



ORGANIZED LABOR AND NATIONAL STRENGTH

Mr. Albert J. Hayes

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Reviewed by: A. H. Castelazo Date: 5 Feb 63

**INDUSTRIAL COLLEGE OF THE ARMED FORCES
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Organized Labor and National Strength

7 November 1962

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Reviewed by: A. H. Castelazo Date: 5 Feb 63

Reporter: Albert C. Helder

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Washington 25, D. C.

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7 November 1962

ADMIRAL ROSE: Each year we are privileged to hear from a distinguished leader of the labor movement, about some of the problems that are his and some of the problems that face the United States and the world. Mr. Hayes was just telling me that he was recently at an ILO meeting, and this is very much of an international thing, and for that reason alone it's more important to this school than it would be, even if we weren't members of the biggest country in the world. Mr. Hayes is also a member, and a very distinguished member, of our Board of Advisors of the Industrial College, the man on whom we count for wise counsel each February.

This year we have asked Mr. Hayes to speak to us on the subject of "Organized Labor and National Strength. It's a great pleasure to present him again to the Class of 1963. Mr. Hayes.

MR. HAYES: Admiral Rose; General Stoughton; Other Distinguished Representatives of the Military; and Members of the Current Class of ICAF:

I appreciate the opportunity of again appearing before a class of the Industrial College to discuss the role the Admiral has told you, of organized labor, in relation to national interest and national security. This is the fourth time that I've had the privilege of lecturing to a class at this college. On the basis of previous experience I know that many of you, perhaps most of you, have strong preconceptions and ideas about the labor movement and its relationship to what we call "The American Way of Life;" and also, perhaps, with regard to our national strength and security.

In most cases, your ideas and preconceptions are necessarily, I will say, necessarily based on what you have read in books and in the newspapers. Unfortunately, however, most newspapers and other media of information, not only represent organized labor's opposition, but as a matter of profitable policy prefer bad news over good news, and the sensational over the ordinary, and devote more time, space and ink to crooks than they do to honest men. For these reasons most of you, perhaps, are much more familiar with the black pages in organized labor's history, than you are with the contributions that the organized labor movement has made to our society. You know much more about labor's scoundrels than you do about its heroes. And lest there be some misunderstanding, I tell you very frankly that we know that there are black pages in labor's history; we know that unions have made mistakes. And perhaps will continue to make mistakes.

But it seems to us that common sense should tell objective scholars at least, that an institution which is described as the newspapers describe organized labor, could not have lasted through almost 200 years of American History, and could not have enlisted the loyalty and support of so many millions of good Americans through so many generations. You know, it appears to be a paradox that otherwise intelligent well-educated, and generally knowledgeable persons, have so little real understanding of all of the facts about the labor movement in our kind of society.

One of the primary purposes of education is to reduce unthinking prejudice. And therefore, although I know that we cannot change the thought patterns of a lifetime in a few lectures or in a few books, we are nevertheless grateful to the Industrial College for the opportunity to try. Obviously, we of the organized labor movement

believe that the labor movement is not only good for our kind of society, but is a necessary institution for the success of our kind of society. We recognize, however, that unions in America are most often written about and talked about at times of stress; at times, for example, when collective bargaining between an employer and his workers has deteriorated into the bitterness and sometimes the violence of a strike or a lockout. But unions play a far wider and much more constructive role in American life than this. And today we intend to talk about the more positive aspects of the labor movement, the unadvertised activities of labor.

We know from our experience here in this college in the past, that many of you may not agree with what we have to say. Nevertheless we believe that you should know why a labor movement developed in the United States in the first place, and why workers continue to support, to build, and to join labor unions today. In this connection I suggest that the issuance of Presidential Executive Order 10988 establishing certain bargaining rights for government employees, makes the subject as far as you are concerned, more than of academic interest to many of you.

During the course of your career the chances are that any one of you may be called upon to deal with representatives of labor unions. Furthermore, on the basis, again, of past experience - we have many examples today - it is more than likely that sooner or later many of you will join up with private industry, and in that capacity may have to know something about and deal with labor unions. In either or both of these eventualities, it should be helpful to you to have more than a theoretical or a one-sided knowledge of the American labor movement. It will help you to know why, despite many obstacles, including the almost unanimous opposition

of most of the nation's Press, the labor movement enjoys the support, the confidence and the loyalty of some 17 million American workers in most of our basic industries. This is what we hope to make clear today.

Though I've been asked to discuss the relationship between organized labor and national strength, I should like to make it clear at the outset that in my opinion national security involves much more than merely the kind of military security that can be provided by Armies and atoms. America's struggle with communism is not merely a clash between economic and political interests; it is a collision of basic principles concerning the worth, the value and the place of the individual in society. And I should make it clear that by individualism I do not mean the individualism of the wolf. I do not mean the right of some individuals to plunder and to exploit others. Rather, I am talking about basic principles of social organization, about the rights of the weak as well as the rights of the strong, the rights of the poor as well as the rights of the rich, of the wage earner as well as the profit taker.

