Dear Amon:

Thanks for sending me the tearsheet from the March 7 Fort Worth Star-Telegram with Hal Coffman's cartoon on "The Strikers' Answer." The situation, in my opinion, is even more serious than you may suspect. Radical labor leadership today has delusions of grandeur and seriously contemplates such revolutionary projects as taking over the management of American industry. They don't hesitate to say so among themselves and on occasion even on the record. The great mass of workers are more or less apathetic towards these revolutionary ideas but are perfectly willing to continue to accept leadership from a group which continues to get them more pay for less work. The great mass of the public is profoundly ignorant about the situation and the real implications of it.

Certain sections of the Government at least more or less connive with the union leadership in the promotion of union labor interests, not necessarily because they endorse their political or economic ideology, but from the very practical consideration that this association is a source of great political strength. It gets out the vote!

The Special Senate Investigating Committee (Mead Committee, formerly Truman Committee) recently spent two or three days in Detroit and in their preliminary investigations barely scratched the surface. The whole affair was very badly reported by the Press, due, at least in part I am told by some publishers, to the fact that the reporters themselves are members of CIO unions, and editorial comment by papers which should know better or take the trouble to find out has to too large an extent been indifferent, equivocal and on occasion frankly critical of management for conditions with which management is under present conditions powerless to deal.

There is a great opportunity for some publisher with the guts, ability and vision of some of those of yesteryear, like a Pulitzer or a Dana, to step into this situation,
find out the facts for himself and fearlessly publish them. Perhaps it will have to be done by some fellow far from the scene of battle, like yourself. A real, objective job of reporting on conditions prevailing in Northern war industries, Detroit is by no means unique in this respect, has yet to be done. There is a great story in it, and if it were done with skill, objectivity and impeccable integrity, it might wake America up. If it did, it would shorten the war, increase production, solve the manpower shortage and save the taxpayers literally hundreds of millions of dollars.

It was very nice to hear from you again even though you were only identified by your return address in the corner of the envelope. If you are still traveling around the way you used too, why don't you come through this way, look things over and have lunch with K.T. and me. We would love to see you.

Note that this letter is personal to you, Amon, and I do not want to see it in your "Vox Pop" or whatever you may call that part of your paper in which your readers express their views!

Sincerely yours,


Amon G. Carter, Esq.
Fort Worth, Texas
Automotive Council Statement

by

GEORGE ROMNEY

to the

SENATE WAR INVESTIGATING COMMITTEE

on

MANPOWER PROBLEMS AND THEIR EFFECT ON WAR PRODUCTION

March 9, 1945
Automotive Council Statement by George Romney
to the
Senate War Investigating Committee
on Manpower Problems and Their Effect on War Production
March 9, 1945

Gentlemen:

My name is George Romney. I am Managing Director of the Automotive Council for War Production and General Manager of the Automobile Manufacturers Association, 75 per cent of whose combined membership employ less than 500 employes each. This presentation has been prepared with the advice and assistance of the Automotive and Aviation Parts Manufacturers, Inc., Detroit Board of Commerce, Detroit Employers’ Association, the Automotive Tool and Die Association, and the Michigan Manufacturers Association. You might say that this statement reflects the views of employers throughout Michigan and automotive industry employers located in 32 states. They employ approximately 1,900,000 workers. The facts I will present relate to the automotive industry, but the principles apply to all industry.

I have been unable to ascertain the war production responsibility of this entire group. However, the automotive industry, which accounts for about one million of these workers, is delivering 26 per cent of all war products made from metal. In peacetime, one out of seven American workers depended for employment on the manufacture, distribution, or use of motor vehicles.

We welcome this hearing and particularly the interest of your Committee in the manpower problem as it affects war production in this area and the automotive industry. We are cognizant of the objective and courageous work you have done.

The Industry’s War Record

The quickest picture of automotive war production is obtained in Exhibit No. 1 containing the actual figures. Note the rapid increase in the volume of war production following Pearl Harbor. At that time, the industry’s war production was determined by Government orders which limited it to an annual rate of a billion dollars a year. In the following weeks, the flood of orders permitted the industry to increase its war production to a four-billion-dollar annual rate less than four months after Pearl Harbor. This rate equaled that of a normal peacetime year. Currently, the annual rate, adjusted for price reductions to make it comparable to War Production
Board figures, is approaching 13 billion dollars. It is made up of war products foreign to this industry, except for military vehicles, and even they are substantially different from civilian trucks and vehicles.

Exhibit No. 2 shows automotive industry trends in war production and employment, compared with war output by all industries. You will note that automotive war production increased throughout 1944 despite the reduction in national war output.

**More Output At Lower Cost**

The lower dotted line shows the decrease that has taken place in automotive employment since peak employment was reached in November, 1943. The upward trend of output despite the downward trend of employment is the direct result of additional experience or grooving-in of production on new products, completion of worker training, wider application of automotive methods to new war products not previously produced in volume, wider application of automotive tooling and development of tooling peculiarly adapted to production of these new products. The price reductions on Exhibit No. 3 result from the same factors. These reductions are on fixed price contracts applying to the production of 75 per cent of the war products being delivered by the industry.

Despite wide public misunderstanding, there are no cost-plus contracts in the automotive industry. Under the fixed-fee contracts of this war, contractors cannot increase their profit by increasing their costs. Procurement agency policies are designed to provide adequate incentives under fixed-fee contracts for contractors to reduce costs, but they are inadequately reflected in actual administration.

**Pooling Began in 1940**

In October of 1940, first automotive companies and then aircraft companies pooled their experience and “know how” to expedite aircraft programs. This was when General Arnold and General Knudsen, then a member of the Defense Advisory Commission, indicated the need for automotive assistance in supplying added facilities for aircraft parts production. At that time, automotive companies were asked to assume responsibility for an annual output of $500,000,000 worth of parts and subassemblies for the medium and heavy bombers to be assembled by aircraft companies. (Exhibit No. 16.)

Immediately following Pearl Harbor, the entire automotive industry joined in establishing the Automotive Council for War Production for the sole purpose of intensifying the teamwork of automotive companies as one
means of expediting production of armaments for the fighting forces of this nation and its allies. All companies made a pledge which is still in full force and effect.

It was that "this Nation shall not lack for one gun, one tank, one plane which the capacity and ingenuity of this industry can produce."

This pledge is now backed by three years of unparalleled accomplishments. Despite obstacles and barriers to efficient war production, it has been maintained. It will not be diminished or revoked until the last shot is fired.

As the operating head of this organization, I have only one responsibility to the industry and to our 525 member companies. It is to help them ascertain ways and means of doing more to aid the Nation's war effort and to do that with an eye solely to the national interest.

**Machines, Methods, Materials**

Under Council programs, automotive companies have freely exchanged machine tools—so freely that the industry's reconversion when peace comes may be delayed by inability to replace tools it has shipped to other manufacturers outside the industry, even outside the country, to use on war production. It has freely exchanged, on an organized basis, information on production methods, improvements and shortcuts. This was particularly important during the period when companies were tooling and starting production of new war products.

When distribution of materials became the major limiting factor on war production, this industry aggressively presented to the Government agencies the principles of material distribution and scheduling as developed to their highest point of perfection in automotive flow production methods. After insistence on the part of leaders of this industry the WPB adopted the balanced scheduling principle embodied in the Controlled Materials Plan. Great improvement followed, but these principles are not yet fully observed by Government agencies. The result is that scheduling of war products and distribution of materials is not as smooth and orderly as it could and should be to bring about the most efficient use of facilities and men.

So much, briefly, for large and helpful industry programs on the war production problems of machines, methods and materials.

