restriction of future power supply clamps a lid for years to come on the expansion of industry and job opportunities. It clamps down especially on the electro-process industries that must have cheap power and lots of it -- the light metals, chemicals, abrasives and fertilizers that are growing in importance all the time.

Increased cost of power will stifle the amazing regional development that has taken place in TVA and the Northwest, and will prevent similar progress being made in other underdeveloped regions. To stifle any regional development holds back the entire country. TVA has become a tremendous market for the products of other states. (Note 4)

Increased cost of power will deny to millions of city homes and rural farms the benefits that low cost power can bring to their daily living. (Note 5)

The need for quickest possible development of greater power supply and at lower rates to provide energy for normal increase in national output is very great. The possibility of war intensifies the need immeasurably. It is ironical that a military general stands as godfather, if not perpetrator, of a power policy that is today sapping the ability of our country to meet the life-or-death demands that war would make upon its industrial strength.

Political effect. One of the particular effects of the new power policy has touched off a political uprising that can make this a top issue in next year's campaign. This is the curtailment of power supply and the raising of costs of purchased power to the non-profit systems -- municipally owned

electric companies and rural electric cooperatives. A concerted and calculated attack on these systems has been launched by the Administration and the Republican Congress. If carried through, it can force these systems to sell out to private interests. The co-ops are getting together in regional meetings, appealing to the Administration and getting rebuffed -- they are on the boil and the steam will blow off early after Congress reconvenes.

This can build up more pressure than the fight over the general farm program. Congress will take the latter out of Benson's hands and come through with something farmers want. By campaign time much of the heat will be off. But the electric utility industry will hold Congress and Eisenhower on the course it has laid out for them. The issue will still be hot next year.

These two groups are not without resources. The National Rural Electric Cooperative Association has 3½ million farm homes on the lines of its associated companies. These people have a history they don't forget and an investment they intend to protect. The utilities long refused to serve them. The REA act was passed and the utilities refused to take the low-interest loans REA offered them. The farmers borrowed the money, built the lines (often fighting the utilities who blocked their right of way), developed the load on the lines, raised the percentage of electrified farms from 11% in 1935 to 84% in 1953, and have been paying back the loans with interest ahead of time. Now, with this good power market proven and on the lines, the utilities want to steal what they refused to develop. Eisenhower's appointees are helping them do it. If these farmers stand still while a combine of private and public gangsters steal their investment from them and proceed to strangle them with their own power lines, it will be a sorry day. But they don't look like they will stand still; they are ready for a finish fight and will welcome all the help we can give them, judging by what I saw of their

representatives at the meeting on October 26-27.

The municipally owned systems are serving 3 million residential customers. They are less likely, however, to develop the same kind of political backfire. Those I've seen of the managers don't think politically. Mayors of these cities, however, may get the story to the people who own these systems and are enjoying lower rates because they are publicly owned.

The attack on TVA by Eisenhower cronies and Eisenhower himself is crystallizing political sentiment in that area (Note 6) and alerting people in other parts of the country to the power issue. (Note 7) A nationwide campaign has been launched to enlist individuals in "Citizens for TVA."

Even this brief summary points up, I think, the gravity of the economic question involved in this power fight and the extraordinary opportunity it provides for united and vigorous political action among farm and city people.

SECTION II

Steps taken since January 20, 1953 to Reverse Federal Public Power Policy.

Appropriations. First indication of the Administration's power plans was given by the reduction in Budget Bureau recommendations for power project appropriations. Eisenhower's budget recommended cutting $49 million from the Truman budgetfor Bureau of Reclamation construction projects and Congress cut another $29 million for a total cut of 40 percent below Truman's request. Eisenhower recommended a $108 million cut below Truman's request for Corps of Engineers projects; Congress cut it another $23 million for a total reduction of 34 percent below Truman's request.

These actions knocked out 3 important new dams entirely, slowed down work and delayed completion of many others, and denied practically all funds for transmission lines to carry public power to load centers. The Bu. of Reclamation has since announced that its appropriation will permit the addition of 297,250 kilowatts of new hydro capacity in fiscal '54, of 56,000 kw in fiscal '55 and of only 12,000 kw in '56. Yet there are power shortages everywhere. Later appropriations could restore something to this curtailed program but not much.

Policy Declaration. The House Committee report on the Interior Dept. Appropriations bill contained a declaration of policy to the effect that from here on private enterprise (their name for the legalized monopolies enjoyed by electric utilities) can build, own and operate that part of each power project which it wants to undertake, and will be urged to construct and operate all future transmission lines. This now stands as legislative history. Unless reversed, it means surrender of hydro sites to private interests and denial of

access to public power by co-ops and municipal systems.

TVA Appropriation. Refusal of Congress to appropriate $30 million needed by TVA for construction of a new steam plant will impose a power shortage on that area in 1956. The purpose is to force TVA customers or TVA itself to look to private companies to supply (at higher rates of course) some of the needs of the area. Thus the utilities begin to move in on the low-cost power which has brought new life to this region.

St. Lawrence Power. Congress failed last year to approve the St. Lawrence Seaway and Power Project and this year cut off the power part of it and worked on a bill for the seaway project alone. This left the Federal Power Commission free to license the power project at International Rapids, and it issued such a license to the N. Y. State Power Authority. This body made clear that it would not recognize the prior rights of non-profit systems for this low-cost power, but would deliver the power into the private companies' transmission grid. The FPC imposed no condition in the license that such preference be granted. This action of FPC establishes a major precedent in nullifiying the long standing preference provision of federal power policy.

Niagara Falls Bill. The House this year passed a bill to turn over to 5 private utilities the enormous underdeveloped power resources of the Niagara River. It is on the calendar for Senate action next session.

The St. Lawrence project will have 3/4 million kw capacity; the Niagara project, 1¼ million kw. The two together add up to two-thirds of the total hydro-power capacity of TVA. Prospective loss to private interests of this enormous block of low-cost power will deny to co-ops, municipal systems and the general public of the Northeast the benefits of low-cost power which they so badly need in that area of high-rate electricity. New England will be

denied what it most needs in order to rehabilitate its shrinking employment opportunities.

Hell's Canyon. On May 5, Interior Secretary McKay withdrew the Department as intervenor in opposition to the application of Idaho Power Company for a license to develop (under-develop) this valuable hydro site. The public's case for Federal construction of the high Hell's Canyon Dam has been prepared by the Interior Dept. Its withdrawal leaves volunteer groups to carry the fight alone. On June 1, McKay said in a public speech at Portland, Ore., that he favored the Idaho Power Company project. If it goes through, 442,000 kw of the potential 1,122,000 kw capacity of Hell's Canyon will be lost forever. For lack of low-cost power, the rich phosphate beds of southeastern Idaho will never be opened up to produce the fertilizer which our future food supply depends upon. (See Note 3)

New Power Policy. On August 18, the Dept. of Interior promulgated, with Eisenhower's blessing, a statement of revised federal power policy. While stating that the government will construct large multiple-purpose projects beyond the capacity of local or private interests, it states that "the primary responsibility for supplying power needs of an area rests with the people locally." It states also that the government will not oppose construction which local facilities, public or private, are willing, and able to provide. (Note 8)

This new policy radically revises the preference clause under which non-profit systems have been given first claim on public power. It will continue granting preference with respect only to existing loads of non-profit customers, disposing of the balance of power to private utilities and not, as in the past, reallocating such power to preference customers

when their loads increase.

Prior right to construct transmission lines from public projects to load centers will be given to private and local interests.

New Marketing Criteria in Missouri Basin. The foregoing policy statement was clarified September 15, when McKay issued a new set of power marketing criteria for the Missouri basin. All public power not contracted for by non-profit systems will be sold on 20-year contracts to private utilities. Existing contracts of preference customers are voided and they are given 90 days to renegotiate. If they contract for more than they can use immediately, they will pay a penalty charge on the power not taken and this power will then be sold at "dump" rates to private companies. If they contract for only what they need now, they will be unable to meet their customers' future needs. On the average, the co-ops' loads are doubling every four years. To protect such future needs they will have to pay heavy penalty charges under the new contracts.

Aandahl's Speech. Assistant Secretary of Interior Fred G. Aandahl gave further meaning to the "new power policy" in a speech delivered Sept. 29. He revealed the purpose of the Administration to discourage the growth of non-profit systems by (1) restricting the area through which public power will be transmitted; and (2) giving private utilities all the power the non-profit systems can't afford to tie up now against needs in the future; and (3) re-calculating present rates charged for public power and raising them so as to reduce the differential between the price of federal and private power. The policy, in short, is to favor private utilities both in supply and rates by doing all that can be done to see that little or no low-cost power reaches consumers through non-profit systems to establish a yardstick of reasonable

rates. (Note 9)

Bonneville Contract. On September 1, Bonneville Power Administration issued a revised contract governing its power sales in the future. The preference clause is retained -- non-profit systems have first claim to this power. But the private utility companies (which have bitterly fought the public power program of the Northwest) now are given a right to Bonneville power ahead of any new industry requiring more than 10,000 kw. This shuts the door on all new electro-process industry in the Northwest. Power which might serve such new industry is now being sold to private utilities on 20-year contracts (heretofore they have had no priority over new industry and could get only 5-year contracts). Action of Congress in denying funds for Ice Harbor Dam and cutting funds for all the others in that area links in with this new marketing policy to clamp a lid on further industrial growth of the Northwest.

## SECTION III

### Attack on REA Co-operatives.

All of the developments described in Section II threaten the future power supply of the cooperatives and will impose higher costs of purchased power upon them. Denial of funds for Table Rock Dam was aimed particularly at the co-ops in Missouri and Arkansas, because this power was promised to them when they relinquished their right to power from the completed Bull's Shoal Dam so that it might be supplied to defense industry.

The Aandahl speech, while it pays lip service to the co-ops, shows clearly that the new power policy will make less public power available to co-ops and more to private utilities and will raise the rates charged for public power. Under the new "marketing criteria" announced Sept. 15, the co-ops right now are faced with the almost impossible choice of either contracting for more power than they can use and paying penalty charges on the excess or running the risk of not having enough power to meet the demand three to five years from now. They must make this decision by January.

Co-operatives in the area of the Southwest Power Administration were singled out by Congress for discriminatory action which threatens their existence. Contracts they had made with SPA for exchange of power and rental of transmission lines were abrogated by the appropriation act. Private utilities can continue their power exchange arrangements with SPA. Such exchange agreements equalize power supply and benefit all classes of users in the area. The co-ops are now forced to make the best arrangements they can with private utilities for power exchange. The terms forced on them may drive them to the wall. Louisiana utilities are already making offers to buy the co-ops.

The Dept. of Interior has signed an interim contract with Georgia

Power Company selling to it at the bus bar the public power from Clark's Hill Dam. If this contract is confirmed, Georgia Power will become the only vehicle through which the Georgia co-ops can get any of this low-cost public power. They have retained Ellis Arnall as their attorney and are going to Congress and to court. If they lose, it is common knowledge that the Georgia Power contract will be applied by Interior to other public power dams, as the private utilities have long demanded. Such sales at the bus bar nullify the preference clause.

Eisenhower's budget requests for REA loan funds, needed by the co-ops for development and expansion, were reduced far below the Truman request. Congress authorized substantially more than was requested. But the administrative funds voted for REA are so tight as to make it impossible to process loan applications and issue loans in the amount authorized. REA has increased this obstacle by transferring most of its reduced staff to the processing of rural telephone loans. It has also done away with many of the technical services which REA furnished to the co-ops. For the first time the REA Administrator is frankly a political appointee, interrupting his duties recently to address a Republican rally in Missouri.

A bill is pending in Congress, for action next session, raising the interest rate on REA loans from 2% to 4%.

Encouraged by such new policies in Interior, Agriculture and Congress, the private utilities step up their campaign of litigation to harass and restrict the co-ops. They persuaded the Arkansas Supreme Court to prohibit generation of electricity by co-ops in that state. A similar effort in Oklahoma and Texas has failed in the Court of Appeals. But even when such suits fail, they inflict financial injury on the co-ops. Recently the owners of the electric companies' advertising symbol "Reddy Kilowatt" have brought suit to prevent the co-ops from using their own but different symbol "Willie Wiredhand," alleging that only one symbol can be used in the industry and they shall say what it will be!

Saturday May 24

Dear Walter,

Here is draft of a press release. Frank will have a carbon of it Monday at the office.

Reading over the documents I sent you last night I notice that I omitted an important devise by which the utilities hope to capture the public power program. This is their demand, through Congress, that the preference clause on behalf of public agencies and cooperatives now written into the public power laws be expanded to give them the same preference. If this were done, the result would be to put them ahead of the municipal utilities and cooperatives since they are so much more able to get their lines into the public power plants to take the power.

One of the 5 public agencies was omitted at the top of page 7 of the background memorandum. It is the Southeast Power Administration.

I sincerely believe there is a major fight and a fine opportunity for your kind of leadership in this situation. I do hope you can give it some time so as to feel at home in the picture and in a position to give these guys a lift. Don't try to tell them what the facts in the case are---they know---but show them what the facts mean in the larger context and for more people.

Will pick you up Monday night.

Regards,

Don

## At CIO Jobless Parley

Associated Press Wirephoto

**CIO President Reuther addresses CIO conferen ce on unemployment yesterday in Washington. Today he talks to Amalgamated Clothing Worke rs convention in Atlantic City. See story P. 28.**

NY Post 5-12-54

# Reuther Calls Joe A Boon to Kremlin

**By MITCHEL LEVITAS**
*New York Post Correspondent*

Atlantic City, May 12—CIO President Reuther charged today that Sen. McCarthy and his supporters "play into the hands of the Kremlin with their preaching of defeat and disunity."

Reuther made his charge at the biennial convention of the Amalgamated Clothing Workers (CIO), where a two-pronged attack has been made on the Eisenhower administration and McCarthy.

**"They know that our law enforcement agencies, our intelligence units, and our laws are adequate to meet the threat of sbversion and espionage," Reuther said. "The 'fear and smear' boys know that—but they want to keep America in an emotional uproar to help push through their reactionary and isolationist policies."**

Sen. Morse (Ind.-Ore.), who followed Reuther, delivered his contribution to the one-two punch strategy by charging the remains a prime, if not dominant, drive." However, "it can be most destructive if not unchecked," he warned.

Dwelling further on the relationship between economic and political democracy, Morse pointed to techniques of mass production as a key factor in determining the course of the future. He said:

**"Mass production can and has been of great material benefit. uBt it carries with it the threat of combinations of wealth so vast**

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OVER

Eisenhower administration with destroying the traditional checks and balances of the American economy.

**"The people are being taken for a wild economic ride," said Morse.**

**"Big business and big banking have taken over big government. We saw it in the 1920's and we see it in action again today."**

Morse defined democracy as a delicate balance of economic forces that preserve each other by competing with each other. In this system, he said, "Self-interest

# Joe Aids Kremlin, Reuther Says

*Continued from Page 3*

**as to overpower the rest of society.**

**"Dominance by an individual or a few can be the death of competition. The death of competition is the end of technological progress. Democracy . . . requires that power and wealth be kept sufficiently diffuse as not to threaten the strangulation of new effort and enterprise."**

In attacking McCarthy, Reuther, too, explored the dangers to which wealth can be employed, but in a less theoretical fashion. Charging that the Senator's sponsors "are those Texas oil millionaires who had the luck to own the right land at the right time," the CIO president declared:

**They are men whose fabulous wealth has been drained from the national heritage of our God-given resources—and they are using that wealth to fight progress. And they are joined by reactionaries up and down America who cannot conceal their distaste for our traditional democratic spirit."**

Referring to the current hearings on the McCarthy-Army row, Reuther said the country would profit from "swinging the television cameras away from that sordid spectacle" and concentrating on more basic problems. Among these were, he said, unemployment, short work weeks and "diminishing job opportunities."

**"There lies the big economic problem," he said.**

Reuther also cautioned against allowing the cold war to divert attention from the "long-range war with the forces of international poverty and illiteracy." On these, he said, "dictatorships feed and derive their strength. The bold and humane use of our food surpluses packs more wallops than the H-bomb in the struggle for men's minds."

The delegates were told they need not fear an investigation of the union's $108,715,000 insurance fund by New York State authorities.