These principles no less than our physical safety are all at stake in the cold war. In other words, national security involves not only lives and property, but the preservation and strengthening of those institutions that differentiate our form of government - American democracy - from communism. And I submit to you that organized labor is one of these differentiating institutions. Not only are there no free unions in the communist orbit, but unionism is, in fact, incompatible with any form of totalitarian government. Conversely, no democracy has ever achieved industrialization without an effective labor movement.

For this reason, the United States Government, with the assistance and aid of

the American labor movement, is, and has for a long time, been working to establish free unions in the newly developing countries of Asia, Africa and South America. The basis of this policy is a recognition that without unions there is no sound base upon which other democratic institutions can develop and prosper. It has also been found in many countries, that the best and most effective leadership against communism - this is important; may I repeat it - it has been found in many countries, including the United States, that the best and the most effective leadership against communism comes from the free trade-union movement.

But we don't have to go to other countries to find a measure of the value of unions to the workers and to society as a whole. We need only look objectively at our own history and at the pattern of exploitation that developed when our country first entered the stage of mechanization and industrialization. This was a time, whether we like it or not, when employers exercised complete autocracy in the work place, and when workers had to accept whatever wages, hours or working conditions that were offered by the employers. As a result, those of you who know your history know this is true, wages were set at starvation levels. Hours were dangerously long. And conditions of employment were hard and hazardous. These were what many people even today refer to as the good old days, when a man received a dollar for a 16-hour day, when women were paid \$3 for a six-day week in the cotton mills in Massachusetts, and when 4-year-old children received 10¢ a day in Slater's Mill on Rhode Island. These are all matters of history.

These were the so-called good old days to some people, when a few people lived in wealth and a great many at the edge of semi-starvation. Had some of the trends

of the early Industrial Age continued, it is more than likely that our democratic freedoms would have long since perished in the flames of a class struggle in the United States. Class struggle and class hatred as a general proposition have not been a part of America's history, because our people - our workers - found a better way to advance the welfare of workers without destroying the rights of private ownership and the evidence is here today. They found the answer in an institution that has been a part of America since its earliest days. The records show that there were unions and there were strikes for higher wages in Philadelphia and New York as early as the 1770s and the 1780s.

We also know that in the 1820s the union movement in Philadelphia organized what was then called "The Workingmen's Party," to try to achieve through political action, objectives that could not be gained through economic action. The platform of this party is quite interesting. It called for free public schools, free public libraries, a ten-hour day, the establishment of an effective systems of mechanics liens, the end of child labor, the end of sweat-shops, the end of convict labor, and the end to debtors prisons. This was the program of that party. For their times these were indeed radical and visionary proposals.

Who ever heard in those days, of the children of workers being educated at public expense? What would the world come to if we didn't put debtors in prison? How could workingmen stay sober, to say the least, if they didn't work 16 hours a day? This was the trend of opposition to the program of the Workingmen's Party way back then. The Workingmen's Party was, of course, far ahead of its time. But the principles for which it stood have long since been incorporated into the basic law

and the policy of our country. And despite this early experiment in political action, the American trade-union movement has generally been concerned with immediate economic issues. It has been a practical movement as compared to the free trade-union movements of Europe and elsewhere, seeking mostly bread and butter objectives. But most important, it has tried to raise the working and living standard of the American people without injury to the basic political and economic institutions of our country.

For example, the mainstream of the American labor movement - the labor movement of Samuel Gompers, the labor movement out of which the current AFL-CIO has grown - has not challenged the private ownership of the means of production. We have not, contrary to propaganda, questioned the right of management to make a fair profit. We have no quarrel with private wealth. Our fight has been for private ownership with fair wages, private profits with shorter hours, private wealth with decent working conditions. We not only believe that private ownership, profits and wealth are in harmony with good hours, wages and working conditions, but we believe they are absolutely dependent on them. We also believe that a prosperous work force has provided the nation with a firm foundation for national strength.

If you agree, or if you disagree with this - and some of you may - try to imagine the kind of country this would be today had workers not enjoyed the right and the opportunity to fight against economic exploitation through their own organizations. If this had been the case we would not only be a low-wage society today, a low-wage society with a chronically depressed economy, but our economy would lack the stability, the skill, the productive potential necessary to support what we call national

power. For higher wages had a far deeper and more fundamental effect upon the economy than merely providing workers with a higher standard of living. Higher wages for millions of workers supplied a new ingredient, one never fully developed in any previous economy. That ingredient was, of course, mass purchasing power. Without it, the markets for and the production of, industrial goods was necessarily limited. But with mass purchasing power the boundaries of production and the boundaries of national strength were vastly expanded.

We need only to ask ourselves why the miracle of mass production took root in American soil and not in the older and more established industrial economies of Europe, to see how important this contribution really was.

