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OUTLINE OF FACTS RELATING TO CURRENT ANTI-LABOR LEGISLATION

Intended for Use in Speeches, Articles, Classes, etc.

A. Introduction

Most discussions concerning labor legislation already assume that labor is responsible for price rises and responsible for the strikes in the past year. Too much discussion of labor legislation, therefore, begins with labor already on the defensive. In the following outline, before discussing any specific labor legislation, we raise the question concerning price-wage history in the past year and the question of responsibility for strikes.

President Truman, in his speech to Congress, indicated that labor legislation should not be punitive and also declared that we should study the "cause" of recent controversies. These remarks, of course, were simply a sop and were quickly lost in the shuffle. All the legislation Truman proposed, and all the legislation that everyone else is proposing, assumes that labor is responsible for everything that is happening. We can understand the current situation only by directly facing the question: "What is the cause of recent controversies between the workers and the owners of industry?"

B. What Is the History Since the V-J Day Period?

1. The owners of industry did not have to produce any more in 1945 since any further profits would have been taxed away as excess profits.
 - a. Furthermore, they were waiting for the more lenient tax laws which Congress obligingly passed for 1946.
 - b. They wanted to create an artificial scarcity of goods in order to crack the OPA.
 - c. They couldn't lose any money in 1945 or 1946, or any given two post-war years, because they had tax rebates due to them under the provisions of the tax laws if they did.

For instance, if the whole of the steel industry had kept its doors closed for all of 1946, it still would have enjoyed \$149,000,000 in profits. The U.S. Steel Corporation alone would have enjoyed \$67,000,000 in profits under these tax rebates.

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2. Therefore, when in September and October of 1945, the steel and auto industries opened negotiations, the employers refused to talk to the unions involved. In steel, there were only 40 minutes of negotiations in the three-month period, and during this time, the steel owners flatly rejected the workers' demands. This was a cooling off period without benefit of the law.
3. Even after the President, again without the benefit of law, set up fact-finding committees, the steel and auto companies refused to accept their findings.
4. Industry did not have to negotiate, refused to negotiate, and provoked the large strikes of the last year.
5. Not only this, but they staged their own independent production sit-down strike.

We were trying to tell the country in the newspapers from V-J Day on that stores of consumers goods were being produced and allowed to pile up in warehouses. We know because our workers work in these plants. For example, the General Electric plant in Ontario, which produced all of the Hotpoint irons in America, was making 25,000 irons a month and putting them in the warehouse.

Do we need any further proof of this? If so, we can go to the business journals themselves--the Wall Street Journal, Moody's Stock Survey, Fitch Investment and Advisory Service, and to certain trade publications, such as "Radio and Television Weekly."

It is now openly acknowledged that inventories are the highest in all our history, and this has resulted in stock-market and other types of jitters.

All of the above is part of the true history of industrial controversy since V-J Day and is part of the attempt to drive wages down, to drive profits up, to break ceilings and the OPA, regardless of the public welfare.

C. Last Year, We Claimed That Industry Could Have Granted a 38 Percent Increase in Wages Without the Need For Price Increases.

What is the Record?

1. Despite the lack of materials and work stoppages, profits of American corporations, after taxes, were approximately \$12 billion in 1946. This is 25 percent higher than the wartime (1942-45) average of \$9½ billion and three times higher than the prewar average profits.

All of this is borne out by profit figures from all the leading corporations, of which the following is typical:

U.S. Steel Corporation - during the first six months of 1946 enjoyed a 196.7 percent increase in profits over the first six months of 1945.

Utilities, - Commonwealth and Southern Corporation - enjoyed an 86.7 percent increase in profits during the first nine months of 1946 over the same period of 1945.

Meat Packing, - Armour & Company - enjoyed a 120 percent increase the six month period ending April 27, 1946, over a comparable 1945 period.

Food, - Safeway Stores - for the first six months of 1946 enjoyed an 80 percent increase in profits over the same period in 1945. National Dairy Products Company - for the first six months of 1946 showed a 70 percent increase in profits over the same 1945 period.

The auto and electrical industries were slow in getting started and reported deficits in the early part of 1946. In the last quarter of 1946, however, the rate of profit on sales was running higher than ever before.

2. What kind of price adjustments were given? On the nation-wide average, ten times as much was given in price increases as was needed to offset increased labor costs.