Hyman Blumberg, executive vice-president, said the union has been commended by the New York State Insurance Dept. for its "economical" and "non-profit" method of operation. The department began an investigation of other unions after the murder of AFL union boss Tom Lewis disclosed an insurance racket.

Blum reported that in the 10 years ACW insurance plans have been functioning, members or their beneficiaries have been paid more than $47,000,000 in death, medical or dependency claims. An additional $24,000,000 has been paid in the seven years' operation of the retirement fund, he said.

Lester Granger, executive director of the National Urban League, said that organized labor has overlooked the problems of human relations that come with increasing migration from farms to factories. In the South particularly, he said, where a new industrial development is emerging, "it will be a tragic crime if Negro workers are barred from joining established unions."

The sole speaker at tomorrow's ACW proceedings will be former President Truman. Rep. Roosevelt (D-Lib.-N.Y.) will speak Friday.

July 13, 1954
Columbia University Summer Institute

Following are abstracts of some of the remarks made by Walter P. Reuther, President of the CIO, in a speech on Tuesday, July 13, 1954, before the Columbia University Institute in New York City. Although Mr. Reuther spoke extemporaneously on "Free Labor's Role in the Struggle for Peace, Freedom, and Social Justice," any of the following may be used as direct quotes.

The free labor movement of the world stands today as one of freedom's greatest bulwarks against the forces of communist tyranny and all forms of totalitarianism. Free labor has been effective in the struggle for peace and freedom because labor has understood the social dynamics of our changing world and has acted in the knowledge that the struggle for peace and freedom are inseparably tied together with the struggle for social justice.

Labor has understood that the struggle between freedom and tyranny, between democracy and commumism is essentially a struggle for men's minds, their hearts, and their loyalties, and that this struggle must be won on the broad field of human betterment.

I believe that America is the ~~hope~~ last, best hope of free men everywhere. Because we are the strongest of the free nations of the world, we must of necessity assume a major portion of the world's responsibility in the defense of our common

freedom. We need to provide the free world with economic leadership, political leadership, and military leadership. It is of equal importance, however, that we provide comparable moral leadership.

America is a world symbol of productive power, of military strength, and of great material wealth. Our standard of living is the envy of the world; our technical know-how is unsurpassed, but this is not enough. We must demonstrate the qualities of moral leadership, for power without morality is power without purpose.

I am confident that America is capable of that measure of moral leadership necessary to give purpose to our great technical and industrial progress. Standing before the world as a symbol of both morality and power, a nation endowed with both spiritual and material strength will give hope and encouragement to free men everywhere. This combination of power with a moral purpose will create an invincible force against which the evil forces of Communist tyranny cannot prevail.

We are living in a period in which the future is both pregnant with war and disaster, and at the same time filled with the promise of peace and abundance. For the first time in the history of human civilization, science and technology have given us the weapons of self destruction and also the tools with which to conquer poverty, hunger, disease, ignorance, and man's other ancient enemies. For the first time

man is able to master his physical environment and to solve ~~the~~ his basic economic and material needs and is able ~~to~~ thus to ~~devote~~ devote a greater measure of attention to facilitate thegrowth and development as the social and spiritual being. To provide that measure of leadership equal to the challenge that we face, America must shape its policies and programs in the image of our faith and our hopes, rather than fears and our hatreds.

News of the H-bomb has created a great moral vacuum in the world. There is a great emptyness in the hearts of men everywhere. There is fear and uncertainty about tomorrow. Men of good will everywhere must rise to the challenge and fill this great moral vacuum with positive peacetime human values. If we fail, the apostles of fear, hatred, and hysteria will take over and they will fill the moral vacuum with negative values and will create a world climate which will make ~~warmongering~~ war inevitable.

Free labor insists that you cannot preserve peace in the world, you cannot defend freedom, unless you are willing to work hard in the ~~vineyards~~ world'f vineyards in the search for focial justice, because the cesspools of social injustice provide the ingredients out of which Communism builds its power.

Communism has perfected the techniques of forging poverty into power, and only as we carry forward a positive offensive against poverty and all forms of social

injustice can we effectively strip the Communists of their most effective weapons.

The weakness of the position of the free world results primarily from the fact that millions of hungry and desperate people of the world believe that we are committed to the defense of the status quo. On the other hand, a major source of Communist strength results from the fact that through their poisonous propaganda and distortion of the truth, they have taken on the mantle of the champions of freedom and they play the role of challenging the status quo.

No matter how noble the slogans we inscribe on freedom's banner, we will not win hundreds of millions of people to our cause so long as we appear to defend the status quo in those parts of the world where the status quo means hunger, poverty, and denial of freedom and human dignity and decency.

If The forces of freedom are in truth the only ~~revolutionary~~ revolutionary forces through which people can win freedom from economic, political, and spiritual bondage. Communism in truth is a reactionary force which, wherever successful, has substituted a new and more terrible tyranny for the old tyranny.

While building adequate military strength, America must give leadership in mobilizing the free world to regain the initative by an all-out waging of the peace.

We who really believe in peace, freedom, and justice must strip the mask of

hypocracy from the communists by launching an all-out effective peace offensive.

The forces of freedom must ~~work~~ out-work, out-organize, and out-maneuver the communists on the peace front. We must not only build a working relationship between governments of the free nations, but what is of greater importance, we must build and strengthen a working relationship between free people of the world.

We must mobilize the spiritual forces of free people everywhere and draw them together in a total unselfish common effort at waging the peace.

Total mobilization of the free people of the world for peace, freedom, and ~~in~~ justice will create a moral force that will be as devastating to communist propaganda as a stockpile of~~xxxxxx~~ H-bombs.

In the waging of such a positive peace offensive the free and democratic nations of the world possess an overwhelming margin of superiority. In the practical fight to translate the hopes and aspirations of people into tangible moral and human values, the free nations of the world possess a margin of superiority which will overwhelm the forces of communism.

Only by a comination of fully adequate military measures and prompt, bold action to wipe out human misery and desperation can we be successful in winning the loyalty and support of hundreds of millions of people and strip the Kremlin of its power

to exploit them and sacrifice them in battles of aggression. Only bu such a combination of adequate military strength and a bold peace offensive can freedom mobilize the will and the /fb/ moral force of people to defeat the Politburo's plan for world conquest.

Only the United States has the material resources for the bold, constructive action needed to banish the fear that holds the world paralyzed on dead center, hypnotized by negative values based on men's fears and hatreds. The compelling necessity for quick, positive, daring action is more than a matter of high purpose; it is a matter of democratic survival.

We cannot win a battle of words. There is no ceiling on promises except men's respect for the truth. The agents of the Kremlin, therefore, find it easy to out-promise us. They have in many countries of wealth of real grievances to denounce; in too many instances they have the mistakes and failures of anti-communist nations to exploit. Our propaganda must be the ~~proog~~ propaganda of the deed. We must prove and that in ~~acti~~ action that bread and freedom are compatible /in the world that we are dedicated to win we need not put our soul in slav e in order to get food in our stomachs.

Neither war nor peace are inevitable. We must be prepared for total war, while at the same time we must carry out a positive program of economic aid as the best hope of avoiding total war.

Freedom can regain the intiative by proving that we have the courage and the vision to remove the price tag in our efforts at waging the peace. It will take sacrifice -- but if people can be had to sacrifice for the negative ends of war, then we must and can mobilize them to make comparable sacrifices for the positive ends of peace.

Peace and freedom are not possible in a world divided between nations and people who have enough to ear and nations and people who are in a permanent state of starvation. We are the only country in the world troubled with the problem of having too much to eat. Most of the world suffers from too little to eat. America must demonstrate the courage, the wisdom, and the sense of moral responsibility to use our great food surpluses in the fight against poverty and hunger in the world. To use our food surpluses in a bold and imaginative ~~wxyx~~ program in the world struggle against poverty and hunger will create a moral force more powerful than a stockpile of H-bombs.

The American economy is freedom's greatest asset, and if fully mobilized, is equal to the task of providing both the weapons of defense and the tools for a peace offensive against poverty, hunger, and social injustice in the world.

One of America's great ~~dedx~~ dilemas is the growing moral and cultural lag between the tremendous progress made in the physical sciences and the lack of comparable progress in the uman ans social scienses. We have developed a un-

unprecedented know-how in the art of working with machines and materials. We need to learn how to work with people. In the world struggle for men's hearts, minds and loyalties, the people of the world will judge America not by our material wealth or our technical progress. They will judge us by the only true measurements of the greatness of any civilization -- the ability of our society to translate material wealth into human values and to reflect technical progress into human progress, human happiness, and human dignity.

While we must of necessity be strong in the military sense, we must recognize that this is the purely negative aspects of a dynamic foreign policy and that in reality the basic struggle for the hearts and minds of men will be won in that area in which we translate the great achievements of science and technology into everyday and understandable terms of human needs, human values, and economic, moral, and spiritual.

The free labor movemnt of the world is engaged in the practical day-to-day struggle of translating economic and material values into human and spiritual values. It is in this field where freedom has the overwhelming margin of superiority over the forces of tyranny. It is in this field where the margin of victory must be won.

Recent reports indicate that the Soviet Union is making great strides in the process of catching up to our technology, and it is only a matter of

time until they will bw able to match our physical power. If the world contest between freedom and tyranny, between our world and the Soviet world,is to be determined by a sheer mobilization of ~~mere~~ material wealth and power, then the free world will lose in the long pull. The balance must, however, be thrown our way in terms of moral values, in terms of human values, if we are to win. This is why we in America must provide not only economic, political, and military leadership, but what is of equal -- if not greater -- importance, moral leadership.

We must by practical performance demonstrate beyond a measure of a doubt that our great material wealth,~~wk~~ our economic resources, and our physical power is dedicated to a high moral purpose. (new paragraph) To assume a position of moral leadership in the world comparable to the position we occupy in terms of military leadership, we must wipe out the double standards of citizenship and all the forms of discrimination. In no aspects of our national life is there such a moral gap between American democracy's noble promises and its ugly practices as we find in the field of civil rights. We should stand for civil rights for all of our citizens, regardless of race, creed, or color. As a matter of human decency and as a matter of simple justice in the world in which the forces of freedom and tyranny are locked in mortal combat, civil rights is more than a matter of high purpose. It is a matter of democratic survival.

We must raise the level of political morality in Washington by first raising the level of political consciousness of the people back home. We cannot successfully preserve the free market place of commodities unless we rededicate ourselves in the struggle to preserve the free marketplace of ideas.

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July 12, 1954

Following are abstracts of some of the remarks made by Walter P. Reuther, President of the CIO, in a speech on Tuesday, July 13, 1954, before the Columbia University Institute in New York City. Although Mr. Reuther spoke extemporaneously, any of the following may be used as direct quotes.

We are living in a period in which the future is pregnant with disaster, but at the same time offers greater hope, greater possibility in terms of the decent values that we believe in than at any other time. That is because science and technology for the first time in the history of human civilization have given us the tools with which to conquer poverty and hunger, disease and ignorance.

We are able to satisfy man's basic economic and material needs, and enable mankind to devote more and more time, and more of the efforts of organized society to the development of man as a spiritual being, as a cultural being, as a social being. For the first time in history, we are now able to master man's physical environment and begin to devote greater and greater attention to man's uneconomic needs, his spiritual and moral needs. That's why I believe that while the world and future is pregnant with disaster, it is also offering us the greatest opportunity that we have ever had.

News of the H-bomb has created a great moral vacuum in the world. There's a great emptiness in the hearts of men everywhere. There's great fear and great uncertainty about tomorrow. What we need to do -- all people of good will -- is to work together to find a way to fill this great moral vacuum in the world with positive values. Failing to fill this moral vacuum with positive values, the apostles of fear and hatred will fill it with negative values. If this great moral vacuum in the world is filled with negative values, then war will be inevitable.

The American labor movement is part -- only a small part, but an important part, as is the free labor movement of the world -- in a common effort to find the answers to the basic and challenging problems of our times. One of our great dilemmas in America is a problem that we're very conscious of, and that we have worked on and shall continue to work on, the fact that we in America have made tremendous progress in the physical sciences, in the art of working with machines and in the arm of working with materials.

However, we have failed to make comparable progress in the human and social sciences, in the art of working with men. It's this great moral and cultural lag which gets more dangerous every day between the ability to split the atom, the ability to work in the physicial sciences and the lack of ability to

translate these great accomplishments in the physical sciences into terms of human needs, into terms of human values and terms of spiritual and moral values.

Unless we find a way to narrow the dangerous gap between achievement in the physical sciences and lack of achievement in the human and social sciences, then these new found tools which science is giving us can dig our graves rather than facilitate the building of a great new world. We in America face this because no other society has made the great technical progress that we have made.

The struggle between freedom and tyranny and the struggle between democracy and communism fundamentally is not a struggle for geography. The struggle between freedom and tyranny in the world is essentially a struggle for men's minds, their hearts and their loyalties.

While we may need to be strong in a military sense to stop Communist aggression, that is the purely negative aspect of a dynamic foreign policy. Really, to win the hearts, the minds and the loyalties of hundreds of millions of people throughout the world, whom we need as allies in case war is thrust upon us, or we hope and we pray we can have as partners in building a peaceful world, we must prove that the great power and the great resources that we possess in such great abundance are being dedicated to the basic needs of humanity, and that we have a

sense of moral responsibility that relates material wealth to moral value.

Collective bargaining is one of the Democratic tools. It happens to be one of the most effective of the many Democratic tools that we have in our free society with which to try to bring it into balance, moral balance, with the ability of mankind to create greater and greater wealth, and then reflect that in terms of basic moral and social values. Collective bargaining is a tool with which we hope to achieve the greater balance between the ability to do these two things.

I would like to outline some of the principles we think have to go into making collective bargaining an effective instrument. First, Neither labor nor management can be free unless we work together to maintain a free society in a free world. If we start with that premise, then we can understand that we have more in common that we have in conflict. We ought to be able to build together on that basis.

Second
Collective bargaining must be approached, not as a contest or a struggle between competing economic pressure groups, but as an extension of the democratic process by which labor and management had to find answers to common problems, and that those answers must reflect progress for the whole community. Because in truth,neither labor nor management in a free society can make progress in an economic or social vacuum.

Three
Economic decisions in collective bargaining ought to flow from economic facts and ought not be based upon the exercise of economic power. Many times strikes occur because of the failure of industry to lay the facts on the table.

There are too many economic private iron curtains in the world, behind which management hides essential economic data necessary for rational collective bargaining. The result is that many times strikes occur because management is unwilling to lay the facts on the table and the issues are settled on the basis of a contest of power.

Four
In a free society there can be no substitute for the voluntary discharge of social and moral responsibility on the part of labor and management. Laws do not substitute for good faith. There is no substitute in a free society for each economic functional group to carry out on a voluntary basis its basic moral and social responsibilities. Because at the point where either basic economic group is willing to discharge its moral and social responsibility on a voluntary basis, then a vacuum is created which the state must fill by compulsory action.

What we have to learn is that if we refuse to discharge our responsibilities voluntarily, somebody else will find a way to make us discharge them and at that point we have yielded an important element of our freedom. Therefore, if we want to be free, we have to recognize that freedom brings with it basic responsibilities. The only way we can discharge the responsibility that freedom bestows upon us is to do it voluntarily because at the minute we do it by compulsion, we are no longer free.

Five

Collective bargaining, to be constructive, to be satisfactory and to meet its basic moral and social responsibilities, has to be based upon a single standard of economics and morality. We have had a double set of standards in the industries in America. There have been some few exceptions, but by and large most industries have conducted their collective bargaining on the basis of a double set of economic and moral standards. Pensions are an example.

If a worker works 25 or 30 years for Ford, General Motors, or Chrysler why isn't he entitled to a pension? They give it to the corporation executives.

By what double standards of economics and what standard of morality do you give a man who doesn't need a pension, $25,000 to $75,000 a year when he retires and deny it to a worker who makes $1.50 an hour. It took the UAW-CIO years before we could break through and win pensions for workers.

The guaranteed annual wage, soon coming up, presents the same problem.