Some economists, of course, have said that mass production was possible in the United States because we consisted of a large free-trade area. And although we agree that this was a necessary condition and one which the Common Market now seeks to establish in Europe, however, space, population and national resources are not enough in themselves to provide a base for industrial development and general progress. If they were, then India and China would be the foremost productive nations in the world, for they both have an abundance of land, of resources, and of people. But obviously, something more is needed. That something is undeniably a prosperous, well-paid work force economically capable of generating more production through a high level of consumption.

Many observers believe that this has been labor's most important contribution to the development of the American economy. But fair wages had yet another equally significant effect on trends of technological development. Higher wages provided

the vital link necessary to the development of the concept of labor-saving and high productivity that has made our country with only 2 1/2% of the world's work force, the producer of 50% of the world's industrial output. It seems to me that it stands to reason that in any economy where labor is cheap, employers can't afford to use it cheaply. Thus, in America when labor fought on the picket lines sometimes, and elsewhere, to place a higher value on the human factor in production, management was compelled in most cases against their will to treat the human factor with a new respect and to use it with a greater wisdom.

In essence, industry began to conserve labor, to get as much as possible out of it, not by sweat-shop exploitation, but by willing development of new machines, new processes and new techniques. It would seem obvious that if the key to national strength were a cheap and a docile labor force we in the United States would be sending study teams to learn the methods of production in India and South America, and not vice versa.

Now, there are many people, of course, who stand ready to belittle these accomplishments and who claim that the technological and the material progress of the American people was automatic, and that it would have occurred with or without a labor movement. But progress in the face of strong opposition is never automatic. Employers, as a group, have seldom raised wages or shortened the work week voluntarily. And history bears this out.

Unions have been bitterly opposed in almost every effort they have made to break the wage and hour barrier. Wage negotiations have historically been accompanied by screams and alleged proof that higher wages would break industry's back.

And our history shows us that this dates back to the earliest days of the labor movement. Every request for shorter hours, including the current one, has been met with arguments alleging that it could not be done. In fact, it is quite amusing today to read the arguments marshalled by employer organizations 50 years ago when organized labor made the 8-hour day one of its primary objectives. They argued then as they argue today, that an 8-hour day would not only wipe out profits and raise costs and destroy their markets and reduce wages, but it would also corrupt the morals of the working class of our country. Fortunately the labor movement refused to be impressed by these arguments. And none of these dire prophecies have come true.

While labor has, of course, benefited from higher wages and shorter hours, management also has benefited in the form of better markets and higher profits. While carrying out its primary responsibility of protecting and raising standards in the work-place, the labor movement has become increasingly aware in recent years that a worker's job does not exist in a vacuum. And that his health, education, housing and general welfare cannot be insured by collective bargaining alone. These must be supplemented by broader action reaching beyond the limits of employer-employee relationships. Therefore, unions have increasingly sought to reinforce economic action with political action. And here again we believe that we have fought for goals that strengthen the country as a whole.

For example, historically, labor has led the fight for our system of free public schools to insure an educated and informed citizenry. They have led the fight for child labor laws, to bring children out of the factories and into those public schools:

f/or Social Security, including medical care for the aged so that retired workers may be free from the age-old anxieties of old age; for generally expanded medical facilities to bring prompt and proper medical care to all people according to their needs rather than their pocketbooks; for unemployment compensation to protect workers against one of the hazards inherent in a fast-changing technology; for minimum wage laws to protect both employers and employees against unfair competition; for urban renewal to ~~er~~ase the slums that fester at the heart of so many of our great cities; for other similar programs raising the general standard of health, education, security and welfare; the standards for all of the people of the country, not only members of labor unions. And through the achievement of such goals in the work-place and in the legislatures, the labor movement has helped to lift the intellectual and the cultural levels of the American people as a whole.

I can remember when books, art, music and higher education belonged only to the small wealthy class in our country, and when travel and vacations were the property of a relatively few. I can remember when the sons and daughters of the so-called "workers" in the United States were lucky to be able to finish elementary school. And when even the most brilliant had almost no hope of ever going to college. These are the changes that have taken place in a relatively short period of time. Through collective bargaining and labor-supported legislation, workers can now take vacations. Workers can enjoy a decent retirement. And the children of workers can go on to high school, and, in many cases, to college.

Consider what this means for our country. Has this helped? Or has this hurt the United States. Since 1920 the population of this country has grown by only 69%.

But college enrollment has jumped 503%. No longer is higher education considered to be the privilege and the property of a restricted wealthy class. Mill workers, miners, machinists, carpenters, streetcar conductors, can now afford to send their children to become engineers, scientists and technicians that our country needs in this age of technology. Now, I venture to say that had organized labor not paved the way for this general uplifting of life - education and culture - perhaps there are some of you who would not be in this audience today. Though I realize when I say this that you are rightfully proud of your own accomplishments and your own ability, it is likely that without a long history of unionism in America, those of you who have come out of working class families - even several generations back - would not have had the opportunities in employment and education to have put you where you are today.

