

"All that harms labor is treason to America. No line can be drawn between these two. If any man tells you he loves America, yet hates labor, he is a liar. If any man tells you he trusts America yet he fears labor, he is a fool. There is no America without labor, and to fleece the one is to rob the other." — ABRAHAM LINCOLN.

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THE AMERICAN WORKING PEOPLE ARE AWAKE!

The General Electric Company deemed it necessary to run on the front page of their Schenectady Works News a reprint of an editorial in the New York World-Telegram entitled "Wake Up, America — It's Late!" The editorial as a whole throws the burden of the present war psychosis on the American people—and the fall of Republican France upon the labor movement. The editorial was definitely used to confuse and split the ranks of organized labor—at a time when the utmost unity is needed. This editorial is in line with the general attack being made upon American organized labor by American industrialists through their controlled press and every other possible means they can find. It is vital to the self-preservation of every G-E man and woman to carefully read this whole article Every point is repeated and answered.

The editorial opens with statements emphasizing the need of our country to awaken to the full gravity of the peril that confronts it; further stating that we should appreciate how badly we have been defeated in three months of war; and ends with a prayer to God that this awareness will not come too late as it did in France.

Who Caused the Fall of France?

The fall of France came about definitely through the treacherous sell-out to Hitler on the part of the French industrialists.

The brave working people of France cannot be blamed for the Munich Pact—when Prime Minister Chamberlain of the English Cliveden Set and the Daladier French Fascist government handed to Hitler on a silver platter Czecho-Slovakia—with Europe's most compact and best-trained army of 1,000,000 men.

French industrialists were willing to take their chances with Hitler, rather than give the working people of France a decent standard of living. The French Maginot Line was full of armaments and war material captured intact by the Nazis—this material was manufactured by French working people. . . . General de Gaulle who proposed a mechanized army for France became an outcast among the French fascist clique. . . . Can the French working people be blamed for this?

American Labor Anti-Fascist!

American organized labor in their convention halls during the past five years adopted resolution after resolution condemning shipments of scrap iron and oil to Japan—the same scrap iron which is now blowing American boys to pieces—the same American oil which is driving Japanese warplanes loaded with death for American soldiers.

Can American industry show us one recorded protest against shipment of American scrap iron or aviation oil to Japan?

Profits could not be disturbed!

EDITORIAL (G-E Works News): Can we get maximum production? Not on the present basis — not under the psychology of recent years.

Business-as-Usual Attitude Will Not Win War!

UNION ANSWER: We agree that the American industrialists' psychology of recent years will not bring about maximum production. Under threat of a war emergency American industrialists are attempting to deprive labor of its hard-earned gains over the past few years. This worked out in the last World War—and labor found itself deprived of all organization after the war.

At present in the country we still have an unemployed figure of over 5,470,000 able-bodied men and women. In the Schenectady G-E plant skilled men are still being sent home for lack of work.

EDITORIAL (G-E Works News): Can we get maximum production? Not until we quit thinking in terms of less work for more money.

American Industrialists on Sit-Down Strike!

UNION ANSWER: American industrialists conducted and are still conducting a sit-down strike against our nation until guaranteed a definite profit on war orders. Our government was forced to build plants for American industry because industry was not willing to take a chance on building their own plants for fear they might be idle on their hands after the war. In other words, American industry is geared to a depression level and they cannot conceive of a period when all the American working people can be employed.

EDITORIAL (G-E Works News): Can we get maximum production? Not while there is greater concern about overtime pay than overtime production.

War Profits of American Industry!

UNION ANSWER: The profit available for dividends for G-E stockholders—i. e., the coupon-clippers—was only \$56,241,000.00. This profit declared after all possible profit taxes, reserves and depreciations were deducted. Every G-E employee contributed at least \$560.00 in accumulating this profit. This accumulation of profit took place after time and one-half was paid over the 40-hour week, and double time for Sundays and holidays.

In the magazine of Wall Street—not the U.E. News or the Electrical Union News—Ward Gates makes the following conclusion: "For the majority of industrial enterprises, it is undeniable that 1941 was the best year since 1929 and for many it brought the largest profits on record."

EDITORIAL (G-E Works News): Can we get maximum production? Not while former politicians are more interested in higher prices than raising more essentials.

American Farmer Exploited by Big Business!

UNION ANSWER: The American farmer has a right to a fair price for his produce. But it isn't the dirt farmer who makes the profit from his produce, but the financial food manipulator, and big business. The milk producing and milk products business in this country is a \$4,000,000,000.00 industry — but the average dairy farmer can barely keep going.

Giant corporations such as Borden's and Sheffield contract to buy milk from the farmers at barely subsistence prices—and reap millions in profits from milk products.