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We raise the guaranteed annual wage both as an economic justice to the wage earner, and as a matter of economic necessity to our economy. The only way we can maintain a full employment economy with this tremendous accelerated march forward of technology is to achieve a balance between productive power and purchasing power to enable the people to buy this increasing wealth that we know how to produce with our advancing technology. And if people can get paid by the year, they can live by the year, and they can plan their lives by the year. We can make a real contribution to building and strengthening the American family, and the family is the cornerstone of any decent society, because unless the family of any society is strong, the society itself cannot be strong.

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In a police state you can get industrial peace, industrial stability in the absence of justice. You can just put a bayonet in the back of every workers, and somehow they can maintain peace. But in a free ~~xxxx~~ society, industrial peace and economic stability is impossible only as a by-product of economic and social justice.

The struggle for peace and the struggle for freedom are inseparably tied together with the struggle for social justice. Because peace and freedom are not possible in the absence of social justice.

We are the only country in the world in which too much to eat is a problem. In most of the world too little to eat is the problem. If we had the courage and the moral sense of responsibility to use the great food surplus that we have, to fight poverty and hunger in the world, that food surplus has more power than all the H-bombs in the world put together.

We fail to realize that the world is going to be won essentially by moral values, not physical power, because the Soviet Union can match our physical power in just a matter of a couple of years.

If we're going to have a contest between our world and the Soviet world as to whom can mobilize sheer material wealth and power, we will lose. The balance must be thrown our way in terms of moral values, in terms of human values. We in America must work hard to try to square our wold leadership in the field of moral leadership with the leadership we're giving it in terms of military, political and economical leadership.

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Power without morality is power without purpose. That's true in the field of civil rights. We are for civil rights as a matter of human decency. We are for civil rights because we believe that human freedom is indivisible, and as long as some people are denied their rights, the rights of all are in jeopardy. Hitler taught us that.

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We must find a way to tap the great spiritual reservoir that the people of the world constitute -- this great untapped reservoir of spiritual power. We need to find a way to develop the leadership and the techniques and the means by which we can tap that reservoir, and get people working, fighting and sacrificing together in terms of peacetime values because they share common hopes, common aspirations and common loves.

In war, people do the impossible, mobilize their total resources in a kind of total dedication to win a war, to destroy life. We ~~haven't yet found a way to~~ translate hatred and fear into tangible action, and we haven't yet found a way to tap this great reservoir of spiritual power and get people to make a comparable effort in peacetime because they share the positive values of aith, hope and decency. That's the great challenge.

There must be a way by which we can organize our world society along the lines of ethical and moral principles, so that we can solve our basic economic and material needs within a framework of ever expanding economic and spiritual freedom.

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Following are abstracts of some of the remarks made by Walter P. Reuther, President of the CIO, in a speech on Tuesday, July 13, 1954, before the Columbia University Institute in New York City. Although Mr. Reuther spoke extemporaneously on "Free Labor's Role in the Struggle for Peace, Freedom and Social justice", any of the following may be used as direct quotes.

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The free labor movement of the world stands today as one of freedoms's greatest bulwarks against the forces of Communist tyranny and all forms of totalitarianism. Free labor has been effective in the struggle for peace and freedom because labor has understood the social dynamics of our changing world and has acted in the knowledge that the struggle for peace and freedom are inseparably tied together with the struggle for social justice.

Labor has understood that the struggle between freedom and tyranny, between democracy and communism is essentially a struggle for men's minds, their hearts, and their loyalties, and that this struggle must be won on the broad field of human betterment.

I believe that America is the last, best hope of free men everywhere. Because we are the strongest of the free nations of the world, we must of necessity assume a major portion of the world's responsibility in the defense of our common freedom. We need to provide the free world with economic leadership, political leadership, and military leadership. It is of equal importance, however, that we provide comparable moral leadership.

America is a world symbol of productive power, of military strength, and of great material wealth. Our standard of living is the envy of the world,

our technical know-how is unsurpassed, but this is not enough. We must demonstrate the qualities of moral leadership, for power without morality is power without purpose.

I am confident that America is capable of that measure of moral leadership necessary to give purpose to our great technical and industrial progress. Standing before the world as a symbol of both morality and power, a nation endowed with spiritual and material strength can give hope and encouragement to free men everywhere. This combination of power with a moral purpose can create an invincible force against which the evil forces of communist tyranny cannot prevail.

We are living in a period in which the future is both pregnant with war and disaster, and at the same time filled with the promise of peace and abundance. For the first time in the history of human civilization, science and technology have given us the weapons of self destruction and also the tools with which to conquer poverty, hunger, disease, ignorance and man's other ancient enemies. For the first time man is able to master his physical environment and to solve his basic economic and material needs and is able thus to devote a greater measure of attention to facilitate his growth and development as a social and spiritual being.

To provide that measure of leadership equal to the challenge that we face, America must shape its policies and programs in the image of our faith and our hopes, rather than our fears and hatreds.

The H-bomb has created a great moral vacuum in the world. There is a great emptyness in the hearts of men everywhere. There is fear and uncertainty about tomorrow. Men of good will everywhere must rise to the challenge and fill this great moral vacuum with positive peacetime human values. If we fail, the apostles of fear, hatred, and hysteria will take over, and they will fill that moral vacuum with negative values and will create a world climate which will make war inevitable.

Free labor insists that you cannot preserve peace in the world, you cannot defend freedom, unless you are willing to work hard in the world's vineyards in the search for social justice, because the cesspools of social injustice provide the ingredients with which communism builds its power.

Communism has perfected the techniques of forging poverty into power, and only as we carry forward a postive offensive against poverty and all forms of social injustice can we effectively strip the communists of their most effective weapons.

The weakness of the position of the free world results primarily from the fact that millions of hungry and desperate people of the world believe that we are committed to the defense of the status quo. On the other hand, a major source of communist strength results from the fact that through their poisonous propaganda and distortion of the truth, they have taken on the mantle of the champions of freedom, and they play the role of challenging the status quo.

No matter how noble the slogans we inscribe on freedom's banner, we will not win hundreds of millions of people to our cause so long as we appear to defend the status quo in those parts of the world where the status quo means hunger, poverty, and denial of freedom and human dignity and decency.

The forces of freedom are in truth the only revolutionary forces through which people can win freedom from economic, political and spiritual bondage. Communism in truth is a reactionary force which, wherever successful, has substituted a new and more terrible tyranny for the old tyranny.

While building adequate military strength, we, who really believe in peace, freedom and justice, must expose the hypocracy of the communists by launching an all-out effective peace offensive. The forces of freedom must outwork, out-organize and out-maneuver the communists on the peace front. We must not only build a working relationship between governments of the free nations, but what is of greater importance, we must build and strengthen a working relationship between free people of the world.

We must mobilize the spiritual forces of free people everywhere and draw them together in a total unselfish common effort at waging the peace.

In the waging of such a positive peace offensive, the free and democratic nations of the world possess an overwhelming margin of superiority. In the practical fight to translate the hopes and aspirations of people into tangible moral and human values, the free nations of the world possess a margin of superiority which can overwhelm the forces of communism.

Only by a combination of fully adequate military measures and prompt, bold action to wipe out human misery and desperation can we be successful in winning the loyalty and support of hundreds of millions of people and strip the Kremlin of its power to exploit them and to sacrifice them in battles of aggression.

Only by such a combination of adequate military strength and a bold peace offensive can freedom mobilize the will and the moral force of people to defeat the Politburo's plan for world conquest.

Only the United States has the material resources for the bold, constructive action needed to banish the fear that holds the world paralyzed on dead center, hypnotized by negative values based on men's fears and hatreds. The compelling necessity for quick, positive, daring action is more than a matter of high purpose, it is a matter of democratic survival.

We cannot win a battle of words. There is no ceiling on promises except men's respect for the truth. The agents of the Kremlin, therefore, find it easy to outpromise us. They have, in many countries, a wealth of real grievances to exploit, in too many instances, they have the mistakes and failures of anti-communist nations to exploit. Our propaganda must be the propaganda of the deed. We must prove in action that bread and freedom are compatible and that, in the world that we are dedicated to win, we need not put our souls in slavery in order to get food in our stomachs.

Neither war nor peace are inevitable. We must be prepared for total war, while at the same time we must carry out a positive program of economic aid as the best hope of avoiding total war.

We can regain the initiative by proving that we have the courage and the vision to remove the price tag in our efforts at waging the peace. It will take sacrifice--but if people can sacrifice for the negative ends of war, then we must and can mobilize them to make comparable sacrifices for the positive ends of peace.

Peace and freedom are not possible in a world divided between nations and people who have enough to eat and nations and people who are in a permanent state of starvation. We are the only country in the world troubled with the problem of having too much to eat. Most of the world suffers from too little to eat. America must demonstrate the courage, the wisdom, and the sense of moral responsibility to use our great food surpluses in the fight against poverty and hunger in the world. To use our food surpluses in a bold and imaginative program in the world struggle against poverty and hunger will create a moral force more powerful than a stockpile of H-bombs.

The American economy is freedom's greatest asset, and if fully mobilized, is equal to the task of providing both the weapons of defense and the tools for a peace offensive against poverty, hunger and social injustice in the world.

One of America's great dilemmas is the growing moral and cultural lag between the tremendous progress made in the physical sciences and the lack of comparable progress in the human and social sciences. We have developed unprecedented ability in the art of working with machines and materials. We need to learn how to work with people. The people of the world will judge America not by our material wealth or our technical progress, they will judge us by the only true measurements of the greatness of any civilization -- the ability of our society to translate material wealth into human values and to reflect technical progress into human progress, human happiness, and human dignity.

The free labor movement of the world is engaged in the practical day-to-day struggle of translating economic and material values into human and

spiritual values. It is in this field where freedom has the overwhelming margin of superiority over the forces of tyranny. It is in this field where the margin of victory must be won.

Recent reports indicate that the Soviet Union is making great strides in catching up to our technology, and it is only a matter of time until they will be able to match our physical power. If the world contest between freedom and tyranny, between our world and the Soviet world is to be determined by a sheer mobilization of material wealth and power, then the free world will lose in the long pull. The balance must, however, be thrown our way in terms of moral values, in terms of human values, if we are to win. This is why we in America must provide not only economic, political and military leadership, but what is of equal--- if not greater -- importance, moral leadership.

By practical performance we must demonstrate beyond a measure of a doubt, that our great material wealth, our economic resources, and our physical power are dedicated to a high moral purpose.

To assume a position of moral leadership in the world comparable to the position we occupy in terms of military leadership, we must wipe out the double standards of citizenship and all the forms of discrimination. In no aspects of our national life is there such a moral gap between American democracy's noble promises and its ugly practices as we find in the field of civil rights. We should stand for civil rights for all of our citizens, regardless of race, creed or color. As a matter of human decency and as a matter of simple justice in the world in which the forces of freedom and tyranny are locked in mortal combat, civil rights is more than a matter of high purpose, it is a matter of democratic survival.

We must raise the level of political morality in Washington by first raising the level of political consciousness of the people back home. We cannot successfully preserve the free market place of commodities unless we rededicate ourselves in the struggle to preserve the free market place of ideas.

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# Reuther Hits Negative Policies of GOP; Calls for Nations to Work Together

*President Walter Reuther of the CIO delivered a major address at the fortieth anniversary convention of the Amalgamated in Atlantic City in which he outlined a positive program for America on the foreign and domestic fronts. He further criticized the present GOP Administration for its "negative policies" in these fields.* The Advance *believes it to be of great importance to labor as well as other segments of our nation and herewith prints the highlights of that address.*

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President Potofsky, my very, very many good friends inside the Amalgamated, I can say in all truthfulness, I have never made a union meeting that gave me greater, more genuine pleasure, and that I feel is a greater honor than to participate with you in this fortieth anniversary convention of the great Amalgamated Clothing Workers of America.

In behalf of the millions of members who make up the great family of CIO, I salute you. I congratulate you on the great contributions which you have made to the building of the American labor movement, and I bring you the warmest fraternal greetings from these millions of fellow CIO members, and I extend to you their best wishes and their solidarity.

I think it can be said in all truthfulness that no union in the history of the free labor movement of the whole world has made a greater contribution in the struggle for human progress, human happiness and human dignity than has the Amalgamated Clothing Workers, during these 40 long years.

You have taken an industry that was notorious for sweat shop conditions, for inhuman exploitation, and you have raised the clothing workers to a status of human dignity, of human security, and you have won for the trade union movement the respect of all segments of our free society.

### ACWA Has Written Glorious History

In those 40 years you have written some of the most glorious pages in the history of free labor; some of the most wonderful chapters in the struggle for social and economic justice. I consider it one of my greatest privileges that I came into the American labor movement early enough so that I could have known and worked with and shared the rich experience of the friendship of Sidney Hillman and the other leadership who make up the great family of the Amalgamated.

Sidney Hillman, as history has shown us, was one of the great giants of labor, but he was more than a labor leader, he was a great social engineer. He understood and acted in the knowledge that we, in the labor movement, . . . can solve our problems only as we work with men of good will, in finding solutions to the problems of the whole country.

Sidney Hillman was not building a pressure group when he and the other people who were associated with him 40 years ago met to lay the foundation of the Amalgamated Clothing Workers; they were not saying we want to go forth in the vineyards of American democracy and get our share at the expense of our neighbors.

They said that they were going to build a trade union movement that had a sense of moral and social responsibility, that could not only fight on the collective bargaining front but on every other front in which the struggle for human progress may be waged.

In that struggle they were not only fighting for higher wages and better working conditions, and more of the good things of life for the people of the clothing industry, but they were fighting for a better world and a better tomorrow for people everywhere in the world—in the clothing industry and outside of the clothing industry—and that was a great step.

If Sidney Hillman had been in America back when the Eisenhower Administration took power and he had heard the slogan "What is good for General Motors is good for America," he would have disagreed because he understood and he acted in the knowledge that what is good for America is good for organized labor.

We don't put ourselves above the country, we are fighting to make progress with the whole country, and that was Sidney Hillman's great contribution.

The genius of Sidney Hillman was a blending and a balance between great idealism and pragmatism. Sidney Hillman understood that ideals in a vacuum, that noble principles unrelated to the practical struggle of people had no value. You can take all of the high sounding principles and phrases and declarations, and you can write them on the finest

CIO President Walter Reuther

parchment, and they are academic and unimportant, without value.

It is only when you take these principles, and these basic ideals, and you implement them in the practical struggle as they relate to the problems of the people that they have meaning and value. Nothing in the world has value unrelated to people. Sidney Hillman knew that. Jack Potofsky, Frank Rosenblum, Hymie Blumberg, and the other people who pioneered in building the Amalgamated knew that.

They know that building a labor movement was a forging of the practical weapons with which to fight and the forging of the tools with which to build, and through these practical tools and these tangible weapons we relate these values and these principles to people in terms of their every day problems.

Now, the Amalgamated was doubly blessed. Not only had it Sidney Hillman to pioneer in the founding days, but it has men like Jack Potofsky, Frank Rosenblum, Hyman Blumberg, and many others of my good friends that I could list who are here today to continue to carry on in the great tradition of the Amalgamated.

I want to express my very deep and sincere appreciation for the cooperation, for the counsel, and for the practical help which the leadership of the Amalgamated has been giving me since I have taken on the responsibilities laid down when our great and good friend Philip Murray passed away.

In the CIO we are not building a labor movement around one man, but around one man, but around a team of leadership, and I am happy that my burdens are lighter because Jack Potofsky and the other people who make up the leadership of the CIO are helping to carry on in these responsibilities.

Now I read in *The New York Times* yesterday that president Potofsky reported that the assets of the Amalgamated, according to *The New York Times*, is $250,000,000. Forty years ago, you were much poorer than that.

Hyman Blumberg told me last night about how he rented a room. He only paid for one fellow, but five or six people slept in that room; how you borrowed money to make your humble beginnings 40 years ago. And this great convention is a measurement of the great progress which you have made, and I salute you.

This $250,000,000 in assets is a tangible measurement, but the real wealth and the real assets of the Amalgamated Clothing Workers are not deposited in the banks of America, even in the Amalgamated banks . . . The real resources of Amalgamated are not represented by these material and financial assets; the real assets of Amalgamated Clothing Workers, as I see it, are in your moral and spiritual resources and in the contribution which you have made to the American labor movement.