Now, admittedly I have stressed the positive side of trade unionism this morning; the side that is little-known and seldom noticed in much of the Press of our country. Unfortunately, as I have mentioned at the beginning, it is not for these worthy human goals that labor is generally known. Far too many people apparently think of unions only in terms of strikes. And many are opposed - perhaps some of you in this audience - to both strikes and to unions unless you can dictate the manner in which unions can operate, without any real understanding of either strikes or unions.

So, I would like to discuss this question of strikes as well as the corollary question of so-called "excessive union power," another issue which has been grossly misinterpreted in various media of information and opinion. I recognize that many

people are quite sincerely concerned about the possible effect of strikes upon national security. As I have suggested, some even question the right of workers to strike, altogether, contending that the exercise of this right endangers our position in the weapons of the space race with the Soviet Union. Actually, only a very small percentage of all industrial disputes ever result in work stoppages. Over many years, for example, the union that I represent - the Machinists - has negotiated between 97% and 98% of all of its contracts, without any interruption of work. This is neither unusual nor surprising, since strikes are not the objective of collective bargaining. To the contrary they are a failure of collective bargaining.

Admittedly, and this is propaganda notwithstanding to the contrary, no one likes strikes. This applies to the union members who participate in them. But so long as industry enjoys an unrestrained right to make profits - and we don't quarrel with this - no one can equitably say that workers should not have the right to strike. It should be understood that no one, at least on the side of labor, takes a strike lightly. When men go out on strike they have to have more than superficial justification; they must feel that the cause is just and that their grievances are deep. In a sense it can be said that strikes are a sort of safety valve through which the steam of accumulated industrial relations tension may be released. But also the right to quit work in concert with one's fellows is one of the most precious rights of free men.

The right of a union man to work or not to work is comparable to the right of a businessman to operate or not to operate a business. And as I noted earlier, it is always one of the first rights to be destroyed in a totalitarian country. But, the destruction of the right to strike, or the destruction of the labor movement does not

solve our labor problems at all; it only conceals them, as both Khrushchev and Franco have found out in recent years. While it's true that today we hear a lot about the so-called missile gap, we also hear a lot about jurisdictional strikes at our missile bases. It seems that some people would like to take one missile gap, mix it with one problem of jurisdictional dispute, and come up with a general recipe for breaking unions in the United States. And lest there be some misunderstanding, I should make it clear that I have no sympathy with jurisdictional strikes. And some of us have worked very hard to find peaceful solutions to legitimate jurisdictional questions. But anyone with a fair and objective turn of mind knows that our missile lag, if it exists, has not been caused by jurisdictional disputes, but rather - I don't say this critically; merely factually - by a fiscal policy which was described by Senator Symington as an effort to meet the enemy at our borders with a balanced budget.

To wrap up this particular point, it seems superfluous to note that union members are as much a part of the United States; that union members and their families are as much a part of the "public" as you are or any other citizen of our country. And they are in general as patriotic as any other group or segment in our society. The workers in our country have never failed the United States in the past, and I predict that they will never fail our country in the future.

Another view of labor that has gained some currency in recent years is that organized labor is generally too powerful. As a result, workers are receiving too large a share of the gross national product. On the basis of this supposition the National Association of Manufacturers is spear-heading a drive to weaken the labor

movement by subjecting labor unions to restrictive legislation including proposed anti-monopoly legislation. Not only is the attempt to impose anti-monopoly legislation against the labor movement - not only is this an attempt to equate human labor with commodities, a cynical denial of basic principles of our Judaic-Christian morality, but it assumes that human values will be safeguarded in a society of unchecked corporate industrial power. This cannot be. Here again, any fair and objective comparison of the strength of workers' organizations, with the already overwhelming economic power of the nation's financial and industrial corporations, actually shows the absurdity of both the claimed evil and the proposed cure.

No union in the country, which include the strongest ones, has the power or the resources, or the wealth, or the income, of any one of the scores of large corporations that dominate the various sectors of American industry. It is actually ludicrous to compare the resources of the U. A. W. - Walter Reuther's U. A. W. - with those of General Motors, or the resources of the Steel Workers with those of United States Steel, or the resources of the Machinists Union with those of the major producers in the Aero-Space industry. Moreover, corporate power as well as personal wealth is actually concentrating in fewer and fewer hands every year.

As A. H. Raskin pointed out in a recent study of economic trends, and I quote his statement, "The concentration of private economic power has been accelerated by two decades of war and readiness for war. The country's two hundred biggest manufacturers increased their share of the dollar-value of production from 30% of the national total in 1947, to 38% in 1958." And this concentration of power into fewer and fewer hands can be seen in industry after industry. It is well known that three

automobile companies control more than 90% of total production in that industry. It is not so well known that control of production is almost as concentrated in many other basic industries including steel, glass, rubber, oil and chemicals.

