

## WHAT'S WRONG WITH AMERICA? TNEC Hands These Findings To Congress!

Since '29 We've Known of Trouble in Our Economy . . . Has TNEC Hit It?

Ever since that dismal dark October day in 1929 when billions of dollars faded away on the New York Stock Exchange and we found our prosperity was nothing but a shell, America has been arguing about its economic system and what to do about it.

It's been one continuous 11-year argument, with nothing ever settled because none of us could agree on the basic facts. Stop this price-fixing, you would say, and a dozen voices would shout at you that there wasn't much price-fixing, it was the labor unions that were causing the trouble. Modernize the patent system, someone else would suggest, only to be drowned out by a chorus of shouts that the patent system had made America the great nation it was today. And so it went, on and on, for 11 years.

In 1933, President Roosevelt took office to the tragic accompaniment of crashing banks. United by fear, the nation turned to him for leadership, and he gave it. A series of obvious, long needed reforms were enacted. America began to look up again.

### RESISTANCE TO REFORM

But as business picked up, so did resistance to further reform. Business men who had been screaming to the Government for help, got up off their knees and started swinging their fists. Government should let business alone, they said, private enterprise would take care of everything. Stop tinkering. Revive confidence.

The Nation was divided again, reform stopped. Millions of jobless, millions of hungry testified that something more fundamental was needed to abolish want amidst plenty. But what? Finally, three years ago, at President Roosevelt's suggestion, Congress created a committee to find out.

That Committee known as the Temporary National Economic Committee has made the most exhaustive study in the nation's history. It has spent \$1,000,000 to find out what's wrong, with America's economic system and what to do about it.

Today that Committee is reporting back to Congress. It has found that concentrated economic power is the crux of our trouble, that it is threatening America's economic liberty; that "political freedom cannot survive if economic freedom is lost". Unanimously it reports that "if the political structure is designed to preserve the freedom of the individual, the economic structure must not be permitted to destroy it".

"America must find the way", the committee says, "to bring about a permanent decentralization if the ideals of a democratic social and economic structure for all our people are to be achieved".

Nowhere was there any mention of a balanced budget to restore business confidence.

Avowing its faith in free enterprise and in a system that will provide jobs for men who want to work, the Committee, composed of Republicans, conservative Democrats, and New Dealers, propose the series of policies summarized below to restrain the continued progress of concentration which so obviously is undermining the foundations of both free enterprise and free government.

If the report is adopted, it will be America's platform of domestic post war aims. The report itself says:

"It is quite conceivable that the democracies might attain a military victory over the aggressors only to find themselves under a domination of economic authority far more concentrated and influential than that which existed prior to the war".

To which the Chairman, Joseph C. O'Mahoney, (D-Wyo), added the following comment:

"The unsolved problems of post-war depression will be heaped upon the unsolved problems of pre-war depression and it is difficult to say how, in these circumstances, democracy can survive unless democracy prepares for peace now".

### CONCENTRATION OF WEALTH:

**FINDINGS:** Most of our wealth is owned by a few large corporations, owned by an "infinitesimal" number of people, a concentration that challenges democracy. Less than 5 per cent of the population of the country own 95 per cent of the wealth of the Country.

**RECOMMENDATIONS:** Tightening of anti-trust laws and prohibition of future big business mergers not approved by the government.

### DEFENSE CONTRACTS:

**FINDINGS:** A survey of national defense contracts awarded by the Government shows that a small group of corporations in half a dozen states have received the lion's share of rearmament orders during the past ten months.

**RECOMMENDATIONS:** Decentralization of industry and al-

location of defense funds by Congress and the President in such a way as to eliminate monopolistic control of basic products.

### BIG BUSINESS MONOPOLIES:

**FINDINGS:** Federal anti-trust laws are being circumvented by corporations that eliminate competition by buying out the assets and property of competing concerns and by the use of trade associations to achieve monopolistic results.

**RECOMMENDATIONS:** Prohibition of mergers involving competing corporations with more than \$5,000,000 in assets unless approved by the Federal Trade Commission. Federal regulation of trade associations.

## THE FREE RIDER

(Continued from Page 1)

"Free Riders" will be the source of much labor trouble in the Schenectady Works.