President Roosevelt, in a letter to Secretary of Agriculture Wickard, made public August 12, 1941, said: "When democracy is in danger, our farmers always have rallied to its defense and they always will. All they ask in return for their increased production is fair prices and assurances of protection after the emergency has passed. I think farmers should have these assurances."

Owen D. Young, the former chairman of the Board of Directors of the General Electric Company, and at present a dairy farmer in Van Hornesville, recently sided with the dairy farmers in their demand for a decent price for their milk.

EDITORIAL (G-E Works News): Can we get maximum production? Not while government bureaus, created to meet a depression emergency, is ended, continue to grab for themselves money needed for armaments.

Government Bureaus Still Needed!

UNION ANSWER: One of the government bureaus created was the National Labor Relations Board—to administer the National Labor Relations Act, the American Magna Carta of Labor. How many American Industrialists would live up to the act if it were not for the N.L.R.B.? The Senate Civil Liberties Committee only a week ago, in a slashing condemnation of the oppressive labor practices of tory business and farm outfits, warned that denial of civil liberties to workers and farm labor are a menace to the nation in peace-time, but create even greater problems in war.

Hence . . . government bureaus!

EDITORIAL (G-E Works News): Can we get maximum production? Not while an army of federal press agents clamors to promote and perpetuate activities that have no present need or value.

This Point Was Made to Confuse!

UNION ANSWER: This point cannot be answered because there are many federal activities that Labor is in accord with and some that Labor does not approve. Therefore the unquestionably deceptive vagueness and confusion of the point make it unanswerable.

EDITORIAL (G-E Works News): Can we get maximum production? Not while WPA, despite shortage of Labor, seeks to carry on projects which it doesn't have the men to perform or the need for performing.

The Country Never Had a Shortage of Labor!

UNION ANSWER: The CIO estimated 5,470,000 unemployed in November 1941, and this unemployment figure has risen since then, due to the recent dislocations and conversions in many major industries. Do we need WPA?

EDITORIAL (G-E Works News): Can we get maximum production? Not while CCC and NYA stretch greedy hands for funds to pamper young men who ought to be in the armed forces or war plants.

Private Industry Failed to Absorb Youth!

UNION ANSWER: Many young men are seeking employment at the G-E gates and cannot get it. The NYA has been and is now training many young men for defense jobs. Why didn't private industry train these youths?

The CCC camps have furnished the U. S. armies with many young men with at least some disciplinary training.

The first draft that took place certainly proved to the country the physical unfitness of our youth . . . through undernourishment because of lack of jobs, etc. This condition became a national scandal. American Industry was incapable of absorbing these youths.

EDITORIAL (G-E Works News): Can we get maximum production? Not while strikes hamper war production, despite a solemn promise that they would stop.

Labor Strikes . . . Non-Existent!

UNION ANSWER: Strikes in defense industries are practically non-existent. Even when the great hue and cry went up against strikes in 1940 and 1941, the figures were before the saboteurs of labor. They did not care to see that, according to A.F. of L. and C.I.O., about one-tenth of a day per worker per year was lost through strikes, whereas, thirteen days per worker per year were lost through illness or accident, 130 times as much as through strikes!

Chairman William H. Davis of National War Labor Board, has directly denounced the business paper fog propaganda with regard to strikes. He said, "The fact is that since early last November, the interruption of war production by strikes has been reduced almost to the vanishing point. Statistics on continuity of production over this period give great assurance of effective self-control and cooperation of labor and management in our national emergency."

American Industries' Sit-Down Strike "Against Defense"

From the annual report of Assistant Attorney General Thurman Arnold, which was sent to the press January 3, 1942: "Looking backward over ten months of defense effort we can now see how much it has been hampered by the attitude of powerful private groups dominating basic industries who have feared to ex-

pand their production because expansion would endanger their future control of industry. These groups have been afraid to develop new production themselves. They have even been afraid to let others come into the field. They have concealed shortages by optimistic predictions of supplies, and talked of production facilities which do not exist. Anti-trust investigations during the past year have shown that there is not an organized basic industry in the United States which has not been restricting production by some device or other, in order to avoid what they call 'the ruinous overproduction after the war.'"

EDITORIAL (G-E Works News): Can we get maximum production? Not while the life and death need for uninterrupted production is used as a weapon to put over the closed shop.

Union Shop Best Guarantee of National Unity!

UNION ANSWER:—Charles Pack, President of Doehler Die Casting Company, in an address entitled, "An American Labor Policy", on March 7th, delivered before the National Lawyers' Guild at a National Conference on Achieving Maximum Production, said the following about Closed Shops:

"The basic principle underlying our labor-management policy is very simple—as simple as democracy itself—and consists in obedience to the spirit as well as the letter of existing laws and in applying the Bill of Rights inside of our plants, to the industrial life of our people as well as to their political life.