**Manpower Is Basic**

When the war started, men in the automotive industry knew that efficient use of available manpower would be the ultimate bottleneck to war production.
In keeping with its determination to do its utmost in expediting war production, the automotive industry restudied all aspects of the manpower situation. Early in 1943, a survey was made to determine the viewpoint of workers in a representative group of plants. This survey established:

1. Most workers want to do more work;
2. Most workers want better discipline in the plants;
3. Workers lack information on wartime problems which affect their individual jobs.

In the opinion of workers interviewed, responsibility for these undesirable conditions rested about equally with management, union representatives and Government.

One result was the establishment of the Manpower Committee of the Automotive Council to intensify activities helpful to management in discharging its manpower responsibilities. Following the Council pattern on machines, methods, materials, and other problems, automotive companies have freely exchanged information on the most successful methods and procedures for solving manpower difficulties.

On March 6, 1943, in appointing the Council's Manpower Committee,* Mr. Alvan Macauley, Council President and Board Chairman of Packard Motor Car Company, stated:

"Through the Council, companies that have developed and proved

---

*MEMBERSHIP OF COUNCIL MANPOWER COMMITTEE

C. E. Wilson (Chairman), President, General Motors Corporation
C. C. Carlton, Vice-President, Motor Wheel Corporation
Geo. T. Christopher, President, Packard Motor Car Company
F. J. Carter, Mgr. Personnel Dept., Goodyear Aircraft, Akron, Ohio
E. A. Clark, Vice-President, Budd Wheel Company
W. J. Corbett, Vice-President, Sparks-Withington Company
Robert H. Daisley, Vice-President, Eaton Mfg. Company, Detroit
Foster L. Fralick, Vice-President & General Manager, Koestlin Tool and Die Company
Marvin Heldt, Director Labor Relations, Bendix Aviation Corporation, South Bend, Ind.
Ben F. Hopkins, President, Cleveland Graphite Bronze Company
Royce G. Martin, President, Electric Auto-Lite Company, Toledo, Ohio
G. W. Kennedy, President, Kelsey-Hayes Wheel Company
M. J. LaCroix, Assistant to Vice-President, International Harvester Company
Ray Rausch, Charge Rouge Operations, Ford Motor Company
C. J. Reese, President, Continental Motors Corporation
W. Dean Robinson, Vice-President, Briggs Manufacturing Company
I. B. Swegles, Vice-President, Hudson Motor Car Company
Harold S. Vance, Chairman of Board, Studebaker Corporation
H. L. Weckler, Vice-President, Chrysler Corporation
A. M. Wibel, Vice-President, Nash-Kelvinator Corporation, Detroit
methods for handling absenteeism, training, transportation, health and safety, employment of women workers, improved production schedules, etc., will share their experience with all other companies. Desirable methods that assist the worker in increasing the output of war goods will be analyzed and passed on to the industry as a whole."

Mr. C. E. Wilson, Committee Chairman and President of General Motors Corporation, then told the press:

“In any all-out war effort, manpower ultimately becomes the most pressing problem. Food, war materials, the size of the Army and Navy, all must finally be measured in terms of manpower. The results achieved will be determined by efficient utilization of manpower. The Council recognizes this and is calling for the concerted action of all companies on the manpower problem. We believe our combined knowledge and experience will produce the same results as on three other big problems—machines, methods and materials.”

Gentlemen, the automotive industry recognized the importance and urgency of the manpower problem and did something about it.

**Early Council Efforts**

Here, for your information, is a mass of evidence of Council steps taken to aid managements of automotive companies in meeting their individual manpower problems. Time only permits reading the titles of these studies and reports. They are:

“TRAINING AND UPGRADING.”
“WORKER MORALE.”
“INCENTIVE PLANS.”
“ABSENTEEISM.”

With respect to absenteeism, to obtain reliable factual data we first had to develop a uniformity of definition. Then causes and remedies could be studied. Absenteeism in the industry is running about 5½ to 6 per cent. (See Exhibit No. 4.) This is one per cent higher than during early 1943. In peacetime, the rate was around 2½ or 3 per cent. Generally, the industry has had to hire twice as many workers on a stand-by basis now as in peacetime. Special circumstances have made this a more serious problem for a few companies than the industry-wide figures indicate, but industry results compare very favorably with those of other war industries.
"WORK CONTROL."


"PERSONNEL POLICIES."

"TRANSPORTATION."

"WORKER HOUSING."

"SUPPLY-DEMAND STATISTICS."

This study aided the establishment by the War Manpower Commission of reliable supply-demand statistics for this area.

No Manpower Shortage

The manpower problem in this area is not primarily a problem of supply. Detroit has never had an over-all manpower shortage. A few qualitative shortages in certain lines of activity have each lasted only a short time.

Currently less than 600 additional employes are needed on behind-schedule "must" military programs in the Detroit area. Only in the past few weeks have any Detroit manufacturers found it necessary to use part-time employes. Currently thousands of women are unemployed, as are certain types of skilled craftsmen and technicians.

"HEALTH, SAFETY AND NUTRITION."

A committee of the ablest industrial physicians was created so all com­panies could have their expert advice in meeting health, safety and nutrition problems in their own plants.

"NEW WORKERS."

This report deals with "women workers," including suitable occupations, peculiar personnel problems, special facilities, and child care. About 27 per cent of the employes in the industry are women, despite the disproportionate assignment to the industry of war work on which it is difficult to employ women. The Detroit area should receive a larger number of orders of the type women can work on.

Another section is on "Minority Groups." With reference to Detroit Negro employment, latest War Manpower Commission figures show the percentage of Negroes employed is higher than the ratio of Negroes to the total population. Specifically, 12.7 per cent of the total workers are Negroes, but they constitute only 10.1 per cent of Detroit's population.

The "New Workers" report lists many typical "Part-Time Employe
Plans” used effectively by industry. Advantages to employers, employes and the community are cited.

Another section covers “Handicapped Workers.” Peacetime and wartime employment of handicapped workers has shown there is virtually no physical handicap which prevents them from obtaining employment in automotive plants. This fact has significance for the industry’s handicapped war veterans. Automotive companies have long approached the problem from this basis: No job in automotive plants requires use of all the physical faculties. The handicapped are analyzed from the standpoint of what they can do, without harm to themselves or other workers, and after specific training are placed in suitable occupations.

**Studies Started in 1943**

These various studies were made early in 1943. The balance in this collection have been made since then and others are in process.

Also there is continual interchange of information on results and effective new methods. Special studies deal with incentives, manpower utilization, company practices with respect to the foreman, and employer responsibilities in the employment of veterans.

“INCENTIVES PRIMER” discusses fundamental elements of workable incentive plans and successful operating policies.

Governmental and private experts describe “HANDBOOK ON MANPOWER UTILIZATION” as the most complete check list available for manufacturers.

**Basic Problem Unsolved**

The industry’s effort to solve such manpower problems has disclosed and emphasized the futility of seeking solutions to them without solving the real problem.

The union’s claim that whereas before Pearl Harbor managements’ efficiency created the “speed-up,” immediately thereafter managements lost their interest in and ability to organize production efficiently, but now that victory is in sight they have suddenly acquired it again and we again hear charges of “speed-up.”

Doesn’t that sound like unwarranted criticism for malicious purposes? Thousands of men in automotive managements have sacrificed their health and years of their lives to produce for victory regardless of the circumstances.

To meet urgent war needs, most plants started war production before they were fully and efficiently tooled. After they were fully tooled for
efficient output, some workers and union representatives endeavored to maintain individual rates of output established during the earlier and necessarily inefficient period of production.

Changes in design and manufacture of war products are never ending. Speed in making these changes, just as in reaching the production stage, have taken priority over efficiency. Time in war is all-important.