The Union Leadership cannot and will not assume any responsibility for any actions brought about by this attitude of the non-members!

**SHOW DOWN APPROACHING!** The time is fast approaching for a showdown with these non-members! The Union members are fast losing their patience with these non-members.

**IMPROVED WAGES AND CONDITIONS:** The improved wages, hours and working conditions which Local No. 301 of the U. E. has brought to all the employees of the General Electric Company are well known to everyone. Wages alone have increased millions of dollars in the past years and G. E. employees, everyone of them, received the benefit.

The thousands of dues paying membership of Local No. 301 want to know why the delinquent members do not pay up their back dues, and why the non-members do not join?

We, the great majority of dues paying members, ask you delinquents and non-members this question? When the Union gets a 10 cent per hour increase, will you, the non-union man or woman, refuse to accept it? Will you non-unionists give the Company back the \$4.00 out of every pay, or better still, will you give the Union the \$4.00 every week, or \$16.00 every month, the amount of your increase?

If you can answer "yes" to the question, then perhaps you have an argument for not being a member. But, if you take this increase, if you enjoy the other benefits the Union has brought to every worker, then we thousands of dues paying members say to you non-members: "Don't shirk your responsibility, Join Local No. 301".

A non-member in the Schenectady G. E. Works is a constant source of labor trouble. A trouble maker is no good to his fellow-workers, no good to the G. E. Company, no good to himself, no good to his family, and especially, today, as a possible source of stoppage of Defense Industry, no good to his Country!

These are serious charges to think over.

## READ "PM"

### FOR LABOR NEWS

that you will never see in the Schenectady Union-Star or the Schenectady Gazette.



PM—New York City Daily Newspaper

will keep you daily informed of everything in the Labor field!



We urge our members to make arrangements to get PM daily.

# ELECTRICAL

THE VOICE OF THE UNITED ELECTRICAL RADIO & MACHINE WORKERS OF AMERICA—Local 301—CIO



# UNION ...NEWS

Vol. 3

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No. 5

## Union - G. E. Negotiations Open Monday, April 21st.

**On Monday, April 21st, the union delegates from all the G. E. Locals meet with the G. E. Management to negotiate the 10 cents an hour increase.**

**This conference to resume negotiations on the wage question was requested by the G. E. Management following our March 25th Mass Meeting.**

### CONTRACT NEGOTIATIONS

**In this same conference, Union G. E. contract modifications will also be negotiated. The following major points will be negotiated:**

- 1. 10 cents an hour increase.**
- 2. 10 per cent bonus for second shift employees.**
- 3. Sundays and observed Holidays to be paid at the rate of double time.**
- 4. There shall be no change in rates because of change in operators, (minors, majors or females).**

### G.E. Laments in Midst of Plenty!

Schenectady Union Star and the Schenectady Gazette bewail 5% decline in G. E. Net Profit for the first quarter of 1941.

Is this the first punch the General Electric Company and the local Press is delivering against the 10 cents an hour increase?

(SEE STORY ON PAGE 4)

### To the Non-Members!

What are you doing about getting the 10 cents increase?

Are you going to take the 10 cents an hour?

Your place is in the Union—side by side with your fellow workers to achieve a better American standard of living — JOIN THE UNION — DON'T BE A HINDERANCE!

ORIGINAL TORN

## ... ELECTRICAL UNION NEWS ...

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## Sacrificing For Defense

"We shall have to make sacrifices, everyone of us". During a National Defense Program to save our Democratic way of Life, we give below a tentative list of a few persons, companies, and corporate groups who are apparently not yet ready to make sacrifices, but screech the loudest through their controlled press, for sacrifices on the part of American Labor.

**COLT'S PATENT FIREARMS MFG. CO.**, which has been charging the government for machine guns about double their cost. This Company has orders for over 100,000 machine guns from the U. S. Government. And it has also been charging the British government about twice as much for machine gun repair kits as items are worth in the open market.

**ALUMINUM COMPANY OF AMERICA**, Mellon's near 100% monopoly, which is today benefiting from the shortage of aluminum brought about by its deliberate efforts to hold up prices. Last year it declared there was no shortage of aluminum. Today consumers are asked by Mrs. Roosevelt and the administration to give up aluminum cooking utensils. RESULT: further strengthening of this fabulously profitable company.