I remember back when we started to build the Automobile Workers Union. We met in South Bend, and we had around 6 or 7,000 members in the whole of the United States and Canada. The Amalgamated sent its organizers, and they extended a helping hand, and they gave us material help, and financial help. But the most important help that the Amalgamated gave to us during those days was great spiritual inspiration, because the Amalgamated has put a soul in the American labor movement.

### Amalgamated Inspired Workers

Therefore, during the dark days, when we took on General Motors and these other great giants in the auto industry, we not only appreciated the tangible help that we got from the Amalgamated, but we appreciated the spiritual inspiration which we got, because out of your early struggles we drew inspiration and encouragement.

Throughout its whole history, the Amalgamated has understood very clearly that you have to pioneer in areas of collective bargaining other than just wages and hours and working conditions. No union has made the contribution to developing programs of social welfare and human progress in terms of pensions and medical care programs as has the Amalgamated Clothing Workers.

And today you have reason to rejoice, you have reason to celebrate your great achievements, your great victories, the great contribution you have made, and what we need to do is to draw inspiration from the past struggles, and to rededicate ourselves to the unfinished work that still remains to be done in the vineyards of American democracy.

### World in a Twilight

We live at a time when the world is in serious trouble. We live in a period of twilight. We have neither war, nor have we peace in the world.

A few weeks ago you and I and millions of our fellow citizens were shocked when we heard the news of the H-bomb explosion, and what we learned of the H-bomb was just a little segment a fragment of the facts. The bomb that we heard about was just a small, experimental bomb. I am told that it is possible to build a bomb which, if vou dropped it in Chicago, will destroy Milwaukee, 90 miles away.

And the news of this H-bomb has filled the hearts and minds of people all over the world with fear and uncertainty about tomorrow.

The H-bomb has created a moral vacuum in the world, and it is our task and it is the task of America, because we are the strongest of the free nations of the world, to find a way to provide the kind of positive leadership that will fill this moral vacuum with positive peacetime human values, because, if we fail, then this moral vacuum will be filled with negative values by the apostles of fear and hatred and hysteria, and they will create the kind of world climate that will make war inevitable.

Now, to do this job, America must provide political, moral and military leadership. What is the struggle in the world all about? Why did the Amalgamated come into being 40 years ago? Why are we building a free labor movement? What are the people aspiring to? What are their dreams?

I say, all over the world, whether people are black or white or yellow, no matter where they live or what language they speak, deep in their hearts they have the same common hopes and as-

(Continued on Page 8)

# Reuther Hits Negative Policies of GOP

(Continued from Page 7)

pirations: They dream of a world where people can live in peace as neighbors; where mankind can find the answer to the age-old problem of feeding and clothing and housing the human family, and to solve mankind's economic and material needs, so that we can devote an increasing measure of our resources to facilitate the growth of man as a spiritual and social being.

The only fundamental difference in the age-old struggle to conquer poverty and hunger and human insecurity is that, in the end, in the world in which we live, there is a new force, the force of communist tyranny and terror as reflected by their programs of aggression. And what we need to do is to make clear—we need not only to say it ourselves, but more and more we have to get people in positions of political power and responsibility—to make clear to these people that this struggle in the world between freedom and tyranny, this struggle between the forces of democracy and communism, is not a struggle for a bigger piece of the world's geography but that this is basically a struggle for men's minds and their hearts and their loyalties, and you cannot win that struggle with guns or H-bombs, no matter how many you make.

It is quite obvious that in a world threatened by communist tyranny and aggression, we, of necessity, must be strong on the military front, to stop communist aggression, no matter where it may raise its ugly head. But that is the negative defensive aspect of a dynamic foreign policy. That is just to hold the enemy in check, while we take the offensive on the only front, and that is not the battle front, but the only front in which freedom can win this struggle against tyranny—on the front of the struggle for human betterment.

### Problems Are Intertwined

There is no other way to do it, and we in the CIO have been saying that the struggle for freedom and the struggle for peace are inseparably tied together with the struggle for social justice in the world.

Now, the reason we are getting into trouble is because American foreign policy is directed in the wrong directions. It is based upon the false assumption that you can build military power and you can overwhelm your opposition, but this whole theory of massive retaliation is frightening our friends and not our enemies.

That is why we are failing. We are failing because we are curtailing those aspects of our foreign policy which ought to be expanded, such as Point 4 and economic assistance.

Why are the communists making such great gains in Asia? It is because millions and millions of people of Asia are hungry. They are poverty-stricken. They are denied their freedom. They are denied political independence. And, as long as we associate American foreign policy with a defense of the status quo, and the status quo means poverty and a denial of human freedom, so long will we lose and will the communists gain in Asia.

Look at that little democratic jewel, Israel. Why did they win against tremendous odds? Because they were fighting under freedom's banner. That is why they won.

What we need to do is to give the people of Asia the banner of freedom, to fight under the banner of political independence and then back that up with a kind of practical aid that will help to fight poverty and hunger.

You find a country in the world — as we said many times—where there is a strong, free labor movement, a labor movement with a will and courage and the strength to fight for social justice, and the communists are unimportant in those countries.

Then you find a country where there is no strong labor movement, where there is great poverty, great social injustice, where the rich get richer and the poor get poorer, and there the communists build their power, because they build their power upon poverty and social injustice.

### ACWA Anti-Communist Leader

And I say to Joe McCarthy and all the other immoral politicians, the Amalgamated Clothing Workers, in the practical fight for social justice, in action, does more in one day to fight communists than Joe McCarthy and his gang will do throughout their lives.

Now, in this struggle between freedom and tyranny; in this struggle for the hearts and minds and the loyalty of these millions of people in the world, they look to America. They are greatly impressed with what they see. They respect our great productive capacity; they respect our plumbing; they respect our skyscrapers; they are impressed with our material resources.

But these resources are not the true measurement of greatness of civilization. It is not enough to know how great your productive capacity may be. The real measurement of the greatness of civilization is the sense of moral and social responsibility that a society demonstrates in translating the material wealth into human values, and technical progress into human progress and human happiness and human dignity. And judging by those standards, we are not doing an effective job in America.

I was in the White House the other day at one of these stag dinners that the President holds. There was a very broad group there. There were Texas millionaires, industry leaders, and other people, and we talked about a lot of problems.

Some of these men bemoaned the fact that we had these great food surpluses. Millions and millions and millions of bushels of grain, more than we need. We are the only country in the world, outside of Canada, that has a problem because we have too much to eat. Every other country has a problem because they have too little to eat . . . One-half of the people of the world will go to bed hungry tonight; one-third of the people of the world have less than $1 per week income on which to exist like animals—and we have got too much food.

And I said in the White House that night that if America had vision and the courage and the imagination to launch a positive struggle against poverty and hunger in the world by using these food surpluses, that these food surpluses have more power against communism than any of the H-bombs that we can make in America.

I want to express my appreciation for the tremendously effective job which your good president, Jack Potofsky, has been doing as the chairman of the CIO International Affairs Committee. He has been fighting for an expanded Point 4 program. He is fighting for a final and practical economic offensive against the forces of hunger and poverty, and communism in the world.

But what happens? Well, you can get billions and billions for guns, but when you talk about fighting poverty and hunger in the world—do you know what they do? They don't open up the big pipe line where they appropriate money, they go to the Congressional medicine cabinet and dig out an eye dropper to give you a couple of drops.

I say, it we can spend billions and billions and billions for the necessities of war, why can't we spend billions of the wealth fighting for the good things in life and for peace—that is the great challenge.

If we had done the kind of job in Asia, on a positive basis that we should have done, we would not now be confronted with a crisis that threatens world peace. And don't let anybody kid you that the situation in Asia is not serious. The free world is in a very precarious position there at the moment. So we are failing the free world on the world front and we are failing on the home front.

Unemployment is on the increase, and they can say everything they want about it, but the facts are that unemployment is still increasing in America's basic industries, and the basic reason for the growing recession is still not corrected. Our government is controlled by the little men of big business . . .

Now the Republican Party is so divided within itself on every basic foreign and domestic issue that it is incapable of leadership in this period of crisis. Down in Washington, what do we see? They said that they were going to unite America and the free world, and they can't even unite the Republican Party.

If you have got a strong stomach—and I wouldn't recommend it unless you have—if you have got a very strong stomach with a cast iron lining, then tune in on this ugly, immoral, disgraceful and disgusting spectacle which they call the Army-McCarthy hearings. That is the unity, that is the symbol that we represent before the free world in this life and death struggle against the forces of communist tyranny.

I said yesterday at the CIO Full Employment Conference that what the Administration ought to do is to clean up that mess by ceasing to appease the immorality of mccarthyism in America, not only as it relates to Joe, but everybody else. And then they ought to focus the television spotlights on the real problems of America; on unemployment, on housing, and all of these other basic problems, and then to go work about it.

But what do we get in Washington? We get name-calling contests and programs of do-nothing . . .

### Much Work Waiting

Now, unemployment is growing for some very simple and obvious reasons, because there is a serious imbalance between the productive power of America to create wealth and the lack of adequate purchasing power in the hands of the people to consume the wealth we know how to create. That is why we got in trouble back in the 1929's and thirties. Our productive economy outran the ability of the American people to consume the economic wealth that our economy could create . . .

There is plenty of work to be done. We need 2,000,000 new homes a year to wipe out the slums. We need hospitals. We need schools. Do you know that last year we spent less for all forms of education in the whole year than we spent to pay for one week of the cost of the last war?

I say there is something wrong with the moral fiber of a free society that can spend more on one week destroying life than it is willing to spend training our youth to be useful citizens in peacetime. Yet, that is what we did. There is plenty of work in America.

### Parents Lack Money

The other night at this meeting in the White House we talked about the milk surplus, millions and millions and millions of pounds of dried milk in storage, millions of pounds of butter in storage, and do you know that if every school child below the age of 14 could drink eight quarts of milk more a year—that is about one mouthful a day—there wouldn't be a drop of surplus milk in America?

The trouble is that millions of kids were denied adequate milk supply and their share is now in storage—that is the problem in America.

Why didn't their parents buy the milk? Was it because they lacked confidence? That is what Hoover used to say, that we were in trouble in 1929 and 1930 because we lacked confidence. I never met a worker whose kids were hungry because he lost confidence, but I did meet a lot of workers whose kids were hungry because they lost their jobs and pay checks.

These are the facts and that is why we are fighting to try to do something about this. Here we are, the richest country in the world. We know how to split the atom, we know how to make an H-bomb, but we don't know how to feed hungry people when there is too much to eat. Our job is to find a way in America to gear these resources to the needs of the people—that is the basic job.

And this problem is not going to get easier, it is going to get more difficult, because science and technology is giving us the tools of production whereby mankind can create greater and greater economic abundance.

Down in the Ford plant in Cleveland they make an engine block that used to take 124 hours. They now make it without a human hand touching it, completely machined, in 14 and 6/10 minutes . . . All the workers do is stand there and watch the machine go on automatically.

### Are New Tools Good

Is that good or bad? Are these wonderful tools good or bad? That depends on what you and I and our fellow citizens do with them. They can either build a great new world in which poverty and hunger and social injustice can be abolished from the face of the world or they can dig our economic graves.

That is the great decision. That is why we are fighting for full employment, to gear this ever-growing abundance to the satisfaction of the needs and the hopes and the aspirations, not only of America, but to make our contribution in the total struggle to make peace and freedom secure.

Now we need to work on the economic front through our trade unions. We need to work on the political front.

Sidney Hillman's sponsoring gave leadership to the political action of the CIO because he understood that politics was a housekeeping job of democracy and if the people don't keep democracy's house somebody else will keep it for you, and they will keep it for themselves and not for the people.

We have got to do a job as citizens on the political front, and the great challenge before us—it is a great challenge—is, can we find the way in the world as free people to mobilize the power and the will and the spiritual resources to get nations and people fighting and sacrificing together in peacetime?

Why is it that the pages of history are loaded with chapter after chapter where people and nations make great sacrifices, they work and march and fight and die together in war because they share common fears and common hatreds? What we need to do is to find a way to get people and nations working and marching and fighting together and building together in peace, because they share common hopes and common aspirations. That is the great challenge.

I say to the delegates to the Clothing Workers fortieth anniversary convention, and to its great leadership, I am confident that in the days ahead the Amalgamated will continue to make the kind of outstanding contribution in the cause of human freedom, in the cause of social justice, and that inside the family of CIO we can continue to work together and to march together, and build together, and together with free people, men of good will everywhere, I am confident that freedom can win this fight, and that together we can build a better world, a better tomorrow, shaped in the image of peace, in the image of freedom, in the image of justice, and in the image of brotherhood.

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## 200 HEAR CIO PRESIDENT IN TALK AT OU

# Walter Reuther Athens Speaker

By CHARLES W. REAMER

Athens witnessed one of the nation's top labor officials in action Friday night as Walter P. Reuther, president of the CIO and the UAW-CIO, addressed more than 200 persons in Ohio University's Speech Building Auditorium.

Reuther was brought here under sponsorship of Region 2A, United Auto Workers, CIO, concluding its second annual summer school for labor leaders.

In addition to the school's 100 union graduates, the audience included a number of townspeople, including both businessmen and members of the OU faculty.

They heard Reuther's views on the world's economic status, the role labor is playing in attempting to improve that status and his criticism of present administration policies.

**Speaking smoothly and effectively for more than an hour without a prepared text, and with only an occasional fleeting glance at brief notes, the 47-year-old speaker held the attention of his audience throughout the address, in spite of several distractions caused by small children.**

The red-haired Reuther, dressed in neat business attire, demonstrated skilled speaking technique as his voice tone, gestures, colorful phrases and figures of speech frequently aroused demonstrative applause from the listeners.

Reuther said "there is no defense against the H-bomb," that "peace is the only defense" and that this nation's groups should work cooperatively for full employment in peace as well as they did in war-time.

"Any nation can drift easily into war," said the speaker, "but it takes real work and sacrifice" to have peace. He said the question of war and peace "transcends every problem" and that the "whole world is struggling to build lasting peace."

That peace can be brought about if other nations, finding heart and spirit in the example set by America, reject the promises of communism in its appeal to "a world of hungry people."

This example can be set if the raised living standards at which labor is aiming are realized, he declared, so that it can be demonstrated that man can have "both bread and freedom."

**Reuther called labor the greatest "single force" in the fight against "communist tyranny." He said studies made at a World Free Labor Movement which he attended in Stockholm, Sweden, showed that "wherever free labor is strong, communism is weak" (as in Austria) and where it is weak, "communism is powerful" (as in Italy).**

He viewed military power as a "negative aspect" of the approach to the world's problems, saying that this nation needs to take the "offensive against poverty, hunger and despair," which communism exploits.

In this connection, he bemoaned the fact that "science has taught us to split the atom but not how to feed hungry children," saying proper distribution of this nation's food and cotton surpluses "would give us a moral weapon more powerful than H-bombs."

"We are digging our economic graves," Reuther charged, "unless we gear our machines to the needs of the people, "and he said that accomplishment is one of labor's goals.

He questioned why this country has five million unemployed "when there is so much work to do," citing a need for increased purchasing power so that "people can buy" the things whose manufacture will expand industry and put the unemployed to work.

**He said the administration is operating on the "trickle-down economic concept" and that its corrective measures start from "the top down" instead of "from the bottom up." The tax bill just passed, he declared, gives 95 per cent of its relief to large corporations and wealthy families, with the remaining 5 per cent going to 75 per cent of the people.**

**Walter P. Reuther (left), president of the CIO and the UAW-CIO, is shown here following a Friday night address in Athens. With him is Raymond Ross, regional president of the UAW-CIO, which completed its five-day summer school at Ohio University.**

Reuther said labor also has found the administration's housing policy inadequate and that the U. S. programs for schools and Social Security has fallen far short of the needs.

He reviewed labor's fight for pensions and said that the 1955 goal is for a guaranteed annual wage so that wage earners can "plan and live not by the hour but by the year."

The speaker, who traveled to Athens by private plane, landing at the OU Airport, departed shortly after his talk. He was introduced by Raymond Ross, president of Region 2A, UAW-CIO. Presiding at the proceeding was Brandon T. Grover, assistant to the OU president.