We do not claim that the operation of all plants has been perfect. However, considering the problems and the handicaps, the record in all companies has been good and, in most companies, excellent or outstanding. In particular, thousands of new foremen had to be trained for the new responsibilities, as did thousands of other representatives of management. However, automotive managements have thrown themselves, their facilities and their organizations into the battle for freedom without qualification and regardless of postwar necessities. Pre-reconversion work has received a limited amount of attention and time and only to the extent it would not interfere with the war effort. These necessities and their effect on the war effort and postwar employment are described in Exhibit No. 8, prepared at the request of top military and other Government officials. Its facts are still fully applicable. Its basic story was unanimously approved last December by members of the Detroit Labor-Management Committee in a joint letter to Justice Byrnes, Director of War Mobilization and Reconversion.

Union claims, based partially on the Government's wage stabilization policy, are that company and industry wage inequalities in this high-wage industry provide explanation for reduced individual output. Actually, the war's greatest wage inequality is between those dying for us and those living in the peace and comfort of America. The next most glaring inequality is the lack of differential in pay between the workers who do an honest day's work and the drones and militant hotheads who are destroying the industry's productivity. Collective bargaining agreements forced on many of the companies no longer permit the reward of workers on the basis of what they produce, and interfere with the recognition and promotion of workers on the basis of merit and ability.

America's normally capable and normally efficient workers are being tied down to the pace and pay of the least efficient and least capable workers. Even in Russia, the most capable and most efficient workers are awarded the honors and material comforts of a "Stakhanovite." In other words, Russia stimulates and rewards individual effort while in this country unions are permitted to repress it.

The least important wage inequality is the one receiving most attention. Why? Because representatives of unions have put their vested interest in magnifying relatively inconsequential and rare injustices above the coun-
try's need for a spirit of sacrifice and pride in the size of our individual contribution to victory—injustices which can be corrected under lawful processes without stirring up group hatred and discontent during war.

Gentlemen, you have a great opportunity to speed victory by approaching the problem with a full understanding of the fundamental changes that have occurred in labor-management relationships in the past few years.

Collective bargaining is an established process in this industry and individual managements are conscientiously discharging their obligations under existing agreements. I know of no policy-making individual, company, or organization in the country that opposes the organization of rank-and-file employees.

The manpower problem does not exist because of any issue over the rights of non-managerial employees to organize and bargain collectively on a sound basis, despite the statements of union representatives and others to the contrary.

That issue, as far as automotive management is concerned, has ceased to exist. It should be buried in the interest of obtaining an understanding of the present problem and the proper relationships between management and labor which everyone seeks.

The Militant Minority

The manpower problem exists principally because the desire of a majority of workers to do more work and get this war over with is being thwarted by an unrestrained militant minority group of workers, stewards and union representatives. This militant minority is continuing its efforts to usurp the functions, authority and responsibility of management. This effort is being aided by policies and actions of some Government agencies and officials.

Only those who want to dodge consideration of the real problem will twist this statement and claim that it is an attack on automotive workers. It cannot be over-emphasized that most workers want to contribute more to an early victory. This is the predominant desire of automotive workers and the predominant desire of all real Americans.

A consideration of the facts will establish the existence and nature of the real problem.

Shrinkage of Productivity

A number of factors peculiar to wartime affect production, but none of them, nor all of them, even begin to justify the reduction of worker, job and plant productivity that has occurred.

Approximately a quarter of a million peacetime automotive workers
have entered the armed forces. In the main they have been replaced by inexperienced workers who had to be trained. Most were trained on the job, which frequently meant that two trainees were learning by observing as the operator instructed them. Our industry has trained nearly 2,000,000 people for war jobs. In fact, many people have been employed and trained who would not be able to meet peacetime employment standards. It has been necessary, likewise, to almost double the supervisory staffs, largely through the promotion and training of production workers.

In addition, changing military requirements compel frequent and sudden changes in war contracts and war production schedules. Competition with our enemies in the design and improvement of war products requires interruption of established production lines to permit model changes.

These and related wartime factors obviously affect productivity, but not to the extent of factors which are avoidable and inexcusable. Available evidence shows that productivity in the automotive industry can be substantially increased. It is not pleasant to reveal this fact about the industry most renowned throughout the world for its productivity.

There are few cases where the same product that was being produced in prewar days is being currently produced with the same equipment and under the same general conditions. However, there are a few such examples. Example 10 (in Exhibit No. 9, attached) contains an authoritative instance of reduced efficiency.

It gives the comparative analysis of production of certain types of material which Company AC has been producing since 1940. Out of two score machine operations, it will be observed that there has been an efficiency loss throughout, ranging from 25 per cent to almost 100 per cent, even though none of these operations involves new or untried work. The first operation listed resulted in an hourly production rate of 820 pieces in November of 1940. This production rate had fallen to 760 pieces per hour by December of 1940 and to 730 per hour by August of 1941. By December of 1943, the rate had gone down to 655 where it stayed, as compared to 820 in 1940.

**Body Tops To Fuel Tanks**

In another case, company AE (Example 27) was stamping halves of jettison gasoline tanks on the same presses that had made auto body tops. Prewar production of body tops was 130 per hour. The tanks were made of sheet steel about 10 feet long on steel dies of the same general shape and contour as the body top dies. Personnel was almost identical with prewar personnel. Production conditions were made identical. Output ranged between 50 and 70 per hour, and for three or four weeks a dispute raged over management requests for an increase.
The union stewards argued for several weeks, but finally backed out in March and April of 1944, apparently because they recognized their position was absolutely untenable. The management then fired two men. There was a brief strike. Thereafter production went up to 130 per hour, which was the level sought originally.

Reasonable output was reached only after successful application of disciplinary action and after a strike.

Control Established

Examples 4 and 5 indicate increased productivity following success of management’s efforts to reestablish control of production standards.

In No. 4, the output rate for a universal joint job was fixed after time study at 9 pieces per hour. The operators slowed the job down to 6.6 pieces per hour. Then followed several conferences with local and international union representatives covering a period of several months, two strikes, the suspension of six employees, the discharge of one employee and transfer of two shop committeemen. There were three operational demonstrations, during the last of which one operator finished 22 parts in 2 hours and 4 minutes and two other operators each produced more than 11 items an hour. Finally, agreement was reached; the operators were required to produce 8.75 pieces an hour. This production figure has been maintained by the operators since that date. During these discussions, the production rate was increased simultaneously by all operators, at three different intervals, to rates below the established rate, but higher than the previous rate per hour.

In Example 5, five employes, shop committeemen, and officers of the local union, after continued warning, were suspended for failure to meet a grinding job production standard. The standard was 65.8 pieces an hour. One suspended employee was producing only 35.2 pieces per hour. The others were well below standard. Ninety fellow workers walked out immediately, but it spread to other plants of the division, resulting in a complete shutdown and direct loss of 638,249 man hours. When the work resumed following a War Labor Board order, the employees were requested to meet the standard of 65.8 pieces per hour, and they have done so since then. In fact, one employee has averaged as high as 86.8 pieces per hour for an 8-hour shift. Several male and female employes, with no previous experience on this job, have reached the standard rate after only three or four days’ experience.

Tempest Over Three Women

In Example 38, Company AF inaugurated a plant efficiency program in a department where output was substantially below standard. Analysis revealed that three women workers on one operation were holding back
the entire assembly line. It was decided to transfer them to other jobs in
the department which they were capable of handling and which carried the
same rate of pay. The three appealed to the department steward. **He told
them not to accept the transfer.** The management suspended the three work­
ers and the steward. The department steward appealed to the plant steward.
The plant steward advised the management the department steward was
not responsible but acted on his instructions. The management suspended the
plant steward. The plant steward appealed to the local union president. The
local union president came, protested the transfers and stated both stewards
had acted on his instructions. **That he was responsible and that the workers
were not to be transferred.** The management cancelled the union president's
permission to enter the plant. Conferences ensued with government concili­
ators participating. Subsequently, the union representatives agreed to trans­
fer the three women and agreed to the non-payment of the women and
stewards for the period of their suspension. Since this experience, produc­
tion on this operation has approximately doubled.