These figures are based on data contained in the OPA Quarterly Report for November, 1946. For instance, in food manufacturing and distributing, the increase in wages was 4 percent of the total cost of production. Yet, food prices have gone up 40 percent since V-J Day.

In the meat-packing industry, which operated at tremendously high profits during the war, a 14-cent wage increase was offset by a one-half cent price increase. Despite this, the meat packing industry pressured for the elimination of OPA, and since the lifting of controls, their profits have sky-rocketed.

In the steel industry, we pointed out last year that the price adjustment was almost twice the amount needed to offset wage increases. Recent increases in steel profits have borne this out.

3. In all this, it should be remembered that our wage demands are conservative in the sense that we have left out of the picture all the increased profits due to the increase in productivity. When Mr. Nathan, in his report, states that industry can pay a 25 percent increase, on the average, and still enjoy its peak war profits, he leaves out of consideration the factor of productivity increases.

Actually, this factor is constantly operating to give increased profits or to reduce labor costs. Productivity increased about 25 percent in the war years and, according to the Bureau of Labor Statistics, will increase another 30 percent between 1946 and 1950.

Over the years, this has been the factor that has enabled wages to go up, profits to go up, and prices to go down. When he was waging the fight to keep the OPA, Chester Bowles told the nation over the Town Hall radio program that in 1919 industrial workers earned on the average only 47 cents per hour. By December, 1945, the average was 99 cents per hour. Meanwhile, profits were three times as high as in 1919, but prices remained approximately the same.

Productivity has steadily reduced labor costs, but the workers received none of the benefits of this until they were forced to organize and strike.

D. Meanwhile, What About the Individual Worker?

1. There is a lot of talk about the percentage increase in wages which the workers have received. It is easy to build a large percent on a small base. Actually, at the peak of the war in January, 1945, the average weekly wage of manufacturing workers was \$47.50. This was before the 20 percent deduction for income tax and before the deduction for unemployment insurance and social security taxes.

This wage was for manufacturing workers--the 20 percent of our American workers who are the "aristocrats of labor." When you add the office workers, the government workers, the agricultural workers, and the retail and wholesale distributing workers, the average wage is considerably lower.

2. What is the story today? We have had a wage increase in the last year. Despite the fact that the CIO established an 18 $\frac{1}{2}$ % pattern nation-wide, many workers got no increases at all, and most of them received less than 18 $\frac{1}{2}$ %. The average nationwide increase was 8 percent. In the meanwhile, the work-week has been cut back from 48 to 40 hours since January, 1945.

In November, 1946, the weekly average wage was \$45.68, which is \$1.82 less than the average for January, 1945.

The cost of living between January, 1945, and November, 1946, has gone up approximately 20 percent, according to the Bureau of Labor Statistics, and considerably more than this according to our figures. This increase in the cost of living, together with the decrease in take-home pay, has resulted in a 25 percent decrease in real wages of workers since January, 1945.

3. The CIO has taken a nation-wide survey of workers expenditures and finds that there have been the following cuts in the use of essential living items:

78.2 percent of the families reported a cut in milk of 4.1 quarts per week.

88.9 percent of the families reported a cut in butter and oleomargarine of 1.3 pounds per week.

72.5 percent of the families reported a cut in eggs of 1.7 dozen per week.

83.7 percent of the families reported a substantial cut in clothing.

This was at a time when little meat was being purchased because of its unavailability and high price.

E. In Addition to the Sacrifice in Human Needs, this Decline in Purchasing Power is Important from the Point of View of the National Interest.

1. Between 1924 and 1929, profits went up 72 percent, but wages only went up 5 percent. This was one of the causes of the collapse.

2. We are headed for an even greater collapse.
3. The highly advertised savings in the hands of the workers do not exist, as the recent report of the Federal Reserve Board revealed. This report indicated that the top 10 percent of American income groups have 60 percent of all the savings and that the bottom 50 percent have only 3 percent of all the savings.
4. The piling up of huge inventories, plus disappearance of purchasing power, means collapse for thousands of small business. In the post-inflation period after 1920-21, thousands of small businesses collapsed. Today, there are signs of it already in the clothing and electrical appliance industries. 100,000 workers today are out of work in the textile manufacturing and garment manufacturing industry, despite the great need for clothing.