Reuther's talk was delivered at the conclusion of a five-day school which was attended by labor leaders from southern Ohio, western Pennsylvania and West Virginia. During the session, the visitors were quartered at Lindley Hall, where the school was conducted. Eugene Souders, the region's education director, was in charge.

Address by

WALTER P. REUTHER

to

National Chrysler Conference

Tuesday, August 24, 1954

ADDRESS BY PRESIDENT REUTHER

PRESIDENT REUTHER: Brother Matthews, Brother Mazey, and Fellow Workers and Friends:

I am very happy that Norm does feel differently when he introduces me than when he introduces Mr. Colbert.

DELEGATE: Louder.

PRESIDENT REUTHER: All right. I got to talk into this machine, I guess.

I was saying I was rather glad Brother Matthews feels differently when he introduces me than when he introduces Tex Colbert, because at the point where he feels the same we are going to get Joe McCarthy to investigate his loyalty to the Union.

Now I am very privileged to be here. I would have been here yesterday, but I had to be in Washington where I finally, after a long time and much, much maneuvering and pressure, we succeeded for the first time in getting a hearing before the Atomic Energy Commission on labor conditions in the atomic energy plants.

As you know, the atomic energy workers, UAW-CIO, in both the Oak Ridge and Paducah plants were on strike some weeks ago and I got involved in that strike.

We got nowhere and the boys were ready to pull the pin again two weeks ago and the President asked for an

eighty day Taft-Hartley injunction. The workers now are working under the compulsion of a Federal Court injunction.

We have been trying for fourteen years to get before the Atomic Energy Commission. They have been so engrossed in splitting the atom and making H bombs that they have forgotten all about the working people in those plants.

Finally we got into the inner chamber yesterday. We talked about the fact that it was about time that they recognized that the most important element in the atomic energy program were the workers involved in the plants.

That's why I couldn't be here yesterday.

I think all of us understand, and we have had a lot of time to think about it, we in the UAW-CIO and those of us who look to the automobile industry for gainful employment and it is equally true of the workers in the agricultural implement field, that we are living in a period in which the economics of our industry confront us with very difficult and complex problems at the bargaining table.

As long as the gravy train was rolling and the demand for automobiles was greater than the ability of the industry to meet that demand, our problems were difficult, but they were considerably less complex than the ones we face now.

I do not believe that Mr. Colbert would have asked for the rare privilege of appearing before this

distinguished body if they were able to sell all the cars that they could possibly make, as they were doing a couple of years ago. He is coming here only because he is in trouble, and the real test of religion is whether you have got religion when you ain't in trouble. Too many guys get religion when they are real sick.

And the fact that the Chrysler Corporation has this problem also means that we have a problem, because ultimately we sit at the same bargaining table with these corporations.

Now our problem reflects the general economic situation. No union in America has worked as consistently, as constructively and as courageously in the total struggle for full employment, of finding a way to gear the almost unlimited economic possibilities that our expanding economy and developing technology makes possible and gear that to the needs and the hopes and the aspirations of people instead of to the pulse of the stock ticker in Wall Street.

We have been working at that, but unfortunately the political deck is stacked against the program and the goals that we have set ourselves to attain.

We have got to continue to make that fight, because battles are not won in weeks or in months. The fight that we are a part of is a long, historic fight for

people who participate in the creation of the wealth of the world to have a voice in determining how that wealth will be shared in the community in which we live, locally and nationally and, ultimately, in the world.

But because we live in a period where the economic situation is bad, that reflects itself in the economics of our industry and in the economics of our collective bargaining position, but on top of the very serious economic problems that we have, there is another element which further intensifies and makes more difficult our economic collective bargaining position, and that's the fact that we have in the auto industry an industry operating three and three and a half million cars below its productive potential, the most insane competition in the history of this industry.

I don't know what Mr. Colbert told you, but I have been exposed to some of this insanity. I have gone out to the Ford Motor Company to talk about problems of Ford workers and to talk about problems that affect the whole industry and all of the workers, and I have sat down with young Henry Ford and Ernie Breech, who is the powerhouse out there. He runs the show. Young Henry, he is out in front for public consumption, but Ernie Breech is the guy who runs that. He is the former Executive Vice President of General Motors and he put Ford together on comparable lines

with GM.

We sit down to talk with Breech about the employment outlook and the production schedules and other basic problems of the workers in the steel mill out there and other things, and invariably in the middle of the discussion on some problem completely unrelated to the question of how many Fords they are going to sell over Chevrolets, Ernie Breech will bounce out of his chair with great energy and enthusiasm, run into his office and come out with a bunch of letters he got from the dealers and start giving you a pep talk about how they are going to beat Chevrolet.

So we say: "Now, look, this is not a sales meeting. We are talking about some collective bargaining problems. Let's get back on the track.

We get him back on the track and twenty minutes later he is talking about how Ford is going to beat Chevrolet. It's a kind of insanity that goes on out there, and that insanity has set the pattern for the competitive struggle in the industry.

They are not saying to the dealers: "Tell us how many automobiles you can sell and we will make the cars to fill your orders."

They are telling the dealers how many cars they are going to send them and what they do with them is their

problem, and that's where the bootlegging and all these other things develop.

So that we not only have the normal difficult economic problems that result from the fact that our economy is in a recession, but on top of that we have this insane competition which the Ford Motor Company and the General Motors Corporation are engaged in and which has set the pattern for the whole economic pattern in the industry.

Now if these were purely academic problems, if we could just sit in our little ivory towers and say: "Well, if Ford and General Motors want to cut each other's throats, if they want to do that, that's their business. It doesn't affect us." But it does affect us. What they do affects your job opportunities, your economic security, and the future well being of your families and those who depend upon you, and therefore this is our problem.

We made a statement many, many months ago, almost two years ago, and we get no satisfaction out of having been right. It doesn't put one dollar more in your pay check, nor does it provide your kids with more of the good things of life when we can say: "Well, the UAW was right again. We told you so." We get no satisfaction out of that.

But the facts indicate that what we said almost two years ago and what we have repeated time and time again

has come about. That this industry has gotten back to the dog eat dog set-up with a vengeance and that the workers in this kind of a situation are going to pay a tragic cost in terms of job insecurity, in terms of lay-offs, in terms of all of the economic dislocations that this pattern of insane competition will mean for the industry.

Take the Chrysler model change. Do you and I really think it takes this long to change the models? We know better. When they can sell all the cars that they can make, they change the model and they start making the new one while the old one is going off the line.

But when they have got more than they can sell, then they use the model change. Oh, they stretch it out. They put out all sorts of public relations propaganda to make it look as though they really need all this time in order to make the model change.

I say that sixty to eighty percent of the time lapse, the time gap involved in the model changes in 1954 on the 1955 model are the results of economic conditions and not of engineering and tooling requirements. This is just a good way to stretch it out and make it look as though, well, the problem is not selling automobiles. They just got a sweeping engineering change and it takes a lot of time to get that kind of a new model on the line.

We are going to have more of this, and this

means long lay-offs. It means seasonal employment in this industry as we used to know it in the olden days.

That's why what we are fighting for in our long range objectives at the collective bargaining tables and our basic struggle to achieve a full employment and full production economy, is geared not to plug the little loopholes, but to lay the basis upon which we can solve the basic problems that plague our industry and the workers who look to that industry for employment.

Now we are all aware of the facts that Mr. Colbert talked about yesterday. We all know that the Chrysler Corporation competitive position has deteriorated at a very rapid and accelerated rate. We know that they had from 21 to 23 percent of the market in 1953 and we know that somewhere between eleven and thirteen percent represents their portion of the market in 1954.

Now we know that you cannot cut the portion of the total market that a company gets, in half, without that having an impact upon the job opportunities of the workers employed by that corporation.

But the thing that is significant is not just the decrease from 21 or 23 percent to eleven or thirteen percent. That's only half of the problem.

You must remember that when they had 21 or 23 percent, we had a seven million car year, and now they have

eleven percent of a five million car year. Therefore, you not only have a smaller percentage, but you have got a smaller piece of a smaller pie, and that's why the Chrysler workers have been hit hardest of any major corporation with respect to unemployment.

What bothers me is that I am told that Mr. Colbert talked about that things might step up and we might look forward in the future to a six million car year.

You see, that's the thing that is basically wrong. These fellows who own and operate and control American industry have no vision, because what the auto industry ought to be talking about is not a six million car year, but an eight, and an eight and a half, and ultimately a nine million car year.

We can produce eight and a half million cars right now without one more automation line. And the independents are going to be getting into automation. They can't survive without it.

That means that we are going to wind up in the next year with a capacity to build nine million automobiles.

And yet Mr. Colbert talks about a six million car year down the future somewhere. These guys have been dividing up economic scarcity so long that they lack the vision to comprehend the tremendous possibilities of sharing the economics of abundance. And yet only the economics of

abundance can give us full employment and full production and higher living standards and that measure of economic and social justice to which we are entitled and which our technology now makes possible in America.

New I presume that Mr. Colbert came here yesterday to ask for cooperation. I think he is entitled to it -- provided we get cooperation in return. Cooperation is a voluntary process and therefore if you will have someone cooperate with you, you have to meet them half way and cooperate with them.

I am not an expert on analyzing unit costs of production and getting into that complicated problem. But I have been around some time. I do make it a point to keep up to date on the basic economic factors that go into our collective bargaining sessions, and I do think I know something about the economics of the auto industry in terms of production costs and sales problems, etc.

And I believe -- and I say this not as a matter of wishful thinking. I say this as a matter of having tried to evaluate objectively the economic facts in the Chrysler situation. I do not believe that the labor factor in the unit cost of production is in any way the important factor with respect to the Chrysler Corporation's position deteriorating in terms of its competitive position.

I think that basically their problem is one of

management efficiency, of corporation structure and organization, and finally the design of their car. Chrysler got burned back -- was it 1934 when they had the Airflow? I think it was 1934. They were at the head of the industry design-wise. And they got in trouble, and they got gun shy to the point where they were behind the field design-wise, and as long as we had a situation where the competition was not intense, it didn't matter too much. But at the point where this insane competition began to intensify the competitive struggle, then the lack of keeping up with the latest design in terms of their models began to have an impact upon the sales ability of the Chrysler sales dealers and I think it is in the area of management efficiency and in the area of projecting advanced design that the Chrysler Corporation essentially must find the answer to recapturing or improving its competitive position, and not trying to take it out of the hides of the workers.

And I would like to say to the Chrysler Corporation right now as far as the International Union is concerned that they should get no comfort out of anything that may have happened in South Bend or in Toledo. We are not going to give the Chrysler Corporation even the remotest thought because their situation does not require it and does not justify it. There will be no wage cuts in Chrysler and if you people will fight with us, there will

also be no speed-ups in the Chrysler Corporation.

(Applause.)

Now one further word about cooperation. We want to cooperate with the Chrysler Corporation. The jobs of you people are involved. And it would be utter stupidity for us to say: "Well, we have no interest." We do have an interest. The interest? Thousands of men and women and a lot of kids back home.

We built this Union because we have an interest in people. What is it all about? It's about people -- a lot of people.

But cooperation means working problems out, and we are encouraged that the Chrysler Corporation is coming out with a 1955 model which is supposed to put the competitors back on their heels. We salute and we hail this improved design in Chrysler cars, and we solicit an improved design in Chrysler labor-management relations. I think the two things would go together very well in terms of the 1955 model.

Now the Chrysler Corporation has been the last corporation, has been more reluctant in many cases --- and I am not here to sing the praises of General Motors, because I am not fooled. General Motors behaves in exact proportion to the power of this Union. I have never been able to hypnotize a single General Motors executive by eloquence. We have been able to impress them with power -- by the strength and

the power and the solidarity and the dedication and the loyalty of the members of our Union in support of the program that their Union is trying to implement at the collective bargaining table.

But I do say that the Chrysler Corporation --- and I hope that Mr. Colbert's appearance here yesterday indicates that they are ready to turn over a new leaf. They have been more reluctant to accept this Union, even in the limited way that General Motors has accepted it. And they have only accepted us in a limited way, but even in that area the Chrysler Corporation has been the most reluctant dragon in the whole zoo.

I think the experience that Emil and Norm and the boys had in the Chrysler Office Workers election is significant. Have they really accepted us? Then why do they fight us? Why do they fight our right to grow?

Now you can't almost accept the Union. You either accept it or you don't accept it. If you think the Union is a constructive, desirable force, an essential part of the structure of a free, democratic society, by which working people do their job in the economic field, if you believe that, if you accept that idea, then you ought to be willing not only to accept labor unions, but to encourage their normal growth, and the Chrysler Corporation is not doing that.

Now maybe Mr. Colbert doesn't know who writes their propaganda, but he ought to find out. That's part of his job, too. Not just making sales talks. He ought to find out, because these things are the measuring sticks by which you judge people.

Now I say that Chrysler Corporation ought to make up its mind. We will cooperate a hundred percent, but we will do it only if they demonstrate a willingness to also cooperate on the same basis. That's the way it has to be, and I don't mean cooperation in the Flamingo room of the Detroiter Hotel. I mean cooperation that gets down to the lower supervision on the line where the people who own this Union do the work of the Chrysler Corporation. That's where I mean cooperation has got to be.

This is not an ivory tower, high level atmosphere proposition. It is a matter of cooperating in the plants. That's where the Union does its work. Where men have problems. Where people are at work.

If the Chrysler Corporation will do that, our Union, I am sure, at every level, will be happy to cooperate in doing what we can to improve the competitive position of this company, and to provide the maximum job security for the Chrysler workers who work for the Chrysler Corporation.

Now we are going into a period. In a few months we will have our national collective bargaining economic

conference. It will be an extremely broad conference representative of every segment of our Union. In that conference we expect to pound out the basic contract demands for 1955.

I think that I can say, without attempting to be dramatic, or trying to over-emphasize the importance of these negotiations that we are going into, that the 1955 negotiations of the UAW-CIO, when the history of American labor is written, will perhaps be put among the most important, most significant, most historic of any that have ever taken place.

We talk about the guaranteed annual wage. But a lot of other unions talk about it. The difference is we are going to do something about it. We are going to fight for it. We are going to get it. No question in my mind. We are going to get the guaranteed annual wage.

It won't be easy. But what have we gotten easy? You tell me. You tell me what do we have that they gave us on a silver platter? With a cellophane wrapper and a red ribbon? I don't know of anything important that we got that way.

We had to fight. We didn't have to fight in every corporation on the same issue. But we had to fight on every issue, some place. The other guy some times got smart and gave in without a fight because he knew he would

lose anyhow. But every basic thing we had to fight for.

Nothing would make me happier than if we could get the guaranteed annual wage and some of the other things we are going after in 1955 without a fight. But I believe, and I believe this with all of my heart -- because in the business we are in there is no in between position between theory and practice. You can theorize and you can philosophize and you can do a lot of dreaming, about what you would like.

But at the point you want to do something about it, the transition to the practical application of those things is very abrupt and I have always felt that you should never go to the collective bargaining table and ask for anything you really want unless you are prepared to fight for it. Because if you really want it, then you have to be prepared to fight, and if you are prepared to fight, then the prospects of the necessity of fighting are reduced in direct proportion to your ability and willingness to take the fight on if necessary.

And that's really what we have got to be thinking about. We have got to not only pound out the set of demands -- the guaranteed wage and improve pensions and the hospital-medical care program, and other matters, contract provisions that will have to be tailor made to fit each corporation's needs -- but having pounded out and forged the

set of demands that we are going to inscribe on our banners for 1955, we then have got to build the power of this Union like it has never been built before, so that when we go to the corporation and we sit down at the bargaining table, we will not only have the best and most carefully prepared case, documented, backed up by the best kind of logic and argument and common sense, but behind those demands and that logic and that common sense must be the power of a membership mobilized, conscious and prepared.

If we do that, as I know we can, 1955 can be a year in which the labor movement will have scored the kind of basic victories that mean security and dignity and human happiness in greater abundance in the years ahead.

And I see this thing, fellows and Sisters, not just as another collective bargaining thing. Frankly, without attempting to inflate our own self importance, we are taking on the job of saving the American economic system from the selfish stupidity of the people who own it. They will destroy themselves. Unfortunately, they will destroy us in the process. They are saying now that nothing is really serious with the economy. You heard Ike last night. Mealy mouthed double talk. Completely unrelated to the facts of life.

