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ORGANIZED LABOR AND THE NATIONAL ECONOMY - THE  
AMERICAN FEDERATION OF LABOR

4 February 1947

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American Federation of Labor.....1

THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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CAPTAIN WORTHINGTON:

Since 1925, the President of the American Federation of Labor, or one of his leading assistants, has lectured almost every year at the Industrial College. This year President Green designated Mr. Frank Fenton to deliver a talk.

Mr. Fenton has been active in labor problems since he was fourteen years old. He started in the Massachusetts state labor organization. More recently he has been in Washington with the War Stabilization Board, the War Manpower Commission, and on numerous boards and committees of the American Federation of Labor. His present assignment is Director of Organization of the American Federation of Labor. I take pleasure in introducing Mr. Fenton.

MR. FENTON:

Your invitation to appear here today to speak on organized labor's participation in the national economy is deeply appreciated. Like most officials of the American Federation of Labor here in Washington, I have enjoyed a close and harmonious relationship with officials of the War Department, both civilian and military. I have served with you on several boards, and during the last year of the European war toured bomb-struck England and the battlefields in France where I had the opportunity of seeing for myself the tremendous problems facing the military forces when conducting such large scale operations as were necessary to bring the second World War to its successful conclusion. The courtesies shown to me by Generals Eisenhower, Patton, Lee, and many others will long be treasured in my memory.

In the proposed scope of my remarks today you have asked that I discuss the purposes and policies of the American Federation of Labor, with reference to the United Mine Workers of America or the Building Trade Unions. It would be difficult indeed to discuss the policies of the American Federation of Labor without paying tribute to the outstanding work performed in the last war by the Building and Construction Trades Unions. The United Mine Workers, although much maligned, have made one of the finest contributions to American industry.

Peculiarly this recommendation does not have to come from a labor man. The Building Trades have been praised, time and time again, by the Secretary of War and the leading generals and admirals who conducted the

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war. The Navy report reveals that construction workers who were employed at Midway, Guam, and other Pacific Islands, dropped their peacetime instruments to fight side by side with the Marines. Their record in building cantonments and naval bases has no parallel in industrial history, anywhere in the world. It is common knowledge that they helped the Navy develop the Sea Bees and that many of those men who served their country were beyond military age. We are proud of this unit because 85 percent of the Sea Bees were members of the American Federation of Labor. It must be remembered too that the Building and Construction Trades and the Metal Trades stabilized their working conditions prior to the Pearl Harbor attack.

The American Federation of Labor is an American organization, founded and predicated upon the democratic way of life. Since our inception we have been opposed to totalitarianism in any form, whether that Facism be headed by industrial leaders to the right or workers to the left. Our trade union movement is a part of the institutional life of America. It is a democratic institution made up of men and women who work for wages. It is a group of human beings who want to be treated as human beings in a democracy. We are patriotic, and we will serve the country. We serve the country by giving our labor in peacetime to insure our productive apparatus as well as to preserve our democratic institutions. In wartime, or in preparation for defense for war, we take it for granted, as all our past history shows, that we will be patriotic and loyal, and we will contribute to the hilt on the production front. But, as democrats, we don't want to be ordered, because we don't need to be ordered. We are voluntary cooperative people, cooperating voluntarily, of our free will, through our own will and our desire to help out our country and our military arm, which we regard as the first line of our defense, and for the preservation of our liberties and our standards of living, and our right to organize.

Where the military arm has shown that they trust us, the response has been wholehearted cooperation by our union leaders, and the contrary is true where they failed to show the trust that they should. My experience in the past war teaches me that we must learn during peacetime to work together so that we will be prepared to work together for the common defense of our nation. I think that a concrete example of the confidence and trust that I am speaking about is demonstrated in the fact that the Army divulged in the Building Trades that they were building a secret weapon that would require craftsmen from all over America to engage in the building of these plants without any strikes. I am referring to the construction of the two Atomic Bomb Plants. We kept our pledge of secrecy and supplied the manpower.

Labor, in general, proved in this war beyond any question of doubt that DEMOCRATIC COOPERATION is a better system of government than totalitarian coordination. Our production record to 1944-45 approximated a national product of 200 billion dollars. When I was in France I was

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permitted to talk to some prisoners of war and to read some of the reports taken by the Psychological Warfare Division of the Army. The prisoners' information and the reports revealed that America had too much material and that they were convinced that Germany was defeated.

An examination of our convention proceedings will disclose that a long time before most Americans were cognizant of the growing menace of facism that we were active and doing all that we could to prevent its growth. Our record is prophetic, for the first act that Mussolini did was to destroy the trade union movement in Italy. This was equally true of Hitler. We then urged, in convention action, in 1937, the boycotting of Japanese goods and requested our State Department to try to stop the shipments of junk to Japan to be fashioned into bombs and thrown upon the innocent people of China. I think that the record will show that President Green was the first person in America to announce a statement of his executive board against the race discrimination practised by Hitler in 1933. The International Brotherhood of Teamsters helped to organize and build the Burma Road to carry assistance to the Chinese people.