In the radio industry in Los Angeles, the Trav-Lers Radio Company, employing 100 people, has closed its doors, and the Hoffman Radio and Packard-Bell companies have each recently discharged 100 workers.

The CIO has stated that millions of small businessmen did all right when the pay envelopes were full, that inflation would hurt them, and that large monopolies would buy up scarce products and then dump cheap goods on the market in order to undersell small business. This is precisely what is beginning to happen.

F. What Is the Answer of the Employers to all This?

Punitive Labor Legislation:

1. Cooling-off Period:

The cooling-off period is the mildest form of punitive labor legislation. We cooled off plenty in the last strikes. All of our contracts provide for 30 or 60 days before termination in which to negotiate and cool-off. If employers do not negotiate in good faith when faced with the threat of strike, what will they do when there is no threat of a strike?

2. Proposals to Eliminate Strikes in Industries Affected with the Public Interest.

The right to strike is a basic constitutional right. The coal owners refused to negotiate with the United Mine Workers. Without the threat of a strike hanging over them, there would be even less reason for them to negotiate. In the railroad industry, where strikes were not prohibited but were made practically impossible, the railroad companies refused to negotiate in good faith. As a result, the railroad workers, who had a 50-years jump on other industrial workers from the point of organization, and who, in the 1920's had higher wage rates than the rest of manufacturing industry, have dropped far below the rest of manufacturing industry in recent years.

And, what is the "Public Interest"? High profits, scarcity production, low purchasing power, and unemployment which, at one time, kept one-third of our labor force out of jobs? Or, a free and employed labor force, able to raise the standard of living of all American workers?

Of the labor force of some 58 million today, only about 4 million are individual owners and another 4 million are independent farmers. The rest of us work for somebody else. When you add to this figure the families of workers, you get some 80 to 85 percent of the so-called "Public" who are workers.

3. Proposals to Curb Union's Alleged "Monopoly" and to Make Unions "Responsible."

If it were not so tragic it would be comic to watch the real monopolists, who already control a large part of our national economy as they shout "Stop - thief!" in order to distract attention from themselves while they rapidly swallow up independent business in an unprecedented orgy of profiteering.

The Clayton Act specifically excludes trade unions from the provisions of the Anti-Trust Act. Unions are not combinations engaged in practices in restraint of trade, but voluntary combinations to protect the hours, wages, and working conditions of American workers.

As far as responsibility goes, workers are now responsible for criminal acts and acts of violence. They are also responsible for damage to property. If the proposed legislation were to make them responsible for business losses through strikes, obviously this would eliminate the strike.

But, the whole question of responsibility of unions really boils down to the question of strikes for the duration of the contract. This is the only kind of irresponsibility which can be attributed to unions, because all other possibilities of violating the contract are in the hands of the employer. All benefits derive from him; he can withhold wages, deny vacations, discharge workers without cause, etc.

Strikes for the duration of the contract, however, are almost a negligible factor in labor relations. About six months ago, we conducted a survey in this state and found that for the past period of three or four years, there had been only two work-stoppages in CIO unions. We openly challenged employers to deny this fact; this they were unable to do.

Work stoppages occur in direct proportion to the kind of irritations piled on workers by the bosses. In the Detroit area, for instance, where a number of foremen in the Kelsey-Hayes Wheel Company were fired out of seniority, the union engaged in a work stoppage. This is more true of Detroit, where employer provocation is at its worst, than in most sections of the country.

One other aspect of monopoly is the attempt of employers to break up industry-wide or nation-wide negotiations. This makes no sense to anyone who has to deal with nation-wide employers such as General Electric or Phelps-Dodge, where the Union is forced to sit with local officials who act like puppets moved by strings from back East. Furthermore, every time we ask for wage raises, the bosses complain that they will have to operate at a competitive disadvantage. There is only one way to eliminate competitive disadvantage on this point, and that is by master contracts. Actually, most industries want master contracts, but employers are using any and all weapons to break up unions and find

themselves opposing initiation of master contracts for this reason.