(Applause.)

He started the campaign at the Illinois State Fair

a couple of days ago where he talked about the prophets of doom and gloom. I am getting all set again because I am among the leaders of that group. They are going to play on that, that the prophets of doom and gloom were out preaching that we are on the highroad to depression.

We have never said we had a depression. We have said we had a recession. How many millions of people have to be hungry before you do something? I say as long as one worker in America who is able and willing to work, can't find a job, we have got to fight for full employment. Because one worker denied a job is wrong, both economically and morally. Yet Ike kicks the ball off on the political campaign and says everything is wonderful.

And yet we have lost one million, nine hundred and seventy thousand jobs in the manufacturing industries of America during the past twelve months. There are almost two million less jobs in factories today than there was a year ago. Yet there ought to be a million more today than a year ago to take care of the increase in the population, to say nothing about the efficiency that technological progress makes which you need about another million and a half jobs to make up for.

And the Republicans look the other way. And they don't recognize these economic facts.

Now take in Michigan. This will give you a good

example of where we are. In Michigan we have 232,000 unemployed right now. Right in the City of Detroit -- and this is the July figure which doesn't take into account the lay-offs in Chrysler recently -- we have 150,000, and by October, based upon the ultra conservative projection of the Michigan Employment Security Commission, we will have three hundred thousand unemployed in Michigan in October.

And yet the Republicans talk about the prophets of doom and gloom.

Here are some overall figures of what is happening in the whole industry, the automobile industry proper. In April of 1953 we had 815,800 production workers in the automobile industry proper, and those workers were working an average of 41.9 hours per week -- almost 42 hours per week. In April of 1953 we had 623,500 workers employed, working an average of forty hours per week. April, 1954. I must have misspoken myself. In other words, we came from April 1953 frow 815,000 to April, 1954, 623,000. We have lost almost one out of every four jobs in the basic auto industry.

Now the auto industry is not something that lives in a little tightly sealed economic vacuum. What happens in the auto industry affects the steel industry. The steel industry is currently operating -- remember, we had our Full Employment Conference in Washington in December

of 1953. The steel industry was operating then at around sixty-eight percent of capacity -- almost seventy percent, and they said the second half was just going to zoom up. Well, it is currently operating at sixty-one percent of capacity. In other words, sixty percent of the steel industry is being used and almost forty percent of the steel industry is idle.

In the rubber industry the same thing is true, because you can't separate rubber from the automobile industry since we consume about ninety percent of the rubber products.

And yet these fellows say everything is wonderful and things are not going to get better because the Republicans seem to be incapable of doing the right thing. They keep doing the wrong thing.

And if you think this kind of pious political double talk that we heard last night will put people to work, don't base your political or your economic future upon that possibility because the winter will be long and it will be cold.

The only way you can change what is happening in the American economy is to begin to deal with the basic economic factors out of which the problem grows, and that's this very serious imbalance between productive power and the lack of purchasing power in the hands of people.

What do you think unemployment in the State of Michigan in the last year has cost the State of Michigan in terms of loss of purchasing power? Well, the Michigan Employment Security Commission didn't keep these figures and we kept after them. We said: "Why don't you keep a record not only of how many people are unemployed but of how much they are losing in wages?" We said: "That will be significant."

So we got them finally to do it and they started last July. Not this July. July 1953, and we now have got the figures starting with the month of July, 1953 through June of 1954. How much money do you think was lost just in manufacturing, which covers only 48 percent of the people gainfully employed in Michigan? How much do you think has been lost in wages just in Michigan because of unemployment?

Well, the official figure is six hundred and forty million dollars. Six hundred and forty million dollars lost wages. In Michigan. Then you add Pennsylvania and Ohio and Connecticut and California and the others of the 48 states and you don't have to be a philosopher or you don't have to have a Ph. D. in economics from Harvard or Yale to figure out what is wrong. This is what is wrong, and until we deal with these basic economic facts, the American economy is going to continue to drift and we are going to pay the

price. That's why we have been trying to work to get action.

Now we have gone to Ike time and time again. I have written the same letter three or four times. Ah, I change it a little bit, hoping maybe he will read it this time. But the same idea appears in all the letters. We say: "Why don't you do something about implementing the Employment Act of 1946 which specifically charges the government with the responsibility of formulating such economic policies and implementing such programs necessary to maintain maximum employment, maximum production, and maximum purchasing?" Those are the exact words of the Bill.

We proposed that the President convene this broad conference of labor, management, agricultural industry, consumer groups, and government to sit down and work on a full employment, full production plan.

Can you get industry people to join you? Can you get the people who need help to join you?

I am told you asked Mr. Colbert that question. He said it was highly loaded politically, and therefore he couldn't answer it. Why can't he answer it? He is a citizen just the same as I. Why can't he answer it? He is afraid. He is afraid to answer it. Because the boys who are calling the tune and cracking the whip and running this country and the people who need help are afraid to fight for the help they

need because they are afraid the other guy will put the heat on even more.

I sat with the Nash Hudson boys some weeks back when we got the sad news about what the American Motors Company was going to do when they were going to move the assembly work to Kenosha, and the impact upon the Hudson workers in Detroit.

And after we went around on these problems -- Norm and I and Tracy Doll and the boys from the Nash plant were all there. The Hudson and Nash fellows went around on these problems.

I finally asked them this very simple question. Not complex at all. I said: "Look, you can't sell your automobiles. Cadillac is the only company that has more orders than they are able to produce. Because the people who buy Cadillacs are getting more and more, and the people who buy Nashes and Plymouth and so forth, are getting less and less.

So I said: "Now we are down in Washington, the CIO and other groups, and we are working hard." And we were. We made a greater effort on the tax program than any single piece of legislation outside of Taft-Hartley that we have ever worked on.

And I reported at many meetings, if you will check your memory, where I said: "We needed three

Republicans." We needed three Republicans. We had it figured that close. If we could have lined up Three more Republicans. We had two. We had Senator Langer and Senator Young of North Dakota. Wayne Morris is not a Republican any more. We had him, too. But we needed three more Republicans. And when we lost it, we lost it by exactly three Republicans. We had it figured that close.

And I said to these people in the American Motors: "Why don't you help us on the tax fight? If the fight that we are making succeeds and we get an increase in the personal exemption from $600.00 to $800.00, that will put four and a half billion dollars in the hands of the low and middle income groups and the people who buy Nash Ramblers and Hudson Jets, etc., will have four and a half billion dollars to spend and you will get some relief out of this."

You know what they said? "That's a political question. We can't discuss that."

So I said to them: "You fellows are citizens. Can't you do it as citizens?" "Oh, no. We couldn't get involved in that." They are afraid. They are literally afraid of the big guys, because they may need some money for expansion or modernization and the banks they have to go to who are controlled by the people who control the Administration might say: "Well, now, we didn't like that political interference you gave us over there, and unless

you behave yourself, we will look upon your request for expanded credit unfavorably."

I mean these are the facts of life. We have seen it at the bargaining table where some little company would say: "We would like to give you a union shop," back in the early days, "but we don't dare do it because the Big Three won't let us."

We have the same thing in this situation. Why did we lose the tax fight? We lost by a narrow margin. Why did we fight on this question? Because we knew it was an important factor in beginning to reverse the economic trend by getting purchasing power in the hands of people to buy the things they need, and only thus can we expand job opportunities and wipe out unemployment in America. And the Republicans have failed to see that, because of their blind, selfish stupidity. And we have to make them see this.

That's why the 1955 bargaining sessions are not just other sessions of collective bargaining. We have to break through. We are going to get this economy of ours back on the main track.

I'd like to just take a few minutes of your time to give you a few ideas of what's happening in other aspects of our economy. Here was the Free Press the other day: COMPLETE NEW YORK STOCK PRICES REACH A 25 YEAR HIGH.

Now a fellow would say to himself: "Well, how come?" Here we are. We got the equivalent of five million unemployed, if you count those fully unemployed and those working part time. And yet the stock market sets a 25 year record high.

It's very simple. Prices of the things you buy are going up. Profits are going up. But volume of production is coming down. Employment opportunities coming down. And purchasing power is coming down.

This is the kind of a fool's paradise where corporations make more for having had less production. If a corporation made more because it increased its volume of production, anybody could understand that.

But at the point corporations begin to make more money for having produced less of the good things of life, we are entering a period in which ultimately the people of America will pay a tragic price for this kind of unsound economics.

And the reason the stock market is soaring is because the profits that the American industry is reaping out of lower production are fantastic. Here's a quote in the paper just the other day. New York. August 4:

> "Cash dividends on common stocks listed on the New York Stock Exchange set a record high of two billion, nine hundred and sixty million in the first

"half of 1954. This was seven point five percent above the two billion, seven hundred and sixty million made in the first half of 1953."

So here we are. We have reduced our total industrial production roughly ten percent and yet we have increased profits seven and a half percent.

Now let's look at it industry by industry. The rubber workers are on strike in two big companies. One of those companies is Goodyear. What are the Rubber Workers asking for? They want enough purchasing power to buy more of the good things of life. They want to create the number of customers that industry must have so it can sell the things it can produce and employ workers making those things.

And yet the Goodyear Rubber Company is unwilling to give the Rubber Workers a concession.

Here's a paper August 16: GOODYEAR TIRE AND RUBBER COMPANY STRIKE BOUND SINCE JULY 7 TODAY REPORTED AN INCREASE IN EARNINGS FOR THE FIRST HALF OF THIS YEAR DESPITE AN APPROXIMATE TEN PERCENT DROP IN SALES.

Their sales go down ten percent. Their profits go up. You figure out how you can get more money for less work, and we will try to apply that.

Here's General Electric where Jimmy Carey and the IUE have been fighting for months trying to get a decent wage package. New York Times. July 21. The headline says:

GENERAL ELECTRIC SALES OFF SEVEN PERCENT. NET INCOME UP TWENTY-FOUR PERCENT.

Twenty-four percent more profits for making seven percent less electrical equipment. Not a bad arrangement.

Here's the aircraft industry. New York Times. July 22: DOUGLAS AIRCRAFT EARNINGS SET RECORD IN YEAR'S SECOND QUARTER. TEN MILLION TWO HUNDRED AND SEVENTY FIVE THOUSAND DOLLAR PROFIT EQUAL TO $4.20 A SHARE. GREATEST IN THE COMPANY'S HISTORY.

Down below is a story about the General Foods Corporation. QUARTER HIGH SET BY GENERAL FOODS. THREE MONTHS EARNINGS ARE $1.80 ON COMMON SHARE. Almost twice as much as was made in 1953 in the same period.

So here you have got rubber, electricity, aircraft, the food industry, and here's one August 6, New York Times: NATIONAL DAIRY VOTES A TWO FOR ONE SPLIT OF STOCK AND AN INCREASE IN DIVIDENDS. SIX MONTHS EARNINGS ONE HUNDRED EIGHTEEN MILLION, NINE HUNDRED AND SIXTY THOUSAND DOLLARS REPORTED HIGHEST IN THE HISTORY OF THE NATIONAL DAIRY COMPANY.

Remember the story I used to tell the dairy farmers that I visited up in Wisconsin when I asked them how many of them made $180,000 a year as the head of the National Dairy Company had made? This was in 1949. Not one

hand went up. I said: "Well, it's obvious it's more profitable to milk a dairy farmer than it is to milk a dairy cow." If you look at these figures you can see it -- one hundred and eighteen million dollars in six months. That's what's happening.

What about General Motors? Let's get back in our own industry for a minute. General Motors obviously didn't make as many cars this first half of 1954 as they made the first half of 1953. But they made one hundred and twelve million dollars more profit. Fewer automobiles, but one hundred and twelve million dollars more profits. The General Motors Corporation in the first half of 1954, after it paid all of its bills and all of its taxes of every description, local, state and federal, had an earning on its capital investment -- and that includes some water -- of thirty point four percent on their investment, after taxes. In other words, in just about three years they get it all back, but they still own it.

Now this is what is happening. This is why C. E. Wilson is sitting where he is sitting. Remember in the olden days we would go down to Washington and C. E. Wilson would go with us and Colbert would go with us and young Ford would go with us to fight to get materials so we could make automobiles and get defense work. And now these guys occupy the highest positions in government and

they tell us there is no need of doing anything. Everything is wonderful. It all depends on whose cat is being skinned. In case you guys don't know, it is our cat that is being skinned. General Motors Corporation is doing very well.

Ike said last night, as he has said many times, that he is going to follow a policy of being liberal with people and conservative with people's money about other matters of government. Sounds very good. You kind of feel like he is really down there working for the interests of everybody.

But what are the facts?

Yesterday he vetoed a measly five percent wage increase for federal workers who are underpaid. And Brother, if you don't think they are underpaid, you get their wage scales. You get the wage scale of a mail carrier or you get the wage scale of other government employees. This wage raise has been overdue for years. Who fought against that wage increase, most of which would go to postal employees if it were passed? Mr. Summerfield. The other General Motors guy down there, the Postmaster General. The political hatchet man from Flint, Michigan. He fought against it, and although Congress passed this pay boost bill almost unanimously, the President did not do what Congress voted. He did what Summerfield and the big business men who control this Administration said, and when Ike says he is liberal with

people but conservative on other governmental matters, he is not telling the truth. Because people were involved in this wage increase and he vetoed it, and yet where corporations were involved -- what about the billions they gave the oil industry in the Tidelands Oil Bill? What about the uncounted billions that they will get out of the Atomic Energy Bill that we fought but which was passed by Congress? We have invested twelve billion dollars in atomic research, you and I and the taxpayers of America, and now the government turns this over to private industry without any strings to protect the public. It's like a guy saying: "You dig the well and when you strike water, I'll take the well over." We paid to dig the atomic well. We paid twelve billion dollars. And now when science has perfected the ability to begin to relate atomic power to civilian use to lighten the burden of the human family to make life richer and more secure for people, they say: "Okay, now, we will take it over." Nice arrangement.

We fought in that bill, a very complex bill, we fought for the kind of patent provisions that would say that if the General Electric Company or the duPont Chemical Company, having access under the bill to atomic know-how that we spent twelve billion dollars developing, if they use that know-how, which is within an inch of doing a certain thing technologically and they go the other inch,

they put a couple of million dollars in it on top of our twelve billion, that if they develop a patent in the next ten years, that patent must be made available for general use of anybody else who wants to use it, because that patent was not the product of General Electric or duPont's research. It was the result of the twelve billion dollars of the people's money.

Did we win that? No, we lost that fight. These companies now can take our twelve billion dollar investment, spend ten million, and get an exclusive patent that nobody can use excepting as they pay them tremendous royalties.

That's what this atomic energy fight was about. This will mean billions and billions that they will steal from the people. And when Ike says liberal with people, what he meant to say was liberal with big business, because they have given away hundreds of billions of dollars of our resources and the things that properly belong to us.

Ike said last night $85,000,000.00 we are going to get for medical relief and other things on the tax bill. By God, General Motors is asking for $206,000,000.00 relief just in one package. The General Motors Corporation, and I say this without qualification -- the General Motors Corporation and the top ten stockholders, will get more substantial relief from the tax bill of the Republican Congress than all the people of America put together on the

provisions covering old people that the President talked about covering medical care, covering dependent children and all these things. General Motors will get more tax relief than all the people of America combined under the provisions which the President talked about last night.

Now why doesn't he tell the people these facts? He knows it's that way. It's because the Republicans are so desperate in trying to maintain power. Why do they want power? If they can get power the second time, sure they will change the Taft-Hartley Act. Sure they will change the Taft-Hartley, but not in the right direction. They will make it worse. Sure, they will destroy further the machinery of the National Labor Relations Board, which is now a management Board stacked against labor. Sure they will undermine other things. Because they will believe they can get away with it. This is the test. And that's why we have got to work at political action.