Alcoa is also hoarding aluminum scrap in order to jack up the price of this vital material. Previously the company had given an illustration of its patriotism by conspiring with a German firm, I. G. Farbenindustrie, to limit production of magnesium, also strategic in plane manufacturing. This agreement put control of magnesium in Nazi hands, thereby withholding it from the American market.

**Iron and Steel Companies**, which, in spite of an acknowledged shortage of steel in the United States, are still exporting steel to Japan. As Bread and Butter (3-11-41) put it: "Certainly no American consumer can be seriously asked to sacrifice steel for Japanese armaments".

Steel Companies increased their profits by about 100 per cent in 1940 but continued to charge the government more than any other large buyer for identical steel items, according to Monograph No. 41 of Temporary National Economic Committee. Said TNEC Chairman Joseph C. O'Mahoney: "The government is, indeed, the 'least favored buyer' and its inability to obtain the price concessions regularly given to large private buyers annually costs the nation's taxpayers great sums of money".

**A. G. WALTON SHOE CO.**, Chelsea, Mass., which received an army order two days after it had been convicted (Feb. 27th) on 54 counts of violating the Fair Labor Standards Act.

Members of the National Defense Advisory Commission, of whose first seven months of operation, the New Republic (administration backer and war supporter) admitted (2-17-41), "government contracts were signed without labor provisions, war profiteering was permitted, anti-trust prosecution was discouraged, the restriction of profits on government contracts was removed". Its various divisions "served as a sounding board for business men bent upon protecting their private economic interests".

The same men are in charge of the new Office of Production Management which basically represents, says the New Republic, "an attempt by business to seize control of defense... We have placed our defense in the hands of men to whom the defense of democracy means the preservation of profits".

**WILLIAM KNUDSEN**, himself, Director General of OPM, who according to Securities & Exchange Commission records, still hangs on to at least 9,530 shares of General Motors common stock worth over \$400,000 at the current market price. His common stock holdings yielded him about \$83,000 in dividends last year and over \$7,000 so far in 1941.

**FRANCIS BLOSSOM**, senior partner of Sanderson & Porter, New York City, who admitted (2-14) before House Military Committee that he drew \$6,500 salary from the government as a member of the Army's Construction Advisory Commission while sharing in an \$11.5 million construction contract given to his firm for building a shell-loading plant at Ellwood, Ill., on which it received a fixed fee of \$1,114,700.

A few days after this was disclosed, Blossom announced he would not share in the profits of his Company in the one year 1940. But he would, of course, remain at his defense post handing out contracts to Sanderson & Porter.

**STOCKHOLDERS** of Bath Iron Works, whose prospects of increased dividends, based on at least 100 per cent more net profits in 1940 than in 1939, are, to say the least, very bright.

**BUILDING SUPPLY COMPANIES AND CONTRACTORS**, who hoisted the cost of building cantonments for drafted men some \$393 million above the original estimates, most of which were made without competitive bidding. Army officers admitted to a Congressional committee that at least \$100 million of this could have been saved if proper preliminary surveys of the camp sites had been made. Actual cost of the projects ranged from 50 to 85 per cent over the original estimates.

**FRANCIS D. MURPHY**, former Governor of New Hampshire and director of the J. F. McElwain Co., (shoes) who became head

## THE UPPER CRUST



"He says we should sacrifice"

of shoe purchasers for the U. S. Army last October. Shortly after he took charge, the average price paid by the government for shoes increased from \$2.88 to \$3.31 a pair.

**MANUFACTURERS OF ELECTRIC SWITCH LOCOMOTIVES**, who used to sell their products to the army for \$6,000. Now the army is paying more than double this amount for the same type of locomotive.

**DU PONT AND ALLIED CHEMICAL & DYE**, interests, who in an effort to prevent the government from going into the powder business, or eventually even into the manufacture of fertilizer, held up the government's gunpowder program about 6 months. (This action evoked no editorials about "sabotage" or "delaying defense" in the public press. A "strike of capital" was not regarded as anything but patriotism).