**Incentive Plans**

Despite the opposition of the United Automobile Workers, C.I.O., to
the adoption or continuance of incentive plans, experience shows that pro­
ductivity has been increased in the few instances where the companies have
been able to install incentive systems.

An automotive parts company introduced a group incentive plan on July
1, 1942 covering workers producing machine guns. Productivity increased,
from 80 per cent below standard, to 113.3 per cent. The rate held in the 110
to 115 per cent range until cutbacks in the fall of 1944 reduced output.

With your permission, I would like to submit an exhibit (No. 10) for
the record listing the increase in output in other plants after the wartime
adoption of incentive plans. Without exception, they show advances ranging
from 15 to 50 per cent. Automotive companies that were able to retain their
pre-war incentive plans have not experienced any marked decline in pro­
ductivity—to the contrary, in a few cases, productivity has increased.

Wherever applicable, an incentive plan to reward merit, ability and pro­
ductivity of the individual worker is an important step toward increasing
output, reducing cost and conserving manpower. Your committee's support
of this principle is solicited.

**Power Load Charts**

Your own investigators have undoubtedly found a great deal of time
is lost in plants through late starting, early quitting and loafing periods
during working hours. This is confirmed by electric load charts from typical
automotive plants. In using electric load charts, allowance must be made for power consumption for lighting purposes and machine idling motors when machines are not in actual use.

Load charts of Company R show that for various departments, production lost through late starting, early quitting and unauthorized rest periods amounted to from 18 to more than 40 per cent.

The load chart for Company U shows late starting, quitting an hour before lunchtime, a late starting after the lunch period, quitting before a 15-minute 3 o’clock rest period, failure of production afterwards to approach even pre-3 o’clock levels and a rapid decline in production an hour before quitting time.

The compressed air chart of Company AF is more exact evidence of late starting, early quitting and loafing. This is because compressed air is used only during the course of actual production. Idling time is not registered.

This chart’s pattern is almost identical with those of the power load charts. At least one hour out of eight is lost as a result of late starting, early quitting and loafing.

These charts and an explanatory statement are submitted for the record in Exhibit No. 11.

**Strike Increases**

Man-hours lost through strikes and work stoppages represent a flagrant waste of manpower, facilities and precious time.

Chart No. 12 is based on the government’s own Bureau of Labor Statistics tabulations. It shows there were 5 times as many strikes in automotive plants in 1943 as in 1940. However, this is only a partial picture, as the BLS does not record strikes or stoppages lasting less than a day or involving fewer than 6 workers.

It is a deplorable fact that, during the first 11 months of 1944, there were more strikes and work stoppages in the automotive industry than there were in 1937, the year of the infamous sitdown strikes.

Even more astounding, more employes were directly involved in automotive strikes during the first 11 months of 1944 than were directly involved in all the shameful sitdown strikes of 1937. There have been more strikes and work stoppages and more employes directly involved during the first 11 months of 1944 than in any other period of the industry’s history. This does not include 800 strikes and work stoppages not recorded by the BLS. The direct man-hours lost by strikes are frequently belittled and dismissed as inconsequential. Even BLS figures show that 1,266,000 man-days were lost by strikes in the automotive industry in the first 11 months of 1944. This does
not include the man-hours lost in plants dependent on the output of struck plants through upset schedules and reduced or stopped productivity through delayed delivery of parts and materials. However, the loss in direct man-days lost is equivalent to 4,200 regular workers in the automotive industry or seven times priority requirements of Detroit plants responsible for “must” military programs behind schedule.

“Speed-Up” vs. “Slow-Down”

Gentlemen, in our communication of February 7, 1945, we quoted R. J. Thomas' (President, UAW-CIO) testimony before the Temporary National Economic Committee on April 10, 1940. The Committee Chairman questioned him about the UAW’s fight against the so-called “speed-up.” He took credit then for having reduced automotive productivity between five and ten per cent. The techniques for doing this are still in use. Ironically, since Pearl Harbor, he and his union associates have described low efficiency in the industry and blamed management for it.

In the judgment of automotive production men, Mr. Thomas and his associates have had greater success during the war.

In four typical automotive foundry departments, productivity has declined 49, 5, 49 and 45 per cent from peacetime levels.

A parts company president estimates productivity in his plant is only 50 per cent of prewar.

A carburetor company top executive advises that his plant’s union stewards admit efficiency ranges from 40 to 65 per cent of prewar standards.

Another parts executive admits he is only getting the equivalent of 75 per cent of an honest day’s work.

The general manager of a plating company says under normal conditions he could produce the same output with 35 per cent fewer workers.

A former automotive body company reports total productivity about 69 per cent of standard.

Gentlemen, the question in the minds of production men who built this great industry and its efficient production record is whether the decline in productivity is 25 per cent, 50 per cent, or some percentage in between. In their private discussions, the ablest and most experienced production men in this industry differ only over the exact percentage.

Community Self-Help

Your Committee is seeking the answer to the manpower problem, the answer to this decline in wartime productivity. It can be found only by further examining the facts. As indicated earlier, schedule revisions,
changes in design of war products, material scheduling, and other inherent wartime governmental activities affect production, but provide neither an explanation nor an excuse for a condition of this character and magnitude. Improvement in each of these fields of government activity would not substantially affect the basic problem.

Increased employment in Detroit has intensified community problems. Migration into this high-wage area created housing shortages, particularly for minority groups. It has over-crowded transportation facilities. It has over-burdened recreational, educational, medical and other essential community services. Employment of women has created the wartime child care problem.

Community cooperation through such agencies as the Detroit Victory Council has helped. Established through the joint efforts of management and labor, it is locating more negro housing sites and workers to man idle D.S.R. buses. These wartime community problems have proved troublesome, as in every other war center, but their complete solution would not substantially affect the major problem.

**Labor-Management Cooperation**

The view is widely held that the manpower problem could be solved by a greater degree of cooperation. This viewpoint overlooks the effective cooperation between management, labor and Government in numerous activities where cooperation can be helpful. Detroit WMC activities have been outstanding because of the job being done by Mr. E. L. Cushman, its director, and because a fine spirit of cooperation exists between members of his Labor-Management Committee. The Detroit Victory Council was created by representatives of labor and management in 1943. It depends on constructive cooperation between management and labor.

Many automotive companies have established Labor-Management War Production Drive Committees and all are in constant touch with their union representatives.

Cooperation between labor and management exists where cooperation will expedite war output. Excessive efforts to substitute cooperation or group control for individual worker, union, or management responsibility increases confusion and further reduces productivity. Your own committee investigators may have found proof of this among automotive companies where the union has used Labor-Management Production Drive Committees as a device to weaken management and assume its functions.

A dangerous illusion in this country is the idea that union representatives can help management apply good managerial practices, particularly those involving discipline. There have been a few exceptional cases, but
almost invariably they result in partisan efforts to replace union representatives who supported management action. The political nature of unions precludes acceptance of such responsibility.

**Arrogance and Violence**

To find the answer, let's look at conditions in a representative group of plants. Most workers are dissatisfied with lack of discipline and the ability of a militant minority to run rough-shod over their fellow workers and management representatives. Here are a few specific examples:

Several weeks ago, an employee with a record of continuous absence from his working station, refusal to obey orders, and disregard of his duties and obligations, was discharged. His case was heard by a Regional War Labor Board panel which recommended upholding the discharge. However, the Regional War Labor Board ordered the employee reinstated with back pay. (Example 36.)