Because political action is the key to the economic situation. It is the key to our collective bargaining situation. Because political action will have more to do with determining the kind of economic climate that we find ourselvis in at the time we sit down at the bargaining table than anything we can do. We can't bargain for jobs. But we can sure work on the political front for jobs, and what we have got to do is to work on the political

front. We can beat these guys. We can beat the biggest stooge in the U. S. Senate, this white haired guy, Homer Ferguson. The auto industry never had a more loyal stooge than Homer Ferguson. He has been about the dirtiest guy down there. When CIO people were appointed on government commissions -- this is just how low he can get -- to help out in fighting Communist unions in certain countries, Italy and France in particular, and other parts of Asia, George Meany was appointed to the Public Advisory Committee of the Agency handling this, and I was appointed. I was asked by Harold Stassen, the Administrator.

I didn't want the job. I told him I didn't want to serve. I said: "Why don't you have Jim Carey serve?" He lives in Washington. I break my neck getting there one or two times a week the way it is. If I take on more responsibilities, I'll just be stretching my time too much."

He said: "Absolutely we are going to get the President of the CIO and the President of the AFL and we won't take anybody else."

So very reluctantly I said: "Okay. If you think we can be helpful, this is one area in which we want to cooperate because we think trying to fight this battle to help build free trade unions, fighting poverty and hunger in these countries, is very important."

So I agreed to serve. I was officially designated. I got the documents that I was supposed to read to be prepared for the meeting. They set the meeting date. Then they postponed it. They set another date. They postponed it. They did this five times.

Finally I went to Stassen. I said: "What goes on? I didn't ask for the job in the first place. I didn't want it, but you insisted."

And he said to me: "Well, off the record, Homer Ferguson won't agree."

I said: "But he's not doing me a favor."

"Ah, but he's probably afraid this will build up the prestige and then you fellows will do a more effective job on them in the election."

No other Senator. Nobody in the CIO was blocked with that kind of a petty proposition. Now if we were looking for a postmastership somewhere, which is a political plum, I could understand Homer Ferguson intervening, but this is the kind of dirty politics that this guy plays, and he has been the most effective stooge that the automobile companies have had in Washington.

I believe -- I know that we could have beat him with Blair Moody, and that was a great loss, a tragic loss. McNamara was not as effective a candidate as Blair Moody would have been. He will vote right. He will be the

kind of guy in Washington who would stand up on the issues that affect the people, and I believe that there is a real possibility if we go to work, I know we can re-elect Tobey. I know we can send some good Congressmen down there. I think it is possible if we work at this thing to beat Homer Ferguson in the November election and get a Senator down there who can begin to fight for the things that we need done, and there are many things. I don't have to list all the things that need doing. You fellows know the same as I do what needs to be done -- housing, school systems, hospital-medical care facilities, minimum wage legislation, social security, and a million other things that need doing, and we can begin to take the offensive.

I say in November we have an opportunity to get off the defensive and get back on the offensive on the political front and I hope and I pray that the people in the local unions will recognize that only as they throw their weight and their power and their interest and their participation in the affairs of the Union can the Union do for them the things that they want the Union to do.

Emil and Norm and I and the people over in Solidarity House or the people in the local union offices, we are not the Union. We are just helping to give direction to the Union. The Union is the rank and file. If the Union is going to have the power and the strength to do the

job that must be done, then the rank and file must provide the Union with that power and that strength.

I say we have got to do that politically, and we have got to do that in terms of our collective bargaining problems. I think it can be done. I have always said that I have unlimited faith in the good sense and the basic loyalty of the rank and file members of our Union. They have always come through with flying colors in a crisis.

And we are in a crisis. What we have got to do is what Norm has suggested. We have got to educate. We have got to carry on a continuous campaign of developing a sense of consciousness, a sense of understanding, of what we are trying to do. Why we are in politics, and what we are trying to do in politics and what we are trying to do in terms of collective bargaining.

Norm says Ken Morris says that there is a tendency in the plants sometimes -- and I think this is a perfectly human thing. We ought to try to minimize it, although we ought to understand it, that when the Steward gets a tough one, he is prone to pass it on to the Committee member. And the Committee member to the Bargaining Committee, and the Bargaining Committee to the Local officers, and the Local officers to the International Union, and Norm says we haven't got any place to pass it.

We do really have a place. We ought to put the monkey and the responsibility squarely where it belongs -- on the back of management, on the backs of the politicians whom they control. Because they have got the answer to this problem.

When I get a telegram and a worker says: "How come the Union hasn't got me a job?" I am aware of the fact that that worker doesn't understand what we are doing, and who really is responsible.

Nobody in Local 3 would hold the Local officers responsible for the unemployment there, because they aren't responsible. Nobody in Local 212 could hold the officers of the Briggs Local responsible, because they aren't.

Nor can you hold Norm Matthews and Emil Mazey responsible for unemployment. We are not responsible.

But management and the politicians who control the present big business administration are responsible, and we can get the answers if we work politically and if we work at the bargaining table with all the power that I know we have.

And I say to you, in the days ahead let us build the maximum solidarity, the maximum teamwork, let us be vigilant on the day to day shop problems. Let us have maximum cooperation and teamwork on meeting those problems, and let us devote ourselves to building the power and the consciousness and the strength and the loyalty of our rank

and file, and let's reflect that at the ballot box in November and then build on that until we sit at the bargaining table in the spring of 1955, and if we do that I can say that while the road ahead is going to face us with many difficult and complex problems, it also leads to the greatest gains that we have ever made, and I say that we in the UAW-CIO, forging the kind of solidarity and determination in which the leadership and the rank and file blend their power and their will in a common dedication to pursue these objectives, putting everything else aside, I say that going about it that way we can meet these problems and in 1955 we can move forward and make a contribution not only to the economic well being and the security of our own membership but we can make a great contribution to the whole of America and we can point the way, showing that free people can solve these basic problems.

That's the great challenge and I am happy to be here. I know that the Chrysler workers will make their contribution and I know the leadership of the Chrysler Locals will do their job of building and mobilizing the power of the rank and file so that we can face this challenge well mobilized and well prepared.

Thank you.

(Applause.)

DIRECTOR MATTHEWS: Thanks a lot, Walter, for your usually inspiring talk. Brother Reuther has stated that if there are any questions from the gathering here he will proceed to answer them. Brother Brooks.

DELEGATE BROOKS: Mr. Chairman, I would like to direct a question to Brother Reuther. All of us know the reluctance of Chrysler to recognize the Union. However, working standards within those plants of Chrysler have been worked out far and beyond those of General Motors and Ford. To me, competitively-wise, that is a problem before the Chrysler workers today. Do you bring the Chrysler workers down to the levels of General Motors and Ford, or do you bring General Motors and Ford up to the levels of Chrysler?

I have my particular thinking on it, and I think I know the thinking of the delegates here. It is fine, Mr. Chairman, to talk about the guaranteed annual wage, to talk about national economies, to talk about improved pensions, and things like that, all of which I want, but what good are those things, Mr. Chairman, if I can't work in those plants, and that is the situation that is developing now in the Big Three that we have before us which is of very prime importance to the Chrysler workers today. What do we do about those conditions in Ford and General Motors that I am sure Brother Reuther you are aware of? It started when you gave away the Steward and bargaining system. That's when

your Union started to weaken in those plants, and what today are we going to do about it?

PRESIDENT REUTHER: I'll be very happy to talk about that problem.

DELEGATE BROOKS: Very good.

PRESIDENT REUTHER: At the Chrysler Conference some time back --- What year was that, Norm, when we talked about production standards? 1950?

SECRETARY MAZEY: 1951.

PRESIDENT REUTHER: At the Chrysler Conference in 1951 we devoted a great deal of time to talking about production standards because at that time there was a collective bargaining difficulty about matters of production standards in a number of Chrysler plants, and I at that time in great detail and I think in very simple language outlined the basic policy of the UAW-CIO as it related to production standards, and we said that the question of production standards was not something that you could solve by a clause in the contract. That the contract had to provide adequate machinery, but basically the production standard was a problem that you had to be eternally vigilant on every day in every plant in every department and that the policy of the International Union was that we would not attempt to tell workers how much production they had to make. That the workers who were engaged on that job themselves really had

to make that decision, and that we would, if called upon, authorize strike action, if the workers felt that they were being asked to do more than what represented a fair day's production.

Now that's precisely what we have done. First of all, there have been very few unions who have fought as hard to write contracts as we have written our contracts on production standards. Our contracts provide almost universally for the right to strike on production standards during the life of the contract.

You look at the Steelworkers contracts. They don't have a single contract to my knowledge that permits workers to strike during the life of the contract. They can strike when the contract expires, but the UAW has fought for this principle all through the years, and we have fought some bitter strikes to get this principle. It was one of the principles involved in a long strike at the International Harvester Company that I think lasted 112 days.

Now it's difficult to measure the exact production standard and the human effort that goes into a day's work in General Motors as compared to Ford or compared to Chrysler, because the methods are different in some cases and of course the body and product being manufactured. It's very difficult.

I do know this, that we have fought hard in

General Motors and we are fighting hard right now. We have fought hard in Ford. The big strike that we had in Ford in 1949 was on production standards in the B Building. We authorized a strike. We have authorized in the last three years fourteen production standards strikes in the Ford Motor Company. We have one right now that is in its fifth week in Kansas City, a Ford Kansas City plant, on production standards exclusively. In the fifth week. We have authorized more production standards strikes in General Motors.

We have never authorized one in Chrysler. There has never been an authorized strike in Chrysler on a production standard. Not one. But we have had many, many of them in General Motors.

Now it's like the question a fellow raised when he heard about the Studebaker thing -- and that was not a decision of the International Union. It was a decision of the membership of Local 5. We told them: "Look. You fellows make the decision." They tried to get me to come down to the meeting. They tried to get Brother Mazey to come down to the meeting.

We said: "No. Why should we come down? We haven't got anything to sell you. You fellows have got your rates and your standards out of line and the facts of life caught up with you. We are not going to tell you to take a cut, but if you want to, as a matter of protecting

your jobs---" Otherwise the jobs would have gone out the window. "If you want to do this, we will not stop you in that right."

So a fellow said to another fellow: "Well, why instead of the Studebaker guys taking an adjustment to get themselves in some competitive position, why don't we raise the Big Three up to the Studebaker level?"

Now I am in favor of that. I subscribe one hundred percent to that theory. I would like to be able to get a thirty cents an hour wage increase from Chrysler tomorrow morning. I'd like to get one from General Motors tonight yet, and I'd like to get one from the Ford Motor Company this afternoon.

But I am twenty-one. We fought a 113 day strike in General Motors. I was involved in that strike. We didn't get everything we wanted. We did the best we could. After 113 days we had to settle it. We fought strikes in Ford. We fought strikes in Chrysler. Every time we have a strike this is what we are trying to do.

Now no one would have suggested at the end of the 113 day strike in General Motors that we say: "Now why don't we place thirty cents an hour on the 18-1/2 cents an hour we settled for and stay out until we get it." Because you are dealing with the facts of life that workers have only got so many economic resources and when they have expended

those you have got to recognize that.

In that strike we did everything we could to bolster the position, but you take four hundred thousand General Motors workers. You put them on the street three months and then you figure how much it will cost to feed the families of that many workers every week.

That's why at the next Convention we ought to get real practical about this matter. We ought to raise our strike fund so that we can really give the guys in the Big Three the kind of support that they would need to take on some of these fights. We are prepared to fight on these things.

But our willingness is not sufficient. The rank and file has to be willing and the Union has to be equipped with enough money in the strike fund to see to it that nobody goes hungry.

You take the Kohler situation. Brother Mazey has been doing an excellent job up there in a very difficult situation. It is one thing to theorize. It's another thing to be faced with the practical facts of leadership. Brother Mazey had to reduce the demands of the Kohler workers, didn't you, Emil?

SECRETARY MAZEY: Yes.

PRESIDENT REUTHER: And yet the demand wouldn't have brought them as high as Briggs workers are getting for

plumbing fixtures -- is that right, Ken?

DELEGATE MORRIS: Yes.

PRESIDENT REUTHER: Why did Brother Mazey reduce the demands of the Kohler workers? Did he do it because he wanted to? No. Because when you are on the street for 140 days and you can't move the company one inch, you can't be up in the sky. You got to recognize you got to do the best you can or you may lose the whole strike.

Here's a company I was going to say is as reactionary as Louis XIV. They are way back beyond Louis XIV. They had tear gas, they had guns, they had clubs in the plant. When Herbert Kohler, the President, went on the witness stand before the hearing called by what is comparable to the Mediation Board, Strike Mediation Board, in Wisconsin, he was asked the question: "Do you have an arsenal of guns and rifles, of tear gas and clubs?" He said: "Yes." They said: "What are you going to do with them?" He said: "We will use them when the occasion arises."

And then the Union attorney, Max Raskin, said: "Are those the same guns that you killed workers with on the picket line in 1934?" He said: "No, we have got modern guns." How many days is it, Emil?

SECRETARY MAZEY: 140.

PRESIDENT REUTHER: 140 days. What do you do?

You do the best you can and we are scraping and doing everything we can to get money up there to feed the people and kids. I say the point you make is a good one, but it's not an academic one. We have fought more fights in General Motors on production standards than any other part of the industry. There have been more manhours walked on the picket line on production standards than any other issue and the same thing is true of Ford's, but these are matters where workers get to a certain point and then they make a bargain. Maybe it's not the best bargain. Maybe it's not the bargain that we want. But it's the best that they can do, and that's why the labor movement has to fight on and fight on and fight on. Our job is never done. It's an eternal struggle for progress.

I say here is one of the things that we need to do. How much money we got in the strike fund now, Emil?

SECRETARY MAZEY: Nine million, three hundred thousand dollars.

PRESIDENT REUTHER: We got nine million, three hundred thousand. You put 400,000 GM workers on the street. The first two or three weeks it's easy. The second month it gets a little bit rougher. The third month gets real tough. And when you start the 141st day, as in the Kohler strike, how much money do you think you would need to keep 400,000 guys going? A whole lot more than nine million. Nine

million divided into 400,000 is a drop in the bucket. We are fighting big wars with bean shooters, financially, and we ought to get realistic and I believe that at the coming Convention we have got to do something to expand the size of that strike fund, because it will be the best insurance we can get and it will have a direct impact upon the problem that this Brother raises, which is a real problem. I don't minimize it for one second. But the answer is not over in Solidarity House. The answer is in the effective implementation of the policy of this International Union on production standards, on fighting against any and all forms of speed up, no matter where it raises its ugly head. But you have got to back up the will of the workers to fight with enough money in the kitty so that nobody goes hungry. I can't provide that money. Emil, who does a good job with a blue pencil -- and I can say that there are times when he couldn't win a popularity contest among the staff -- he can't solve this problem. You people and the people you represent in your local unions and people in the ranks elsewhere, we agree with you you got a problem there. You got to work on it. We are prepared to fight that battle with any local union with any corporation group. I hope we can get more effective tools to back up people in that fight down the road.

DIRECTOR MATTHEWS: Any questions from the floor? The Brother here.

DELEGATE: Brother Chairman, I would like to direct this question to Brother Reuther. At the Convention we heard a lot about the guaranteed annual wage. I'd like to know approximately when we are going to get the basic principles of the guaranteed annual wage so we can go out and start selling it to these workers. I think I read that the CIO Steelworkers, about a month or two before they went in to negotiate, they took a five cent raise and that was the end of the guaranteed annual wage.

PRESIDENT REUTHER: You have already been given a number of basic principles which make up the framework within which we are going to build our guaranteed annual wage proposal. As a matter of fact, those principles were approved by the last Convention. They were further discussed at the Economic Conference and they were further discussed at the Educational Conference. At the Economic Collective Bargaining Conference in the fall, we will there develop all of the final details and everybody then will have the complete package and we will then be getting out the educational material for the rank and file and begin to do this thing. That's what the Economic Conference is being called for.

Now we couldn't reveal all of these things too early because we weren't ready, and secondly the details ought to come out of a democratic discussion of the rank and file

conference that we are going to have in the fall. Following that you will have all the details and then the information can be gotten out to the rank and file to do the educational job that you are talking about.

DIRECTOR MATTHEWS: Any further questions? This Brother here.

DELEGATE JOHN PELLICCIA JR. (Local 51): I, too, am interested in this matter which the Brother over here brought up on the question of the Chief Stewards on the General Motors situation, and in the Chrysler strike of 1950 I think at that time I was told that the strike went over 104 days because they tried to eliminate the Chief Steward system. I too would like to get straightened out on our thinking on the new contract negotiations in 1955.