As for individual wealth, a recent study by Professor Lampman of the University of Wisconsin, shows that 1% - 1% - of the families of America own 25% of our wealth including more than 3/4 - 75% - of all corporate stocks. On the other hand, as Leon Keyserling, an economist, has shown, 1/5 or 20% of all American families still live in poverty on total family incomes - this is the aggregate family income - of \$4,000 a year or less. And another 1/5 above that live in a state just above poverty, but short of the minimum requirement for a modestly comfortable level of living.

In view of these considerations it becomes quite clear that the labor problem that faces the United States today is not that workers are getting too much, but that in the face of concentrated wealth and power they are not able to get enough. Along with technological development there must be a parallel development of purchasing power among the people of this country. Unless such purchasing power exists, technological development can result only in unconsumed surpluses, unemployment, and ultimately, reduced production which is self-defeating.

As I have noted, one of labor's most important traditional functions has been to insure a broad base of purchasing power. But today restrictive labor laws, the public lack of understanding of the aims of labor, have handicapped union efforts to maintain the purchasing power that is needed for a strong progressing economy. And the proof can be seen in the fact that in the last eight years we have had three serious

recessions; each one leaving a larger residue of unemployment and misery, than the last. During the period when other economies, especially in Japan and Europe, have been booming along with rising wages and full employment, our economy has been developing what we call "chronic" or "technological unemployment," which has risen from less than 3% a few years ago, to more than 5%.

In the face of the fantastic revolution in technology that has taken place since World War II, we have not adequately adjusted patterns of income and employment to meet the new patterns of production. We have not adequately translated technological progress into human progress. Though we can produce more, workers are not receiving the higher wages which would enable them to consume more. Though we can now produce in less time, workers are not benefiting with any reduction in hours. And even though many of labor's problems today are rooted in spreading technology, let me make it very clear to you that unions and most of the union leaders in our country today do not oppose technological progress as such.

It is not technology at all, but the way we use technology, that causes our problems. We believe it would be catastrophic not only for the labor movement, but for our free enterprise system and for our country, to permit technological development to result in mass unemployment and spreading human misery. As many of you are already aware, organized labor has proposed as a possible solution - and, if necessary, a temporary solution to this problem - a reduction of the work week to a 35-hour week. As a result of this proposal we have been charged by industry, by the newspapers, and by some politicians, with trying to destroy the free enterprise system rather than trying to strengthen it. These are the same arguments that were

used against the 8-hour day, against the 10-hour day, and even against the 12-hour day.

Let me make it clear to those of you who don't know, that we in labor recognize that the 40-hour week is not physically cruel as were the 72 and the 60-hour weeks that we fought against in the past. And we are not asking for a reduction of hours on that basis. No, the purpose of the 35-hour week is to create more job opportunities to compensate for those that have been lost through technology. If there were enough jobs to go around today, if there were no problem of growing unemployment, if we didn't have millions of people who haven't had a job for years, if there was no danger of another recession every two or three years, labor would not be seeking to expand job opportunities by reducing hours. In fact, we would even agree to lengthen hours if this became necessary in the interests of the country.

But it is not enough to say that the 40-hour week is reasonable. The 40-hour week is reasonable only so long as any wage-earner who needs employment and who wants to work has an opportunity to secure it. Over many years workers have used collective bargaining to secure economic and social justice in a rapidly changing economy. Today, however, collective bargaining actually seems to be threatened in America by what we consider to be a rising tide of anti-union sentiment. Naturally this concerns organized labor. It should, however, concern management just as much as it concerns us, because the alternatives to labor unions and to collective bargaining are not compatible with our kind of society.

The first of these alternatives is to return to so-called individual bargaining. This individual bargaining was not workable in a much simpler industrial civiliza-

tion; it would hardly meet the needs of the impersonal, computerized, punch-card industrial system that is developing in our country today. The second alternative to labor unions and collective bargaining is to have the government regulate all of the details of labor-management relations. This might successfully eliminate the need for unions, but by the same token it would also eliminate the need for private management. For, when government begins to regulate wages, hours and working conditions, it is just a matter of time that it will and it will have to, start regulating markets, production, prices and profits.

Throughout history, the road away from free collective bargaining has always led to a dead-end of complete government control. For this reason, labor-management-government, and the Press as well, and all other institutions with a genuine belief in democratic free enterprise should be seeking to create a better climate for collective bargaining, a climate in which free enterprise can become synonymous with economic justice.

In conclusion let me say that it is our considered judgment that no country can be militarily strong unless it is economically strong. Through its continuing effort to strengthen the economy and to increase the stake of working people in the system of democratic free enterprise, organized labor in our judgment has made, and will continue to make, an essential contribution to America's capacity to protect its rights and its interests in these days of continuing world conflict.

Thank you very much.

QUESTION: Mr. Hayes, concerning the retraining of workers who are displaced

from outmoded jobs, do unions either collectively or individually have retraining programs, or is this considered primarily a responsibility of government and management?