"With the enactment of the so-called Wagner Act, we assumed the term 'collective bargaining' to mean that we must negotiate with our employees 'collectively' and not individually or by groups. We insisted that our employees decide for themselves whether they wanted any union and if so, which union they preferred. Our employees, having determined this question by ballot, we then insisted that all of our employees be bound by the decision of the majority because we felt that any other course of action could not be considered 'collective' bargaining but rather 'group' bargaining.

"It is my considered judgment that the labor troubles of the past few years cannot be attributed to 'collective' bargaining since the companies that have experienced most of these difficulties never had 'collective' bargaining but they themselves have insisted on their right to bargain with their employees on a 'group' basis.

"Today, when we all recognize the need for national unity it is pertinent to ask 'how can we have national unity when we encourage, and even abet, disunity amongst the men who work in our factories? How can we hope to legislate jurisdictional disputes out of our factories, when we encourage every faction, every clique and every minority in these factories, to disregard the will of the majority and set up independent bargaining units of their own, whenever they disagree with the majority?'"

Mr. Pack is president of a company employing 5,000 men, maintaining regular production on 2,000 important defense items—establishing new production records every day—with no labor disturbances.

Local 301 won the sole bargaining agency in the Schenectady General Electric Plant through a democratically conducted election of the employees on December 15th, 1936, and since then not one minute of lost time took place through a labor dispute. All management-employee problems have been settled peaceably over the conference table. This record of stability and responsible union leadership certainly deserves serious consideration on the part of the Company for the Union's request for a Union Shop.

Ford Recognizes Closed Shop!

After the majority of employees of the Ford Motor Company had voted for the United Automobile Workers Union as their bargaining agency, Henry Ford granted his employees a closed shop.

EDITORIAL (G-E Works News): Can we get maximum production? Not while double time is demanded for Sunday work which is only part of a 40-hour week.

Industry Has No Reason to Complain Against Double Time!

UNION ANSWER: The Sabbath Day, Sunday, has been declared a day of rest since time immemorial for the working people of all ages. A perusal of the Bible will bear this point out. Our Lord, through His Divine Wisdom, set Sunday aside as a day of rest.

Why should the General Electric complain against paying a worker double time for patriotically spending his Sundays turning out defense material and also grinding out over \$500.00 net profit annually for the coupon clippers, or stockholders? Furthermore the General Electric Company did not have to dip into its \$122,000,000 cash reserve to meet this payment.

The G-E Company gave all its employees a 10c an hour increase in wages in April 1941, and still made greater profits during 1941 than in 1940, notwithstanding the increase.

More War Profit Figures!

Perhaps the best preliminary estimate for 1941 net profits of all companies after all taxes, is that of "Report for the Business Executive." It puts the total at \$7.3 billion. This compares with an estimated \$6.7 billion in 1940.

Group Increases in 1941

First companies to report for 1941 indicate substantial percentage rises over 1940, much greater than the estimated aggregate percentage rise for all companies taken together.

An Associated Press compilation covering the first 250 companies to publish reports, showed the aggregate 1941 net profits of these concerns was \$1,465,997,000 compared with \$1,203,289,000, or a rise of 22 percent.

Another compilation, by Standard & Poor's Corp., covering 238 companies, showed a gain of 21 percent. These "excellent corporate earnings reports", as they are called, included railroad, industrial and utility companies. Rail company profits made by far the largest gains for the year.

Outlook for 1942

Although some companies may show lower net profits in the first part of 1942, as a result of heavy expenses connected with the shift from civilian to war goods, the second half is expected to more than make up for this setback. "Reports for the Business Executive" says that in the second half of 1942 "manufacturers making war goods and those making goods that do not compete for materials will have big earnings." So will firms in the service field.

Industry Attempts to Conceal Profits!

"Life" and other concealments: The rise in net profits in 1942 will be after very ample deductions which, as usual, will tend to conceal the actual profits made by corporations.

One very common device to conceal profits in a period of rising prices is the so-called "last in, first out" method of handling inventories. The company takes out of inventories first those items most recently bought—at higher prices—and charges these to cost of production, leaving in inventories the older or lower priced items. This tends to show increased costs and to disguise the real income of the company.

Another scheme is to set up special reserves for all sorts of post-war readjustments, contingencies, and eventualities. . . . (Example: E. I. du Pont de Nemours & Co. has a ten-million-dollar "Provision for Contingencies" in its 1941 report.)