4. Proposed Legislation to Outlaw Jurisdictional Disputes

Any law to outlaw jurisdictional disputes would give an employer, at the end of a contract year, the right to set up a company union and to refuse to bargain until the whole issue was dragged through interminable court sessions. This is just what is happening today in many situations. After an NLRB election in 1945 in which the Food, Tobacco & Agricultural Workers Union, CIO, won the right to represent cannery workers, employers signed a back-door agreement with the Teamsters Union. In 1946, also, after a national referendum in which the independent Brewery Workers Union voted to come into the CIO, the employers signed a back-door agreement with the Teamsters. There are dozens of live cases of this sort in California today.

Actually, in terms of the Bureau of Labor Statistics figures for the period of January, 1945, through June, 1946, only 1.6 percent of all strikes were jurisdictional strikes. Any legislation in this field would be far worse than the situation which it is attempting to cure.

There is only one answer to jurisdictional disputes, and that is the way the CIO, and occasionally the AFL, solve their jurisdictional disputes--by consultation. Recently, the CIO had a plant in Orange County in which three CIO unions mutually agreed to keep their names off the NLRB ballot and to appear only as CIO. After they won the election, they allowed the workers to determine which CIO union they chose to join.

5. Proposals to Revise the Wagner Act

The Wagner Act was passed in order to correct a completely one-sided situation -- a situation where the workers were helpless in comparison with the economic power of anti-union employers. The legislative proposals now being peddled by the N.A.M. and its stooges such as Senator Ball are based on the proposition that the Wagner Act is one-sided. It favors the workers. It should be amended to treat both as equals. It is crystal clear that it is not "equality" they want to restore. They want to restore the old inequality.

Employers proposals to revise the Wagner Act mainly involve: 1) giving the employer the right to petition for an election, 2) giving the employer the right of "free speech," and 3) preventing foremen from organizing.

Such revisions would simply be a union-busting device because at the end of the contract year, companies could challenge the right of the union and drag it into the courts. We have had a number of cases recently, even with the NLRB supposedly pro-Labor, where we have won court cases after four or five years, but have no unions left. Any further revision of the law would render it useless.

As far as "free speech" is concerned, there have been any number of cases in which "free speech" is guaranteed to employers, but the only speech which is proscribed to them is that which intimidates workers against joining the union.

As for the right of foremen, any group of Americans have the right to organize freely.

6. Proposal to Outlaw the Closed Shop

- a. Who are the employers who want to "emancipate" the workers from terrors of union security? In 1945 the NLRB finished 10 years of its history, during which period it had returned 300,000 workers to their jobs who had been fired for union activity, and had restored 9 million dollars in back pay. The NLRB had dis-established 2,000 company unions and ordered 7,000 employers to cease interfering with union activities. This is the group of employers who want to preserve the free, democratic right of American workers.
- b. Those who say that the closed shop deprives the worker of his freedom not to join are putting the whole issue on a false basis. Without a union the worker has no rights at all, not even the right of getting a job or keeping it. His rights only begin when a collective bargaining agent comes on the scene.

Only when he joins a union can he participate in the democratic determination of his rights, for the union contract and wage rates cover him whether he joins the union or not.

In a recent decision by an arbitrator between the Cutler-Hammer Company, Inc., and the IAM, the arbitrator said:

"It is our opinion that freedom to work, like all freedoms, may properly be qualified to the extent necessary for the welfare of the greatest number, and we believe that, when a union represents a large majority of the employees within the bargaining union, and when it is responsible in its financial dealings with members and others, when it is democratic in its practices, and when its history is one of stability and responsibility, if the representatives of the majority of the employees request it, it is fair both to employer and to employees that the employees' freedom to work be qualified to the extent of requiring them to belong to a union."

He also stated, "The union points out that non-union employees profit by all gains obtained by it for its members with respect to wages and working conditions and, further, that all employees within the bargaining unit, including non-union employees, are entitled to union representation in presenting grievances. It urges that industrial citizenship, like political citizenship, should impose on all those who share its privileges a proportionate share of burdens and responsibilities."

G. SUMMARY:

Whether openly designed to curb labor, or merely to curb labor's alleged "excesses," the above proposals will have the effect of turning the clock back.

Actually, labor needs even more protection than it now has. We need

- 1) Adequate appropriations for the NLRB.
- 2) State laws outlawing the injunction.

3) State Wagner Acts.

If the monopolies who are responsible for the present disastrous inflation are to be prevented from plunging us all into another great depression, it is vital that the anti-trust legislation be enforced with new vigor and determination.

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