138 workers "spontaneously" pulled out their shirt-tails and paraded through an automotive plant in "protest" because management wanted the state safety laws obeyed. (Example 22.)

Tank test drivers wouldn't test their tanks because the test track was too dusty; after wetting, because it was too wet. (Example 40.)

A worker grabbed a foreman by the throat and brandished a knife. (Example 21.)

Two workers threw a foreman out the door. (Example 15.) His crime? He'd been assigned by management to replace another foreman who was incompetent.

Three hundred howling workers beat up a small group of labor relations men and plant guards, destroyed an office, records and all. (Example 18.)

Six girls gather around a seventh and threaten to beat her up if she doesn't quit working so hard. (Example 24.)

A drunken worker strikes a superintendent on the jaw and floors him. (Example 25.)

A shop committeeman tells an inspector, "I'm telling you and the inspectors they (the workers) can go anywhere they want to and smoke." The shop rules, or the provisions of the contract, meant nothing to this union representative. (Example 23.)

A crew of welders strikes six times in four days to try to force the ouster of another welder. (Example 7.)

A worker learned her job too well and is subject of a strike because the
union wants an inexperienced person on the seniority list to have her job. (Example 39.)

The union starts a strike to prevent promotion of a production worker to a foremanship. (Example 8.)

A union shop committeeman refuses to cooperate when a foreman requests workers to work overtime and make up for production lost through a breakdown. (Example 9.)

A stoppage results when a worker is disciplined for making a knife in the furnaces during working hours. (Example 20.)

Women At Work

A female employe sets up a beauty shop in the ladies' room, and gives hair-do's to other women employes. Some cover up for her and she spends long periods of time as a hairdresser while her machine is idling or being operated sporadically. (Example 19.) Her discharge is appealed by stewards, and the shop committee withholds a decision because of a pending local union election.

Four hundred men are asked to transfer to new jobs (at the same rate of pay) which women cannot perform to permit employment of women on their present jobs. The union refuses to permit the transfers. The company appeals to the National War Labor Board. The Board returns the appeal with the notation that the transfer cannot be made without the approval of both the management and the union. (Example 30.)

Transfer of seven men from jobs which women could perform to jobs that men only could perform was opposed by union representatives and carried up to the umpire for decision. Compensation was the same on both jobs. (Example 29.)

These are typical daily occurrences in the plants. In and of themselves, they may not be too important, but their true significance commences to appear when you consider them in the light of their aggregate meaning and relation to the other information we are submitting.

Insubordination Encouraged

The details on these incidents and a larger group of similar incidents are submitted for the record. (Exhibit No. 9.) Together they evidence union support of violations of shop rules and collective bargaining agreements, and the extent to which union representatives go in thwarting management's efforts to maintain orderly working conditions essential to efficient production.

The number of strikes and work stoppages has been mentioned. In seek-
ing the cause of lower productivity, one should investigate the incidents that lead to strikes and work stoppages. Figures of 500 automotive companies show that in 1944 there were 1,045 recorded strikes and work stoppages. Before the war most strikes and work stoppages were over union recognition, wages and hours, but in 1944, more than 43 per cent resulted from union efforts to defeat maintenance by management of orderly working conditions needed for high-level productivity.

In the case of Company Q, 1944 work stoppages as a result of necessary disciplinary action comprised 52.3 per cent of its total, compared to 15.6 per cent for the same reason in 1940. Of man-hours lost because of strikes and work stoppages, 82.8 per cent involved disciplinary cases in 1944, compared to 4.4 per cent of the total in 1940. Increases in the case of other companies are significant. (Exhibit No. 13.)

Of possible interest, 47 per cent of strikes and work stoppages during the months of December, January and February involved management’s efforts to maintain discipline. Even Bureau of Labor Statistics figures for our industry show that during 1943, 49 per cent were for “all other causes” —wages and hours, union recognition and jurisdictional disputes are shown separately.

So that you may read chronologically the causes of strikes in the last three months, the list (Exhibit No. 14) is filed for the record.

**The Heart of the Problem**

Strikes and work stoppages over necessary disciplinary actions was not accidental as is indicated by George Addes (Secretary of the UAW-CIO) in a statement in the April, 1943, official UAW publication. He stated:

“Wartime restriction of the right to discharge employes for disciplinary purposes would eliminate one of the most frequent causes of controversy in the plants and reduce interruptions of production.”

This challenge of a management function was renewed on March 1, 1945, by Richard Frankensteen, Vice President, UAW-CIO, in a telegram to William H. Davis, National War Labor Board Chairman. The telegram said in part:

“Management should be required to refer all disciplinary discharges to grievance procedure before any such discharges are made effective.”

Gentlemen, the heart of a basic problem is revealed by these statements. Are union leaders to be backed by the United States Government in further usurpation of the functions, authority and responsibility of management?
As the Detroit Free Press declared in a March 3 lead editorial:

"Every union contract has an iron-clad grievance clause whereby workers, under due process of law, may have any wrongs rectified. If they are improperly fired they are awarded full back pay so they are out nothing."

The real but frequently misunderstood purpose of the bargaining procedure is not to determine who is to control and make decisions, but is to determine procedures for obtaining redress for a managerial decision deemed to be improper. It is management's function to make decisions. Should the union not agree with the decision made by management, then, through the collective bargaining procedure, redress can be obtained.

Significantly, few, if any, of the automotive strikes and work stoppages during 1944 occurred after use of the grievance procedure established both in collective bargaining contracts with individual companies and in Government agency procedures. Strikes preceded use of the agreed-upon and legal procedures.

No Penalty for Neglect of Duty

It is time for the Nation to ponder seriously the import of these strike and stoppage figures, and the above statements of top auto union leaders. The United States Government has applied no effective penalty to union representatives for using wartime strikes to bring pressure on Government or employers to obtain prompt concessions.

Regardless of cost to the war effort strikes are led and used by union representatives with complete impunity. For the so-called "no strike" pledge, they have been given added control over workers through maintenance of membership and other compulsory membership devices, which are of no benefit to individual workers.

Everyone knows the United States Government, even the President, have been successfully defied by more than one union leader on more than one occasion. Plants are seized and managements are placed under control of military authorities because of the excesses and abuses of union representatives and officials, including disregard of Government procedures.

Is there any other group of citizens in this country free from the application of penalties for the violation of laws and wartime procedures established to promote war production and speed victory?

We earnestly recommend that your Committee urge the adoption of policies and procedures that will result in the application of penalties to unions and union representatives where strikes and stoppages occur prior to the use of agreed-upon and legal processes. We wholeheartedly concur with the punishment of employers for the same violations.
Rewards for Revolt

Currently unions and union representatives are rewarded for failing to settle grievances by legal processes—this despite approximately 9,000 union stewards and shop committeemen in the plants of the automotive industry. These union representatives are elected by workers but are generally paid by the companies for time spent on union business. They received approximately $7,200,000 last year for time spent away from production jobs on union business.

The time thus spent is increasing. In Company R union stewards spent 16 per cent of their time on union business in 1940 but 39 per cent in 1944. In Company O, wages paid stewards for time spent on union business increased 240 per cent in less than two years (Exhibit No. 6.) No doubt you will be given an apparently plausible explanation for this. However, the following message from the UAW-CIO publication, "Bomber" of February 18, 1944, should provide some light:

"No matter how trivial your grievance may be, call for a committeeman, as the more grievances are instituted, when warranted, against supervision, the better chance we have of keeping them under control. In other words, make management so sick and tired of handling so many grievances that they may change their tune, and stop supervision's supercilious attitude."

Is It Legal?