MR. HAYES: Well, I guess how it's considered depends upon who you are asking to consider it. I think that labor unions in general feel that this is the responsibility of all of us; it's a responsibility of labor unions; it's a responsibility of management; it's a responsibility of government. Some of the labor unions like the Plumbers' Union, like the Electricians and a few others, do have retraining courses. Some of our colleges are handling these courses for them. Marquette University in Milwaukee is handling a course for the Plumbers' Union. The I.D.W. has several courses. But most of the labor unions do not, only because they do not have the money with which to support this type of program.

There are other factors involved in the retraining programs also, and that is that we haven't yet found out what we retrain these people for. In fact, there is sufficient evidence that if every one of those who is now unemployed and all those who will be unemployed in the future, either because they are new in the labor market, because of our increasing population, or because they are displaced by machines, that we would not have jobs or skills for which to train them, because after they're trained we've got to find something for them to do.

Our biggest problem now is that we do not have sufficient job opportunities for the people who are employed. It seems to me that if we could once create the job opportunities and knew then what kind of skills and what kind of training was actually needed, that jointly we would find - jointly; management, labor and the country -

the proper method for training or retraining for these jobs. Incidentally, I don't know whether you know about this or not; U. S. Industries, which is a multiple plant corporation in the United States, and the Machinists' Union have set up a foundation for the purpose of exploring all of these areas. Cornell University is collaborating with us in this endeavor. And thus far, the studies show that we would be hard-put to find a type of training or retraining program that would make all of the people who are now unemployed or are who are working part-time, or who are working below their potential ability or capacity, to give them job opportunities. Because, we just do not have the jobs.

So, the big problem now is how do we create job opportunities for all of these people, when the job opportunities are once there? It seems to me that we will find a solution to the problem of training people for the jobs.

QUESTION: My question concerns the rising public resentment against labor unions, which you mentioned. It would seem that organized labor has, at least in part, brought this upon itself, and that organized labor would have a responsibility to eliminate some of the causes of this resentment. I have in mind such things as featherbedding, jurisdictional strikes, misuse of power when it occurs, corruption at local levels when it does occur. The question is, is there any move on labor's part to form a national policy on such practices, and to police such policy?

MR. HAYES: Well, of course, you haven't been reading the newspapers; and I say this in due deference to you. Because, as you know, during the McClellan Committee investigations, the organized labor movement - the AFL-CIO - established an Ethical Practices Committee. And through this Ethical Practices Committee

it conducted intensive investigations into all of the alleged wrongdoing in the various unions in the country. As a result, the AFL-CIO expelled the Teamsters' Union, a number of other unions, and it brought about corrections of wrongdoing in a number of other unions. In fact, the Teamsters' Union was the largest per capita taxpayer in the federation, but notwithstanding that fact it was expelled.

As a result, the AFL-CIO now has what we call codes of ethical practices which go way beyond law. In other words, under these codes of ethical practices it is a violation of AFL-CIO policy, subject to expulsion from the federation, for trade union officers or members to do many things which are still legal. To the best of our knowledge we are the only major institution in our society that has such codes of ethical practices; that has as an institution taken effective action against those who have been proved to be corrupt or those who have been guilty of wrongdoing.

The National Manufacturers' Association has not taken any action against the corporations and the officers of corporations that were found guilty in our courts of misconduct. I don't think that it can even be argued but that the amount of money involved in corruption in business and industry as compared to labor is much, much greater than the amount of money involved in labor. And I'm not saying this to justify what's wrong in labor; I'm merely saying this for this purpose; that in our kind of system we must take action against wrongdoing and corruption wherever it exists and not only single out one institution in American society.

So, I say to you that the labor movement has done perhaps more than any other institution with the possible exception of some of our churches to correct whatever may be wrong with its institutions. We have done much more - and I say this with-

out any fear of successful contradiction - we have done much more than the American Bar Association, than the American Medical Association, than the National Manufacturers' Association. And we must continue to do more and we intend to continue to do more.

QUESTION: Sir, the proposed reduction in the work week from 40 to 35 hours will result in the reduction of possible output of 7 1/2%, of employees. Historically the annual increase in productivity has averaged about 3%, and not all of this is attributable to labor. The 9% deficit would have to be made up in some way. Would you give us your views on it, sir?

MR. HAYES: Well, I think again you've got to consider what the overall effects of a reduction in hours would be. First of all, it would provide, if we reduced the work week from 40 to 35 hours a week for only 35 to 40 million people in our work force, this would provide full time 35-hour a week jobs for almost 6 million people. This would mean that we have the unemployment problem in our country licked. This would mean that whatever reduction in production resulted from the reduction in the work week would be made up by the additional people who now had jobs. Because, this must be considered.

I'm not so sure - I cannot debate with you with regard to these figures - but I'm not so sure that these figures would stand indefinitely, because we know that production is increasing each year and these figures would be reduced each year. But whatever we would lose in each particular plant or in each particular industry, would be made up by placing that many people to work.