We were able to get accurate information as to what was happening in Europe through our affiliations with the International Federations of Trade Unions. We listened to the refugees who came from these countries with tears in their eyes asking for America to do something or democracy would be destroyed forever in Europe. We did everything we could by helping to feed these refugees who were hiding out, whose only crime was their belief in democracy. This prompted us to act on President Roosevelt's recommendation for Lend-Lease before Congress was aware of its importance. The record will also reveal that we favored the plan to give destroyers and planes to Great Britain immediately after Dunkirk.

I submit to you that alertness in advising our membership on what was going on in Italy, Germany, and Japan, helped to prepare a proper climate for the zeal and patriotism shown by labor during the World War II.

This zeal and patriotism probably was best expressed in the words of that sterling, fighting general, who has gone to his just reward, the late General George Patton. In response to my question, "General, what do you think about the contribution of the American worker?" His reply was, "Hell, if it wasn't for the production of the American worker we would not be as near Paris as we are."

The American worker did not seek to be amortized. He did not seek relief in taxation. He did not ask that his profits be sufficient to take care of him in the reconversion period. No--he accepted the wages fixed by the government. He was happy that he could use the fine skill of his hands to help to win the war. He accepted voluntarily and freely all the manpower controls. He did fight, however, and will continue to fight against a National Service Act. He did expect, however, that in appreciation of the sacrifices he made that his government would pass some basic minimum social welfare legislation.

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But instead of getting a favorable response from Congress he has been put on the defensive by the introduction of a lot of anti-union legislation that I will deal with later in my remarks.

The legislative program of the American Federation of Labor is:

1. An amendment to the Minimum Wage Bill that will provide for a minimum of 65 cents an hour, 70 cents an hour in two years, and 75 cents an hour minimum in four years.
2. We believe that the U.S. Employment service should be national in scope because we learned during this war that only through national controls could we solve employment problems. However, the House voted this bill down to merely extend this federal service until 1947.
3. To extend the Social Security system by benefits and coverage. We believe that old age security should be extended to agricultural and domestic workers and self-employed persons.
4. A National Health Bill, to provide hospitalization and medical care on a contributory basis so that the worker will earn his rights.
5. Constructions of hospitals. We believe there should be federal grants for state plans to provide hospitals and medical centers.
6. FULL EMPLOYMENT BILL. Congress passed an emasculated bill that will not meet any unemployment crisis if one should arise.
7. Housing Bill, to provide low cost housing for veterans and workers.

These recommendations would appear to be fair and reasonable and in the interests of the well being of most of our American people. However, we do not expect much. Instead we are facing a hostile Congress that is bent upon destroying the labor movement.

I don't have to tell you of some of the problems facing labor today. The pages of your daily newspaper are given over to a large extent to the rantings of a few misguided political figures on the Hill, some of whom are acting from sheer ignorance with a complete disregard for simple economics, or others who are acting on behalf of the segment of industry who continue to seek to relegate labor to a minor role in the Nation's economy. In addition, you can't turn on the radio in your home without hitting a program which includes an oracle who has the solution to all the Nation's ills though his practical experience, if any, has been gained by pounding a typewriter on a given moment on any given subject.

Perhaps I am a bit optimistic. But I do have faith in our country as a whole. We have many brilliant men in Congress and we have many outstanding business leaders who do not seek the destruction of all labor for the sins of a few.

I ask you gentlemen to remember just one thing. When labor was a minor factor in our country our success as a nation was questionable. With the advancement of labor and the acceptance of its principles, including free public schools, free text books, free city hospitals and medical care for those unable to pay, free state universities, living wages, tolerable working conditions and shorter hours of work, we gradually took our place in the councils of the nations of the world. Today we are the greatest nation on the face of the globe. Take a look at your atlas if you want to find the worst. Wherever labor is down-trodden you have a backward country in every respect. When Hitler started his campaign for world supremacy he first destroyed the only free movements in Germany, labor first, and finally the Church. Italy did the same thing. Japan never paid its workers a living wage. China is a glaring example of what happens to a nation when its people are underpaid and underfed. Throughout the remainder of the world you will find, for the most part, that each Nation's success or lack of stature, may be traced to the condition of the men and the women who work. Because of our various freedoms and system of free enterprise today we find nearly every nation on the globe dependent upon our generosity for their very existence. Why then should we listen to or follow the rantings of those who would discard our entire economic structure by taking away from labor the gains for which it has fought for more than 100 years in this great land of ours?