Gentlemen, in a few plants in this industry stewards spend all of their time on union business. This wastage of productive time will grow unless steps are taken to bring it under control.

We recommend, for your support and the support of the NWLB the incorporation in all collective bargaining contracts of provisions that unions themselves shall pay union stewards, committeemen or other union representatives, for time spent on union business.

The Wagner Act itself makes it an unfair labor practice for an employer to extend financial aid to a union. Unquestionably the $7,200,000 paid union representatives by automotive companies last year represented substantial financial aid to unions and, under proper interpretation of the law, would be prohibited. Under our recommendation they would be paid by those to whom they are responsible. Wasted time and manufactured grievances to build up discontent and dissatisfaction among workers could be expected to decrease.

Gentlemen, these conditions result from programs and instructions emanating from top union representatives. So, too, does the present distrust
and defiance of management, Government, and their own union representa-
tives by a militant minority of workers.

How can union representatives expect the hot-head minority in their
organizations to respect even their authority when they are continuously
attacking authority, as such, whether exercised by management or Govern-
ment?

How can they expect such people to respect the union’s responsibility
under collective bargaining contracts when the integrity of the other party
to the contract is constantly under attack?

Organized Anarchy

Gentlemen, in these examples, others like them which your investigators
have doubtless obtained, and thousands which they could obtain, there is
evidence of an organized effort to prevent management from exercising the
functions it must exercise in order to manage the plants and enable the
majority of workers to attain a self-respecting level of usefulness.

There is a well organized effort to compel union approval before man-
agement assigns men to work. (See Examples 7, 15, 28, 39.)

There is a well organized effort to prevent management’s transfer of
workers in accordance with collective bargaining contracts until the ap-
proval of union representatives has been obtained. (See Examples 15, 28,
29, 30.)

There is a well organized effort to prevent management promotion and
demotion of employes until the approval of union representatives has been
obtained. (See Examples 8, 33, 39.)

There is a well organized effort to prevent management from disciplin-
ing unruly, disorderly or disobedient employes before the approval of union
representatives has been obtained. (See Examples 14, 18, 19, 20, 21.)

There is a well organized effort to prevent the establishment of produc-
tion standards set by management without the prior approval of union
representatives. (See Examples 10, 12, 16.)

There is a well organized effort to prevent management discharge of
employes without prior approval by union representatives. (See Examples
3, 11, 14, 17, 21.)

The pat public union answer to nearly every strike and work stoppage
is “if management had conferred with union representatives before taking
action the strike or stoppage could have been averted.” This represents an
emasculated and usurpation of the management function and means the

21
substitution of management-by-union-representatives for management-by-
management representatives or no management at all.

Your Committee's assistance is requested in obtaining and strengthen-
ing NWLB policies upholding management's ability and responsibility for
exercising management's proper and essential functions.

"Divide and Rule"

The process of dividing managerial functions and responsibility has
reached the point in some automotive plants where it is well known that
union stewards claim they are running the departments and production
activities.

What is the meaning of the union insistence that workers take up any
problem with stewards and shop committeemen first? It means just what
they said in their official publication. Through this process they have a
better chance of putting management under control!

Pattern for Power

Many interpret public efforts of top union officials to straighten out
strikes and stoppages, after they occur, as evidence that they were not
involved in creating present conditions.

Why has this decline in productivity—this widespread and organized
challenge of the exercise of essential management functions—developed?
It was nurtured and brought into being before the war.

Since the fall of 1940, an objective of the UAW-CIO, has been, in their
own words, to "obtain a voice in management." This means usurpation of
at least part of the management function, authority and responsibility. Their
pursuit of this objective has been intensified during the war.

Gentlemen, the lack of productivity in automotive plants—the inability
of these plants and of most of the people in them to produce the weapons they
are capable of producing—results primarily from the continuation of the
selfish drive of these union representatives for more, and more, and more
power—political, economic and social power. This is carried on despite its
consequences in terms of the war effort.

The "Reuther Plan"

The first drive to obtain a division of the management responsibility
was centered in what came to be called the "Reuther Plan." It was developed
and promoted by leaders of UAW-CIO through the fall and winter of 1940.
It was introduced informally in December, 1940, as "a program for the
utilization of the automobile industry for the mass production of defense
planes."
It proposed a tripartite production or management board, with members to be appointed by the President, with “full authority to organize and supervise the mass production of airplanes in the automobile and automotive parts industry.” It disregarded actual steps already taken by the industry to convert facilities to the production of the types of aircraft equipment the President, General Arnold and General Knudsen had determined were required.

Union cooperation with the tripartite board depended on a “union voice in matters of policy and administration, recognition of its rights and maintenance of its established standards.”

This audacious scheme, based on technical misinformation, engineering fallacies and a total disregard for the facts of the Government’s procurement policy and determined use of industry facilities for aircraft production, obtained wide public acceptance before its real implications were understood.

**Crisis Creates Opportunity**

The next union campaign was launched immediately following Pearl Harbor. It came into public notice when the Office of Production Management, predecessor of WPB, turned down the union demand for a share of the management responsibility for directing conversion and war production in the entire automotive industry. The Government actually created a tripartite committee to “assist” in determining national policy affecting conversion and automotive war production, but the UAW-CIO representatives thought they could obtain their real objective and insisted that the committee, after its appointment by OPM, be given power to “determine and put into effect” the war production programs of all companies in the industry.

The late Raymond Clapper thus described this attempt to seize power and revolutionize the American economic system in a period of grave crisis:

“Reuther proposed that his previously discarded plan be tried out now. Some government officials were inclined to be sympathetic. Industry executives objected to sharing responsibility for direction. For two days the battle went on. All agreed that some general planning and central direction was necessary. Labor wanted a three-way board to do it, with full authority to pool machines, materials and labor of automobile companies without regard to corporation lines. Industry fought this as a surrender of part of its control over its properties and proposed that the Board be strictly advisory. Finally a compromise was achieved. A joint committee will ‘assist’ OPM in developing the best methods. Thus for the second time the drive of labor to get in on the management of the automobile industry was beaten off.”
“Assist” or “Determine”

Unsatisfied with the right to "assist," union representatives insisted, in the words of George Addes (in the UAW-CIO publication, "The United Automobile Worker," January 15, 1942) the committee be given the power "to determine" and the power "to act." Reuther stated publicly and officially that the committee should either be given such power or "that the Government take over the automotive plants."

Production or Palaver

Contrast the tremendous outpouring of weapons we have had from the automotive industry with what might have resulted had this tripartite debating society been permitted to usurp the function and authority lodged in the individual company managements.

To strengthen their position for their next open effort to share the management responsibility, they had stimulated independent unionization of management employees, such as plant protection men, and certain classifications of engineers, technicians, laboratory workers and office employees. After these groups had been separately organized, the UAW-CIO moved in and absorbed them.

“The Managerial Revolution”

In its production performance, management must depend upon its foremen. Unionization of foremen is being vigorously pressed by an ostensibly separate and independent organization known as the Foreman’s Association of America. Actually, it is obtaining the active aid and wholehearted support of the UAW-CIO.

R. J. Thomas, President of the UAW-CIO, has publicly stated he reached an agreement with the President of the foremen’s organization before the foremen’s strikes last spring, that UAW-CIO members would not be permitted to serve as foremen when foremen are on strike.

George Addes, Secretary of the UAW-CIO, stated officially: “Our union believes in the right of foremen or any other group of workers to organize into a union and we condemn the refusal of corporations to bargain collectively with their foremen.”

The unionization of foremen would put the unions on both sides of the bargaining table and deprive management of its plant segment most directly responsible for actual operation of plant departments, including human relations between individual workers, and workers and management.