QUESTION: May I follow up on this question? What you say is true for the total

economy. But how about those industries that would lose the 9% in the short run?

MR. HAYES: I think that those industries would have to absorb some of the unemployed people. And I suppose that some adjustments would be necessary. I don't suppose that all the pieces would fall into place immediately, but I think that in due course of time they would fall in place and we would make the proper adjustments. I think that under our kind of system we never have the ideal solution as an alternative, and therefore we must choose the best of the alternatives that are available to us. I mean, it is our judgment that this is the best alternative available to us at this time even though it might temporarily discommode one particular industry or one particular plant.

QUESTION: Say more than 6 million people in our work force are in the age group 14 to 18 and over 65. Are the unions actively supporting any program to raise the minimum age of entry into the work force and to force mandatory retirement at 65, to crack this problem?

MR. HAYES: Well, the answer to both is yes, but this is not a current policy of the labor movement at all. The labor movement, as I have said - or at least implied - in my talk before, has been encouraging higher education. Way, way back, as far as our history goes, and we have also been encouraging early retirement, again for the purpose of providing job opportunities for those of our people who are being unemployed due to, strangely enough, progress. I mean, this is the type of unemployment that cannot be justified in our kind of society because it furnishes to our opposition, the communists, an argument that I don't believe they have.

We in labor feel that the solution to this problem is within our capabilities, and

certainly is within our resources that we can find an immediate solution to the problem of technological unemployment in the United States. And we favor reducing retirement age. We have negotiated such provisions in many contracts. And we do favor postponing entry into the work force until opportunities for higher education have been realized by more and more of our people.

QUESTION: Mr. Hayes, my question pertains to the Buffalo, New York, area where the unemployment rate is 7.9%, considerably above the national level. I would like to get at the root of the labor reasoning - the union leadership reasoning - that permits such things as this to take place in an area where the percentage is so high. First of all, the Allegheny Aluminum & Steel Corporation had to close its Buffalo plant - 350 workers - because of high costs. Take Peter Bendison - 3,000 employees - they had to close because they had 17 lockout strikes in two months. The New York Cart and Wheel Company spent millions to improve the plant and then had to close in 1958 because it went bankrupt because of a long strike. Just three weeks ago the Buffalo Steel Corporation asked its 450 employees to accept a 15¢ an hour decrease in pay. They voted against it. The company closed.

The steel workers' representative in the area said the company was responsible anyhow and should go out of business even in this area where unemployment was so high. What reasoning leads to this kind of decision and the way they used it?

MR. HAYES: I think this proves a very, very interesting point, and that is that it's a lot easier to blame a labor union for everything that's wrong in industry and business in a community, and everything else, than it is to ferret out the real facts. Actual, I'm not qualified, information-wise, to discuss these particular cases. I

don't know what all the facts are. I know what the union's arguments are, but I don't know what all of the facts are. And I have learned over my few years of experience that there are usually two sides to every question.

I just do not agree with the implication in the question - and if the implication wasn't there you have my apology - I just do not agree with the implication in the question that whenever a company finds itself in a financial dilemma, for any reason whatsoever, even though it may be due to poor management - and we have much, much proof of that - that the workers in the plant must make up the deficit. I just don't agree with this type of reasoning. And this has been argued time, and time, and time again, that whenever a company finds that it's difficult to compete in the particular industry in which they are in, that the workers are supposed to take a cut in wages and work for sub-standard wages. I don't think that our country could ever prosper under this type of system.

I wish I knew more about the real facts and the facts on both sides with regard to the Buffalo situation, but unfortunately I don't. But if you are suggesting that under the circumstances that I must assume that the union or the unions are responsible for these companies going out of business, and that the unions are responsible for these companies moving their operations out of the Buffalo area, I just cannot agree with this theory, because some of the companies move their operations to a higher wage area than Buffalo. They're getting along all right and they're dealing with unions. We have had this experience many times in the past. And we happen to know that there are many companies that have been responsible for their own financial dilemma. We just don't agree that the workers who can least afford it, must

be called upon, then, to help these companies out of their financial dilemma.

And, strangely enough, if I'm permitted to make one more statement, in many cases that we know of, and in one Buffalo case that I know of, at least, even though the company went out of business it didn't affect the financial worth of any of the officers of the company at all. They've all got better jobs than they ever had before, and yet this company expected its employees who can least afford it, to take a very substantial cut in wages.

QUESTION: Mr. Hayes, in your very forthright presentation to us here you mentioned one factor about the primary right - the basic right - of a man to work, or not to work. I would appreciate it if you would give us your views on this primary concept in relation to the Right to Work Laws.

MR. HAYES: Well, as a preface to what might well be a very, very long answer, let me say that it is my judgment and the judgment of most of the people in the labor movement that Right to Work Laws are inconsistent with the basic concepts in our kind of society. We think that Right to Work Laws which are designed and applied discriminatorily to organized labor are actually laws that discriminate against organized labor because in all other areas we apply opposite concepts. We permit the American Medical Association, the American Bar Association, and all other types of organization a freedom to make whatever contracts they prefer to make, provided it is otherwise legal.