We are opposed to all types of anti-union legislation. We are opposed to the tactics through which its sponsors are spending millions of dollars with an elaborate public relations program to deceive the average citizen. Labor does not have the facilities to combat this type of propoganda. I think our record shows that we have been far more beneficial to the nation as a whole than we have been harmful. I am not afraid to admit that labor has made mistakes. I do claim that a workingman is human and has a tendency to err much the same as a military leader in the field may follow the wrong course.

We have been criticized for strikes. Some of these strikes have been urwise, but as free American citizens, and in full compliance with the laws of our nation, none of us is compelled to work under conditions, which if unchecked, might lead to destruction of the labor movement as a whole. Our nation's individuals have always resented compulsion. This includes business as well as labor. The strikes of business within the past few years have done far more damage to our national economy than labor disturbances. As a matter of record, labor's performance was so nearly perfect, taking the picture as a whole, that only a small fraction of one percent of the total number of workers became involved in work stoppages.

Contrast this with the various strikes of management. The cattle growers and the clothing manufacturers went on strike against the Government and they didn't go back to work until they wrecked the O.P.A. and price ceilings. When they finished that job they flooded the market with

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meat and clothing at increased prices. However, as serious as these management strikes are, I would be the last person to recommend compulsion as a means of solving them. This is a part of the purchase price of liberty.

These strikes by management in turn brought about an attempt by labor to bring about more parity between wages and prices. You can get all the meat you want today if you can afford it. The same thing goes for clothes. The average worker and his family just don't have the money and we find our markets flooded with goods at high prices. I think you will agree with me when I say that if an average citizen can't find the money to purchase goods produced that we are heading for serious difficulties as a nation. Wartime wages, inflated by long hours and overtime pay, are gone. We are back to a peacetime economy and unless management, not all management, realizes it and gets down to brass tacks to sit around the conference table and discuss with the responsible elements of labor their mutual problems, we are in for some pretty tough sledding.

We hear a lot today about the so-called closed shop. The terminology "closed shop" was coined by anti-union employers because of the antipathy American people have for anything closed, and with the special plea that the open shop affords opportunity for freedom. The open shop is a closed shop to union men. The proper designation of the closed shop should be the union shop which is open to all qualified workmen. Propagandized individuals might conclude that the closed shop evades individual rights. Groups leading the clamor to destroy the union shop aren't affected. Hidden advocates are the anti-union employers or agents acting for them in Congress, and through state legislatures, Associated Farmers, Christian American Association, and other propaganda channels to deprive labor of benefits won after its long struggle.

We employ no under-handed method in furthering the union shop principle.

We offer these reasons:

1. It affords job security and protection against employers' arbitrary discrimination of discharging, promoting or demoting, or favoring the non-union worker over the union worker.
2. Equality of contract begins where there is equality of bargaining power.
3. Protection of working standards by preventing cut-throat competition by non-union employees or employers.
4. Equality of sacrifice by assuring to all good wages and working conditions.
5. How can we exercise discipline to assure fulfillment of contractual relationship without union discipline? Labor's contribution to

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social and economic welfare represents a forward stride in human relationships, more than compensating for any of its faults.

The union shop, in contracts which have been mutually negotiated by labor and management, is only one of the focal points for attack by reactionaries in both Congress and business. They are attacking on all fronts at the same time, backed with millions of dollars which is being used for advertising and publicity, none of which presents both sides of the issue and all of which is carefully beclouded with a view to convincing persons who might otherwise take a clear and unbiased view on the subject.

I have been asked frequently of late, "What are labor's views on maintaining industrial peace?" It is a difficult question and one which will test ingenuity of the best thought we have in both management and labor if we are to arrive at a real solution. Both groups are confused because we don't know what the government is going to do and we don't know anyone else who does.

I admit that there have been some difficulties in industrial relations in recent months. I also admit that both management and labor are partly responsible. However, I am convinced that government is more responsible for the confusion that exists in industrial relations than both management and labor.

We must free ourselves from government controls. This can best be accomplished through genuine management, and labor cooperation. For a union agreement has within its four corners a method for settling grievances, a cooling-off period and mutual arbitration. If employers would stop fighting unions and accept in a wholehearted way collective bargaining and collective agreements, strikes would be infrequent and any legislation to interfere with industrial relations would be unnecessary and superfluous.

It was this kind of cooperation, during the war, that built the arsenal of democracy and the miracle of production which produced the tools for our valiant fighting men to bring about a successful conclusion to the war.

Should we seek some other alternative through legislation? My answer would be NO.

This is a proven method. It was tested on the anvil of experience. Compulsion of any kind would be a poor substitute. I think the Army should establish immediately a management and labor committee so that they can study, with the Army, the problems of national defense. Then, if war should happen in this world of ours there would be a thorough and voluntary cooperation between the Army and our civilian organizations within our economy.

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