Experience indicates the ostensibly “independent” foremen’s union will eventually be absorbed or controlled by the CIO. Yet the NWLB and the
National Labor Relations Board are currently considering whether unionization of foremen shall be promoted and fostered by the National Labor Relations and War Labor Disputes Acts and the Government agencies administering them.

The NWLB panel which heard the case arising from the strike of foremen last spring declared, “the panel does not believe it is appropriate for supervisors, who are responsible for discipline, assignment of work, rate adjustments, and promotions, who represent the employers in handling the grievances of rank and file workers, and who generally represent higher management in dealing with rank and file workers, to be subject to discipline by a union which is controlled directly or indirectly by the men whom they supervise. The effectiveness of management requires that it have its own uncontrolled agents to represent it in dealing with the rank and file.”

Decisions upholding unionization of segments of management under laws which were written before Congress, or the country, realized such an issue would arise, will further reduce the productivity of this industry. Experience shows strikes and stoppages from efforts to organize foremen and then to build the power of the union will increase, just as they have from UAW-CIO efforts to expand beyond the legitimate functions of collective bargaining.

The CIO Post-War Plan

The principal objective of the CIO post-war plan drive is usurpation of the authority and functions of management. Stripped to its essentials, it is simply another proposal for Government creation of a union-management Government board which would be responsible for “taking the country through reconversion and managing peacetime production.”

Separate union-management-Government councils would be established for each industry. The proposed automotive council would divide management responsibilities between union representatives, Government representatives and management representatives. It would determine and impose plans for investing in new plants, machinery and equipment, production and employment, production rates, new products, transition and post-war wage rates.

The war doesn’t deter union efforts to obtain its official post-war objectives now.

Lest the Committee think this exaggerates the effect and purpose of these union proposals, an exhibit is filed for the record containing the union’s own language describing these plans. (Exhibit No. 15.)

These objectives are far afield from the legitimate objectives of collec-
tive bargaining, which relate to questions of recognition, wages, hours, and working conditions.

"Unions Can Do No Wrong"

The diminishing productivity of automotive plants is the fruit of seeds sown by the CIO in the soil of an out-dated national labor policy. Under it, unions and union representatives have been exempt from laws with which every other American or American organization must comply. They have been granted special privileges which justify the statement: "Unions can do no wrong."

Our national labor policy can be simply summarized as "the Government will aid unions in their organization and prevent any interference with unions, or union representatives, regardless of the concentration of power resulting from their form of organization and regardless of whether their power is used for or against the national interest."

Under the industrial union form of organization, control and power are already largely concentrated in the hands of the officials of industry-wide international unions. This form of organization has been used to organize the workers in particular companies, all companies in particular industries, and all organized industries into one union, with the officials of that union in a position to wield compulsion or power over its local union members and their individual members. The strength of this gigantic industrial union's officials is based on their growing control of the policies and activities of the local unions with their six million members.

CIO Super-State?

Through Government-granted rights of compulsion over CIO union members, gained largely in wartime, CIO is rapidly becoming the most powerful private organization that has ever existed in the history of this country. The Anti-Saloon League, the American Legion, the Grand Army of the Republic, farm or industrial organizations, have never equaled the influence and power of the CIO.

Why is the country facing the likelihood of interruption of war production from coal strikes? Is there any question but that John L. Lewis, through his perfection of the industrial form of union organization in the coal industry, controls the coal industry? Have the national labor policy and the legal processes of Government been adequate to prevent his use of his power to interfere with the war effort? Yet, John L. Lewis' power is picayune compared to the growing power of Philip J. Murray, Sidney Hillman, R. J. Thomas, and other CIO officials and their political arm, the Political Action Committee.
Seizure of Power

Let's assume the union's real objective—to usurp management responsibility or obtain a "voice in management"—succeeds. Let's assume union representatives are designated on industry councils, on an automotive industry council. We shall then have permitted, through the back door, that seizure of power by unions or by other groups which the American people have resisted when undertaken by industrial or other groups from the very beginnings of our Nation.

The union representatives in automobile company managements shall then have effected an interlocking management relationship capable of controlling production, prices and other competitive matters in a manner more monopolistic and predatory than the vilest industrial trust or monopoly this country has ever seen or pictured.

Why Is the Power Not Used?

Why don't these international union officials with all this power stop strikes by their local unions? This appears paradoxical, but is understandable when you understand the background already presented. The power to control is there. It will be used at the opportune time. The present vague division of responsibility between the local UAW-CIO unions and the international, is a convenient method of avoiding public responsibility for the acts of either. Buck-passing between local union officers and international officers is a notorious fact well understood by Government and industry representatives and others who have dealings with them. It can be easily substantiated by your investigators.

This division of responsibility permits the international officers to disclaim responsibility for the strikes and stoppages and plant conditions daily interfering with war production. It prevents the union members, as well as the rest of the American people, from determining why such deplorable conditions exist.

Gentlemen, winning the war and the peace both require the reestablishment of high-level productivity in the automotive industry. In simple terms, this means the establishment of a national labor policy predicated on the problems of today and tomorrow rather than on the problems of yesterday.

The Pendulum Swings

Even R. J. Thomas, UAW-CIO president, stated during a radio forum discussion of labor-management relations over WJR, Detroit, as long ago as September 6, 1942, that "maybe the pendulum has swung too far one way now, but it was too far the other way before."
Secretary of Labor Frances Perkins says in her annual report for 1944 that American trade unionism has definite public responsibilities. We further agree with her that failure to perform these responsibilities will result in weakening those laws which gave the unions a chance to establish themselves as an accepted institution.

Secretary Perkins points out that unionism rests on the will of the American people. People, whose opinions are affected by the viewpoints of their 11 million sons and daughters in the armed services, are showing signs of a rising tide of impatience with failures of unions ambitious for unlimited power.

Frankly, if this impatience were to translate itself into hastily-drafted laws which fail to meet the real issues, it would adversely affect the best interests of the nation, labor and industry. Such action would interfere with war production and delay victory.

Modern Labor Policy Needed

To avoid this, we propose the creation of an equitable, balanced, complete and modern national labor policy.

We believe there is only one way in which laws that give statutory backing to workers' basic right to collective bargaining can be saved from the weakening feared by the Secretary of Labor.

We urge you to put an end to the privileged status of unions and their representatives and their exemption from basic laws and principles with which other Americans comply.

Adopt promptly a national labor policy strengthened, completed, balanced and modernized to establish a foundation for the management-labor relationship essential to the country's future if it is to fulfill its destiny, as follows:

1. We believe and recommend a carefully-considered policy that would retain or restore to management the ability to manage; that would recognize the need to maintain the integrity and efficacy of collective bargaining and that would do so by clearly and sharply defining which employees are representing management, and which represent the workers. The group responsible for management functions must be free from union control just as surely as the group responsible for union functions must be free from management control.

Equal Rights for All Citizens

2. We believe and recommend a national labor policy should continue to protect workers from coercion on the part of the management. It should
protect workers from coercion by the unions. Likewise it should protect workers, unions and management alike from governmental coercion by providing court review of administrative actions. Just as in all other disputes between citizens, any of the parties at interest in worker-union-management-government agency disputes should have full recourse to court adjudication of facts, law and equities.

3. We believe workers', industry's and the nation's best interests require imposition of penalties on any union which strikes before it has exhausted the grievance procedure provided in its contract and in governmental procedures. In such cases, it should forfeit the right, for a specified period of time, to governmental consideration of its demands.

Decentralization Needed

4. We believe and recommend a national labor policy should reverse the tendency toward centralization of administration in Washington and, instead, localize the handling of labor union-management problems. We believe the success of the War Manpower Commission program in the Detroit area, as reflected by its support by management and the unions, is based in large measure on its administrators seeking advice from local people, who understand local problems.