We feel that a union and an employer should have a right to agree to conditions of employment that in their judgment does serve the interests of the company and the particular union. A company can now enter into this kind of contract with

another manufacturer, with a supplier, or with anyone else. Any other group may enter into this kind of contract, and yet the so-called "Right to Work Laws" - which are mis-named, as you know - preclude an employer from making a contract with his own employees that in his judgment is best for the company. We think it's inconsistent with the basic concepts of our kind of government.

QUESTION: Mr. Hayes, with respect to this question, would you discuss with us for a moment the implications of the recent elections in the aero-space industry on the West Coast, against the closed shop?

MR. HAYES: First of all, there were no such votes on the West Coast or elsewhere against the union shop. In fact, in each case thus far, at North American; at Convair; and at Ryan Aircraft, there was a large majority in favor of the union shop. Now, I should clarify that to begin with. For the benefit of those of you who don't know, notwithstanding the fact that our whole system is based upon majority rule, here again is an example of discrimination against organized labor - against labor unions.

A panel appointed at the request of the President of the United States has made a recommendation; it recommended settlements in all of the areas of dispute in the aero-space industry, or in the plants involved in negotiations. He has also recommended that a vote be conducted to determine whether the employees in these particular operations want union security. And if 2/3 of the employees voting vote for union security, then the panel recommends that the employers grant it.

In the North American case a little over 60%, which is quite a majority, if you please, voted for union security. In the Convair case a little over 54% voted for

union security. But notwithstanding the fact that the majority rules in our kind of country, in our Congresses and legislatures and everything else, we cannot have a union shop in these industries because in our case we don't require a majority - a simple majority - we require a 2/3 majority in order to have our way. So, I say to you that the votes that have been cast thus far in these three operations - Convair, North American and Ryan - I think have proved beyond any doubt that the majority of the employees in those plants want union security.

QUESTION: Sol Barkin recently wrote a paper in which he recognized that the union membership in the United States is designed more absolutely and more relatively to manipulate the total work force. What are the plans for organized labor to recapture its earlier relationships, to tranquilize the labor force and to lead them?

MR. HAYES: Well, of course, there are many - I might explain, first of all, that we too in the labor movement are concerned about this; not because Sol Barkin said so, but we've been concerned about it for a long, long time. One of the factors - well, there are two important factors, I believe, that are responsible for this situation. First of all, the work force in most of the basic industries in the United States is well organized. Those who have not yet been organized are those who are the most difficult to organize. Then, in addition to this, we have the trend toward white collar workers, the gradual reduction in the number of so-called blue-collar workers, and the increase in the number of white collar workers.

From the very inception of the labor movement, white collar workers, for reasons which I'm sure you know very well, are much more difficult to organize and

to keep organized, than are blue-collar workers. They consider themselves much closer to management, for one; they consider that it reflects favorably upon their intelligence if they are opposed to unions; and this makes them more receptive to management. There are many other factors that enter into this. But what are we doing about it? First of all, I will say to you now that the organized labor movement fully realizes that some of our own internal problems have placed obstacles in our path insofar as organizing is concerned. We think that internal jurisdictional disputes have been one of these factors. We think that competitive organizing campaigns and the type of organizing literature and propaganda that has been used in these campaigns has been another factor that has thrown obstacles in our path.

Recently an organizing committee has been established within the AFL-CIO, and we have now ventured on a few pilot projects, trying out a new type of organizing technique without organizing competition of any kind, with all of the organizations that are interested in the unorganized plants in these pilot areas cooperating through one joint organizing crew, to organize each of these unorganized plants into particular unions without other unions competing at all.

We have chosen the greater Los Angeles area for our first pilot project. And the representatives of all of the unions interested in the unorganized plants, representing some 750,000 unorganized workers, have already reached an agreement that on the basis of jurisdictional grants etc., Union A will organize these plants; Union B will organize these; Union C will organize those. Then, this joint organizing crew which may consist of a steel worker organizer, an automobile worker organizer, a machinists organizer, a carpenters organizer, etc., will cooperate in organizing

these particular plants into the union that has been designated by mutual agreement of all of the parties. This is one of the techniques that we're trying.

The other one is, of course, to try and do a better job public relations-wise and publicity-wise than we have done in the past. And we are constantly trying to improve our public relations work.

MR. HILL: Mr. Hayes, we are in your debt on two counts. The first count is your cooperation in bringing down with you 12 associates, who, with yourself, have made a contribution which is, as we both know, a policy of the labor movement, to our thinking. Secondly, we owe you a vote of thanks, sir, for coming down and giving us a very frank and straightforward appraisal of labor's contribution to the welfare of all of us.

On behalf of the Commandant, the faculty and the student body, we thank you.