Still another device is the amortization of facilities (building and machinery over a shorter than normal period). Under the prevailing war practice, companies are permitted to charge off 20 percent, or one-fifth, of the cost of a plant each year as an expense before reporting income for tax purposes. Normally such charge-offs would run from seven to 33 years. This amortization provision is, of course, based on the anarchy of production under the capitalist system, under which factories are built only to take advantage of a passing market, in this case the booming but temporary market for implements of war.

Tremendous salaries, bonuses and commissions to officers and owners of companies is another way by which net profits are covered up. And companies have also been setting aside large reserves for retirement pensions for high-paid officers and executives.

Still another method to avoid showing excessive profits, as the C.I.O. "Economic Outlook" points out, "is to repay debts and obligations at a much more rapid rate than has been done previously."

Ship Lobbyist Admits 50 Percent Profits

"Outrageous" and "unconscionable" were words used to describe profits of the Todd Shipyards Corporation on government contracts and they came from the lips of James E. Barnes, the Company's Washington lobbyist.

He was testifying February 4 before the U. S. Senate Naval Affairs committee. His company has over one billion dollars in government contracts.

Profits of this company were so great that it was estimated they would come to about 50 percent of capital investment this year, compared with three-percent to seven percent before the war!

EDITORIAL (G-E Works News): Can we get maximum production? Not while a man can't be employed on an army project or in a war plant until he pays \$20.00 or \$50.00 or more to a labor racketeer.

Labor Unions—Have Cleaned Out Racketeers!

UNION ANSWER: Because in the labor movement there are some crooks, just as among Big Business, such as Whitney and the infamous McKesson Drug Scandal, is no reason why the whole American Labor Movement should be condemned.

Hundreds of General Electric employees for years paid hundreds of dollars through the G-E Employment Office for the right to work!

The G-E Company management did not clean this mess up, it was Local 301—a Labor Union—that finally wiped out this scandal despite the lack of cooperation on the part of parties that should have been more interested.

Labor unions, given an honest opportunity, have cleaned out many racketeers from their ranks—but they can't do it when industry uses racketeer labor spies, gunmen and imported strike-breakers in their attempts to drive legitimate labor unions underground. The La Follette Senate Civil Liberties Committee's recent report concluded: "Organized conspiracies of employees' associations to flout the law . . . are weakening respect for democratic government."

EDITORIAL (G-E Works News): Can we get maximum production? Not while criminal gangs control employment and allocation of men to work on the Normandie and the other ships along New York's vast waterfront.

French Working People Cannot Be Blamed For Normandie Disaster

UNION ANSWER: Congress is now conducting an investigation as to the disaster that befell the Normandie . . . we should at least await the results of the investigation before we draw conclusions.

As to the supplying of men to work on the Normandie, preliminary investigations have already proved that many men that worked on the Normandie cleared through private employment agencies controlled by Nazi agents.

The French working people certainly built a splendid ship in the Normandie. How many work days and hours, and how much material was used to build the Normandie? Certainly, neither the French working people nor the American working people can be blamed for this loss.

We agree on this point and we want to emphasize the need for labor-management production councils which will help to make every worker aware of the role he is playing in the defense of his country, thereby making him more vigilant on the job.

American Working People Cannot Be Blamed For Pearl Harbor

American working people built splendid and efficient bombers and armaments that were stationed at Pearl Harbor—but pampered and dandified American Admirals and officers were caught napping by the Japanese and much of this material was destroyed together with the lives of thousands of American boys. How many days and hours were used to build this equipment? Can American Labor be blamed for this disaster?

EDITORIAL (G-E Works News): Can we get maximum production? Not while pressure blocs clamor for higher benefits, bounties and pensions.

\$25.00 a Month G-E Pensions Not Adequate!

UNION ANSWER: Can a \$25.00 a month G-E pension be called adequate? Can we blame a G-E pensioner receiving \$25.00 a month and seeking more through Federal Legislation be called a member of a pressure bloc?

When the Federal Old Age Pension went into effect, the G-E Company immediately jumped upon the bandwagon and deducted the Federal Old Age Pension from their own pension plan.

American Organized Labor Alive to Issues!

American Organized Labor fully realizes its awful peril both from foreign and native fascism; and further realizes that it must fight both.

Organized Labor has raised the standard of the American workers. Does anyone think that the present standard of living is too high and should be cut down?

We cannot conceive why this present all-out drive upon the standards of the American working people by American Industry—while reaping such tremendous war profits for itself. American Labor is paying for much of this profit through income taxes out of their wages and these taxes cut much deeper into the standard of living of the worker than they do of the Industrial Coupon Clippers!

A good standard of living creates an incentive worth fighting for by the American people, while a drive to lower these standards will definitely tend to demoralize the fighting spirit of our people.