We believe public acceptance of the Selective Service System rests upon the fact that local people who know the community are given wide discretionary powers to interpret national policy in terms of local conditions.

We believe the procedures—and union and management respect therefore—of all other governmental agencies directly affecting union-management relations would be improved by decentralization. We would place full administration of the national union-management policy in the hands of local people who can equitably interpret and apply it in terms of local conditions. This change of policy would affect the organization and functions of the regional offices of NLRB and NWLB and increase their scope of operation and capacity to be of constructive benefit in the solution of labor problems.

5. We believe the same theory of improvement through decentralization applies to direct union-management relations. We believe no international industrial union organization should have any more authority to direct and control the collective bargaining of unions representing employees of separate employers than the Automotive Council, for instance, has to direct and control the position of its member companies. Neither an international union nor a national trade association is as well qualified to discharge the full responsibilities of collective bargaining as the particular union and employer directly concerned. These are the people who know the specific
problems and conditions first hand. Therefore, we believe the new national labor policy should lodge the responsibilities for collective bargaining in a union exclusively representing the employees of a single employer. This would build responsibility for stable relationships and put it where it belongs. It would permit the working out of agreements on a basis mutually satisfactory to the parties directly covered by the collective bargaining contract. Executives and staffs of international unions could provide economic research, reporting, technical, public relations, and advisory services to their autonomous union members. This policy would make unions, which are parties to collective bargaining contracts, as responsible and as autonomous as the other party to the contract.

Cartels and Unions

6. To further improve the equities as between workers and management, we believe the new national labor policy should give separate unions the same protection against undue concentration of power in the international unions as individual companies in the industry have in relation to their inter-industry and intra-industry trade organizations. We believe that just as most Americans are opposed to monopolistic or cartelization practices on the part of industry, so they are opposed to the same practices on the part of the unions and for the same reasons. Likewise we believe there is public agreement that the national interest requires that neither union nor management organizations should function in the political field.

7. We believe the national interest requires the encouragement of the incentive pay system where feasible and particularly where it would increase war production. This is a highly technical subject. It is filled with contention and its merits are clouded both by exaggerated claims and by exaggerated criticisms. But the record in our industry indisputably shows that properly designed incentive wage systems do increase wages and productivity.

8. We believe the national policy should require that the unions themselves shall pay union stewards or committeemen or other union officials for the time spent on union business.

We believe that a national policy based on the principles we have outlined would have the support of the workers themselves, of management, of the public in general, and of labor’s true friends in Congress.

We believe, in fact, that such a policy would face opposition only from two groups—those who have special interests to protect and those who are primarily interested in collectivization or cartelization of American industry and labor.
Objective Reasoning Required

We appreciate that management proposals for a modern labor policy would be suspect, for we know how the smear campaign has weakened confidence of workers and public in management. We know, too, the proposals will be attacked with new smears, not with objective reasoning.

Nevertheless, we believe a Congressional inquiry into the real causes of lowered productivity and into what workers and the rest of the public regard as practical solutions to the problem would substantiate our belief that these proposals are in the long-range public interest and imperative now to maximize labor’s and management’s production of war materiel.

We believe an immediate, thorough and objective inquiry would convince your Committee and Congress, as surveys have convinced us, that most workers want to do more. We have shown barriers to the workers’ desire to produce more for victory and outlined a plan to permit that fundamental, patriotic desire to be realized.

The Alternatives

What are the alternatives? There are only three possible courses union-management relations can take.

First, a continuation of management-union disagreements as to the management of the plants, which would mean more strikes and stoppages and a further wartime lowering of productivity.

Public disclosure of this issue has been made at this time by management only because of the progressive deterioration that is taking place in worker, job and plant productivity. Automotive company managements have put up with unbelievable interferences and made temporary concessions of management functions and authority as a means of avoiding interruption of war production. Your Committee would not be in a position to evaluate properly the factors which are interfering with war production if you were not informed frankly of these conditions.

Further, we understand and appreciate the military demand and public demand that is developing for Congressional action that will curb the excesses of unrestrained unionism. Previous demands of this character have been met by temporary stop-gap legislation which has been of little help and, in some cases, has actually been used to promote industrial strife with resulting further deterioration in productivity.

Take, for example, the Smith-Connally Act. The National Labor Relations Board itself stated in its report for 1944:

“A large proportion of the strike notices filed (in 1944) were for the purpose of attempting to influence by threat of strike the action of
governmental agencies in cases pending before them, or to express ob-
jection to action already taken by such agencies . . . the unions are
seeking to make use of the strike ballot to bring pressure in the
form of a strike threat to bear upon the governmental agencies deal-
ing with disputes, either in the hope of obtaining more favorable de-
cisions or more rapid ones."

Second alternative is the achievement by unions of their objectives.
This can be accomplished in two ways. One, through the intermediate step
of industry-wide collective bargaining. Industry-wide collective bargaining
would make it necessary for industry to organize in the same manner that
industrial unions are now organized. For example, it would be necessary
for the Automotive Council, or some similar automotive industry agency or
agencies to be empowered to negotiate the wages, hours and working condi-
tions of all its 525 members and scores of non-members. In other words,
agreements made by such an agency would be binding on General Motors,
Packard, Borg-Warner, the Anderson Company, the other automotive com-
panies large and small, the peacetime products of which in many instances
are largely unrelated.

Toward the Corporative State

There are many present advocates of this course. England has pursued
it and now organized English employers and trade unions are asking the
government to give them jointly the power to fix production and fix prices.
In fact, the British cotton textile industry and trade union as late as last
September jointly asked permission to fix the price of their principal com-
petitor, rayon, as well as the prices of their own products.

It is clear that industry-wide collective bargaining is a major step toward
the corporate state and cartelization of American industry.

On the other hand, previous union efforts indicate they believe they may
avoid this intermediate step to direct usurpation of management functions
and authority throughout an industry. If this happens, it will provide, through
union representation in the management of companies in such an industry
the interlocking management relationship in American industry that Ameri-
can people have fought so vigorously for so many years. Through the back
door of existing industrial unionism, we will have created industry-wide
monopolies and fixation of prices and production. The competitive principle
and practice in this country will have been destroyed and consumer prices
will rise.

The Third Alternative

The third alternative is to strengthen the collective bargaining function

32
of unions by modernizing our national labor policy along the lines previously suggested. With separate industrial unions bargaining with separate employers, both fully responsible for their acts, the management-labor relationship that must exist if we are to obtain improved productivity during the war and a higher standard of living following the war can come into full force and effect. How can this cooperative management-labor relationship, at the employer and plant level, best develop? Can it develop permanently as long as management is dealing not with the present powerless representatives of its own workers but with officials of industry-wide or international unions? How can it develop when the officials of these international unions are rapidly increasing their ability to bring the full political and economic power of six million workers to bear on a single employer of a handful, a few thousand, or a hundred thousand workers? Consider the full implication, Gentlemen, of the economic boycott, or the CIO Political Action Committee.

Great accomplishments require good organization. Good organization requires order and discipline. Order and discipline depend upon clearly understood and accepted functions, authority and responsibility. The functions, authority and responsibility of management have been diluted and confused. Continued and further division of the management responsibility will increase the magnitude and seriousness of our wartime and postwar national problems.

Gentlemen, I have talked to many soldiers who have come home from the front and many of them say that they and their comrades hope that these issues can be settled before they return to assume their tasks in building a greater America on the principles for which they have been fighting.

Yet the temple of the United States Government is defiled by the kept spokesmen of super-organized, selfish, minority groups, who make it the means and the place for obtaining governmental arranged pay-offs for usurped and perverted use of the individual's rights, including that of petitions. Is this government of the people, by the people and for the people?