DIRECTOR MATTHEWS: That was one of the issues at that time, Brother, among many issues, and I think we fought that issue down conclusively.

PRESIDENT REUTHER: Norm, you see, there is a lot of misinformation about what we had in General Motors. We never had a Steward system in General Motors to begin with, so you can't talk about giving up the Steward system. You can't give up something you never had. The Committee structure in General Motors developed entirely different than the Steward structure in Chrysler. We never had a Steward set-up in General Motors.

The problem in General Motors varies plant by plant. I can show you plants in General Motors in which the production standards are not one bit tighter than they are in some Chrysler plants. I can show you Ford plants where that is true.

The thing that determines production standards is the kind of a union you have got in each shop. You have got to make the union work on the line. I can show you all sorts of things. I can show you situations in General Motors that would make any Chrysler worker envious, and I can find you a General Motors plant where I think things are bad and the difference is in one place they have got a union on its toes and the other place they have got a dues collecting agency.

(Applause.)

You have got to work at this thing, and when people talk about: "Well, in GM they gave up something," and they are looking for an easy answer -- we didn't give up a thing in General Motors. The whole struggle in GM will show that we improved the contract time after time. The present contract is better than the one we had before this one. Each time we have improved the contract.

For example, where did we win the right to go in with the UAW Engineering Department on production standards? Did we win that in Chrysler? We haven't even

got it in Chrysler, have we, Norm?

DIRECTOR MATTHEWS: No.

PRESIDENT REUTHER: Where did we win that? We won that in a strike in General Motors. But fellows forget about these things. Now just winning that right doesn't mean everything is fine. You got to work with the tools the Union wins in the contract on the job. You give me a shop where they got a Union that knows what a union is, where they got an active membership, where when a Committee member takes up a problem with a foreman the foreman doesn't think: "Well, half the guys here only belong because we got a check-off." But when a Committee member takes up a grievance with the foreman who knows that the guys in the plant are in the Union because they want to be in the Union, because the Union is their instrument with which to fight their battles, there you get grievances settled.

You take the production standards thing. How do you think the Studebaker guys feel? You think they can solve their problems by saying: "Why don't the Chrysler guys do a better job?" Their standards are sloppy. You can drive a Mack truck through their standards compared to your standards in the best Chrysler plant in the whole Corporation.

But the answer to the Studebaker guys is not to blame you fellows for not doing a good job, because you did

the best you could under the circumstances. You got to remember you started out with a minority of the workers wanting to belong to the Union. We didn't put an ad in the paper, the Detroit News: "We are going to organize the Union," and everybody lined up to be signed up. The Company had workers mobilized against the Union. We started out with a small minority, and we had to build that into a majority, and overnight you do not instil that measure of confidence and loyalty and devotion to the Union that we need.

The answer to the production standards thing -- and frankly I think the Chrysler contract has to be revised on production standards so that there are no "ifs," "ands," and "buts" about the right to strike on production standards. That's not clear now, and that's one of the reasons we got in trouble. The boys in Dodge will tell you we went through that whole thing, and I think we are making some progress over there. We haven't solved all the problems. We have got good team work. I think we are making some progress. I think Brother Cheal will agree with that. We are making progress, and we are dealing with the fundamentals, but one of the problems in Chrysler and Norm will recall we did our best in---

DIRECTOR MATTHEWS: In 1950.

PRESIDENT REUTHER: In 1950 in the negotiations,

my first Chrysler negotiations. We did our best to try to convince the leadership of the Chrysler Locals that we ought to change the contracts and clarify the right of the Union to strike on production standards.

But things were going along pretty well. There weren't any particular production standards problems, and the result was you fellows said, No, you didn't want to change it, and we accepted your decision.

In the next contract I say that clause ought to be straightened out so that there can be no question about it.

But the thing you have got to understand, and we ought to always understand this, that the Union has a policy -- we will authorize strike action wherever workers are willing to struggle against any form of speed-up. But whether the workers are willing is something they have to make a decision on. I can't tell them. This is a free, democratic Union. You can't tell them. You can give them ideas. You can give them recommendations. You can give them leadership. But they have got to make the decision.

The key to the question of production standards is the kind of a militant union you have got in the shop, and don't get the idea that all the General Motors workers are chained to speed-up or all the Ford workers are chained to speed-up, because that isn't true. There are good Ford

plants. There are bad Ford plants. The Ford Buffalo plant was a bad one. We had to go into the Ford Buffalo plant, Stamping plant, and we had to remove the officers, because they wouldn't fight on speed-up. We removed the officers and we authorized a strike on production standards, which the Local officers wouldn't do. We did everything we could to persuade them. Finally we said: "These guys, if they aren't working for the company, they ought to be, because they are not willing to fight on these standards." The workers wanted to fight and we moved in.

So let's keep the record straight. We have fought in General Motors. When we finally wound up the last contract changes where we got the improvement on the annual wage increase, we got the improvement on the escalator clause and we got the improvement on pensions, we had nineteen strikes in General Motors authorized on production standards. Nineteen at one time. And we had a large group in Ford.

We are willing to fight. We are fighting. But you can't just wave a magic wand. These are tough, complex problems. You got to keep at them and the real answer is having an active Union in the shop where the rank and file backs up the Committee member. There is no substitute for a strong Union in the shop. That's the thing we have got to keep in mind.

DIRECTOR MATTHEWS: Any further questions? This Brother here.

DELEGATE In relation to the question asked by Brother Brooks, I don't believe that it was clearly answered. In my own mind I didn't get the satisfactory answer I wanted. We of Briggs in Chrysler are very much concerned about the Chief Steward system and the Committee system. I would like a point blank answer if in your negotiations in 1955 there will be economic conditions set up and discussed -- will you at any time take it into consideration at the Company's request that we forfeit any part of the Chief Steward system that we personally have gained now to further circumvent your conditions in the contract?

PRESIDENT REUTHER: I don't know how long you have been in the UAW, but one of the things that every member of the UAW ought to understand is that you are going to make that decision. I am not going to make it. Norm is not going to make it. Emil is not going to make it. You are going to make that decision. We don't tell you what your demands are going to be. You make those decisions.

I said before we are not going to have a wage cut. We are not going to have speed-up. As far as I am concerned, we are not going to dilute the grievance machinery. We didn't do it last year. We didn't do it the year before. What are you fellows talking about? I don't know. You talk

as though we are backtracking and surrendering all along the line. Yet our Union has made more fights, struggled more on the picket line. The Kohler strike is the best example. No other union took that plant on since they killed four guys and wounded a lot of other people back in 1934, wasn't it, Emil? 1934. No other union took it on. We went up to Sheboygan, took it on, organized it and now we have been on strike 140 days. What are we worried about? Nobody is going to dilute the grievance machinery or the Committee structure. We don't intend to.

I can tell you this, that if you fellows are prepared to fight, the Chrysler workers, in 1955, you can be damn sure the International Union will be prepared to fight with you. You have got to be prepared to fight.

I remember the Chrysler negotiations in 1950. I never got weak. I never got weak in those negotiations. Norm Matthews never got weak. But there were times when we had to bolster some of the guys from the local unions because the pressure was great, because the rank and file wanted to go back to work they told us. Don't worry about the Union. If you fellows are as militant as we will be, if you are prepared to fight as we will be prepared to fight on the problem you raise and the problem Brother Brooks raised, you don't have to worry about it. We will meet that problem the way you want it met, so don't worry about us.

DIRECTOR MATTHEWS: I would like to make a few comments. It seems to me that there is a lot of false militancy in this room here today. I want to say precisely why I am saying this. Because I remember very vividly, my friends February and March of last year when Brother Reuther made a certain statement to have an effect on the Corporations, whether we intended it or not, but the statement was made unless the companies lived up to their moral responsibilites and did what we were asking we would shut the whole damn industry down as of March first, and I remember very vividly then my friends in meeting with the Chrysler Presidents at their Monday meeting their crawling under the damn table.

Now I have to say this here. I have to say this here because, don't try to prove to me how militant you are. Let's show it into effect when the time comes. I can understand their position. I am not criticizing their position. Because the Chrysler workers in 1950 carried the ball for 104 days and they were just demonstrating to us in those meetings at that time the feeling of the rank and file in the particular plant. Don't worry about us on top. Don't worry a little bit about us on top. If you are ready to take on any fight on production standards in 140 or any other Local Union, by God you will get our consent to do it, and we will fight

with you, but let's not raise issues here that are bugaboo issues. Let's go on to the order of the day.

(Applause.)

DELEGATE McPHERSON (Chairman, Bargaining Committee, Local 490): Mr. Chairman, I think we all realize and I hope that it is the concensus of opinion that in 1950 everybody done the job. We kept the local unions from down below intact fighting for everything that we eventually got from management with your leadership. I don't think there is too much contradiction of that.

The only thing we are thinking about now in 1955 negotiations is this particular aspect. I would like to ask Brother Reuther will the guaranteed annual wage when we obtain it change the contracts as of today such as on the Chief Steward set-up, the bargaining structure, and other vital things that we have procedure on at this time?

PRESIDENT REUTHER: I suppose the fellow asked the question and it is answered. I already answered you. If the rank and file is being fed this kind of nonsense, then the Union is not going to be ready in 1955. Why don't we tell the rank and file we are not going backward, we are going forward, and the guaranteed annual wage is not going to move us backward. What bothers me is if there is this much confusion in the leadership, how in the hell can the rank and file know where we are going? That's what I would

like to know.

DIRECTOR MATTHEWS: Brother Mazey.

SECRETARY MAZEY: I'd like to put my two bits in on this last question. I think on the question of representation in the Steward system, we in Briggs don't have to take second place to anyone. We have the broadest Steward system that exists anywhere. There are over six hundred stewards. We had some 20,000 people working. They had over 600 recognized Chief Stewards in our structure with full time Shop Committee members in every one of our plants.

When we sat down to bargain with the Chrysler Corporation, one of the questions that bothered us was: Can we maintain the conditions we have in our contract? Which, in our judgment were superior to some of the conditions that we have in the Chrysler agreement. We have been able to maintain them, and one of the reasons that we did maintain it is that the local union leadership, the local officers, the Committeemen and the Stewards, mobilized the full membership and we let the Chrysler Corporation know before we ever sat down at the bargaining table that we weren't going to give up a single thing that we had won previously, and we didn't give up anything.

DIRECTOR MATTHEWS: Brother McDonnell.

DELEGATE McDONNELL (Local 1245, Indianapolis): I have got a situation that I want to call to the attention

of the gathering here and ask a little question on: You are talking about production standards. Now we stole the transmission out of Detroit. We are building them at Indianapolis. When we stole them, the Chrysler Corporation would not employ anybody from the Detroit area. I don't care who come down and asked for a job, they just wouldn't hire you in North Indianapolis, they didn't give a damn who you were. So we get a bunch of people in there who don't know the score. We got a lot of boys in there that are scared to death and your production standards are shot to hell in the Indianapolis plant.

Now what I want to know is can or will or is there any way that the International Union from the top level can prevail on any Chrysler plant that upon taking work anywhere in these United States that they give employment to the union worker from the plant where they are taking the work from? I wish to Christ we had some Detroit boys down there.

(Applause.)

DIRECTOR MATTHEWS: I'd like to say I can answer that very, very easily, my friend. When this work was transferred from Detroit to Indianapolis, there was no request whatsoever of anyone being transferred with the job. To the contrary, in the San Leandro plant, which is gradually being closed down, there was that request. Now management

has taken a position consistently up to this time, not following our challenge to go to the Umpire, has taken consistently the attitude that the contract means that people can't be transferred with their jobs, in this particular area, but I think we exploded that in San Leandro because we came to an agreement there where all people with seniority will have a right to go with their jobs and apply their seniority in the Los Angeles plant.

I also would like for some of our boys to be in some of the plants in Indiana, because it is criminal where management can transfer jobs from Detroit to out-state plants, taking away work opportunities here, and in the place where they transfer the jobs they are working for less money. We have taken up that fight also in our conferences time and time again. We have been able to reduce the differential in Indiana to four or five cents where it was originally nine cents. That is one of the things that you people have to decide here also, in these coming negotiations, to put up that fight once and for all, to eliminate all these differentials so that management will have no equity in moving a job from one state to another.

Any further discussion? Brother Zeller.

DELEGATE ZELLER (Local 7): Brother Chairman, Brothers and Sisters: I am quite convinced that the gains

we make in the future will be very few through contract, either improving or the present contract. I think the only gains that we will be able to make in the future is the way that Walter brought them out through solidity of the rank and file and through more active political action.

I am quite sure that we as leaders realize that the contract gives us the right to eight hours a day, but there is 16 hours in the day otherwise of the 24 that we have damn few bargaining rights, and we are only going to get those bargaining rights through political action.

I think Walter brought out so many things here that it would take us six, eight, ten, possibly twelve months to get that information to the rank and file to let them know what the score is.

My question is this. I would like to ask, not only him in particular, but probably the entire Board, if it is possible for the International for the next two or three months to devote all its publications and its radio and its TV, and to prevail upon the local unions to devote possibly half or more of all their mediums of publicity strictly to political action of bringing out the things that Walter mentioned here, fitting it to the community. Here in Michigan, to the exposing of Ferguson. We in Chrysler know what he is -- the perfect stooge of the Chrysler Corporation. Down in Illinois, Paul Douglas, fitting it again to the

community. That's the only way I can see where ultimately we are going to get these gains. That's where we are failing, of getting this information, political information, to the rank and file, what it means to them. These hundreds of millions of dollars, as Reuther brought out relative to atomic energy, relative to raising the exemption. The rank and file just don't understand that. What do we do, Walt, to get that information more to them?

PRESIDENT REUTHER: Well, we are going to do exactly the thing you suggested between now and the election. We will be devoting the major portion of all of our efforts, newspaper, radio, and television, to this. We are going to have a lot of pamphlets and following the election we will be doing the same kind of a job on the guaranteed annual wage and collective bargaining demands for next year.

We are aware of this problem. We are competing with the high priced television shows, and let's not kid ourselves. We know that our people are not as we would like them to be in terms of their interests. They are as they have been trained to be.

We got a survey, for example. Elmer Davis, who is one of the best commentators on the air, he was coming into Detroit I think at 7:15 at night on one Detroit radio station, and we had a survey made which indicated that three percent of the people were listening to Elmer Davis --

and he was talking about these things we have been talking about. Three percent. And at the same hour, a lousy TV, built around some murder crime story had 75 percent listening in on it. Now that's the problem we have to meet.

And who do you think makes up that 75 percent? Not the people out in Grosse Pointe. Some of them look at it, too, but our membership, our rank and file membership, and we got to get to them, and the people who raise the most hell about why the Union doesn't solve all these problems are the guys who do the least to help the Union to solve them.

We have got to work at this thing, and I think you will see that on our TV program, our radio program, our publicity, we are going to devote the major portion of our effort on the PAC thing and on the election and on the collective bargaining matters.

DIRECTOR MATTHEWS: It is past our recess time. I would suggest we recess.

DELEGATE O'DONNELL (Local 1245): Brother Chairman, I would like to go back to this here transfer of the work to Indianapolis. I disagree with that. There was names turned in when the work was first transferred down to Indiana. 128 names I believe of people that lived in Indiana, and whatever was done with them to this day I don't know.

Furthermore, I went to Indianapolis early in 1952 to investigate and see when a plant was built. It's in the record of our local union when we went down there. We raised the question with the International. We never got no answer.

DIRECTOR MATTHEWS: Brother Art Hughes.

BROTHER HUGHES: In reply to your question, Brother O'Donnell, it is true the local union raised a question with the International Union of the transfer of a number of people along with the job. The information came in on a scribbled note. We sent a letter to the local union and we said to the officers of the local union: "We want to know who wants to go along with the job." We asked for a positive position of the local union to make a canvass in the department. We asked the local union for other related information. We did that in a letter to the local union, and we have not to this day received a reply from the local union on that situation.

DIRECTOR MATTHEWS: I would suggest that after lunch we expect to come back on good and welfare, and you raise these issues again.

I want to thank Brother Reuther for his fine address here today.

We will recess until two o'clock.

(Noon recess.)