**SHIPBUILDING COMPANIES**, who last summer obtained the lifting of all profit limits on war contracts and repeal of competitive bidding requirements, and who are now charging the government \$2,548 per ton for battleships, compared with only \$408 in the first imperialist war, or over six times as much.

**GLENN L. MARTIN CO.**, which has a War Department plane contract which declares in effect that if Congress should at any time during the life of the contract enact tax legislation not acceptable to the Company, the latter may terminate the contract.

**PAUL M. MC CORD** of Indianapolis, and other real estate men of his type, who have been charging the government six and one-half per cent fees on the price of land bought for defense purposes. Rates were later cut down below this figure. The land agent of one camp received a commission of over \$200,000. Another real estate operator in Kansas City received a commission of \$126,000 on land bought for the government.

The 31 industries in which the Department of Justice admits there are evidences of monopoly price control have achieved artificial shortage and increased profits. The result of this is that the government is being badly burned on the prices it is forced to pay for "defense" materials from many such industries.

**VULTEE AIRCRAFT**, and other aircraft companies, which have government plane contracts permitting them to raise the price should the industry as a whole show an increase in labor costs. In other words, regardless of whether Vultee's own wage costs are raised, it can boost its contract charge to the government should the wages in the industry generally be raised.

The hundreds of companies, covering all industry, which are described in a monograph, **Economic Power and Political Pressure**, released by the Temporary National Economic Committee on Mar. 15, in the following words: "Speaking bluntly, the government and the public are 'over a barrel' when it comes to dealing with business in time of war or other crisis. Business refuses to work, except on terms which it dictates. It controls the natural resources, the liquid assets, the strategic position in the country's economic structure, and its technical equipment and knowledge of processes.

"The experience of the world war, now apparently being repeated, indicates that business will use this control only if it is 'paid properly'. In effect, this is blackmail, not too fully disguised".

Then, after reviewing briefly the findings of the Nye committee (Senate munitions committee) which revealed the "merchants of death" engaged in bribery, profiteering, lobbying to influence press and legislators in favor of big arms appropriations; international agreements with foreign cartels to divide the arms business, and countless other anti-social activities, the monograph adds: "In the 1940 national defense crisis, business displayed much the same attitude that it had shown 23 years earlier. Business would help the Government and the people, but the basis of payment, therefore, would have to be fixed before the wheels would begin to turn. Profits, taxes, loans and so forth, appeared more important to business than getting guns, tanks, and airplane motors into production".

- IMPORTANT -  
To All Our Members

This is an urgent message calling to your attention the crisis that is rapidly being developed by anti-labor congressmen, by anti-labor press, and by anti-labor employers groups.

Labor's right to strike is being seriously threatened. It is up to labor to act swiftly to prevent "anti-strike" legislation from being enacted. In recent weeks a series of bills have been introduced into Congress designed to prohibit or drastically curtail the right to strike. These bills range all the way from proposals for compulsory mediation or a compulsory "waiting period" to legislation which would declare strikes in national defense industries "treason," punishable by imprisonment and, in some cases, death.

The anti-labor lobby in Washington has been feverishly at work poisoning the well-springs of public opinion so that labor's rights may be curbed. The anti-labor bloc in Congress has been using this "public opinion" to further its program of repressive legislation designed to curtail labor's legal and traditional rights.

**LABOR BACK HOME MUST MAKE ITSELF HEARD.** Letters and telegrams, as well as personal visits to your Congressman and Senators can make them recognize the truth about the present situation.

When you write or visit your Congressman it is important that you point out to him that the great majority of strikes which have occurred were precipitated by the refusal of employers to obey the law as embodied in the Wagner Act. Ford and Bethlehem are outstanding examples of this fact. You can tell them that labor's cooperation can best be gotten by voluntary action and by recognizing its just demands.

Don't delay one minute in doing everything within your power to defend labor's right to organize, to strike and to bargain collectively.

## WHAT YOU AS AN INDIVIDUAL CAN DO:

- 1.—Write a letter to the Congressman from your district and Senators Wagner and Mead, telling them that labor opposes any move in Congress or any law that will destroy labor's right to strike.
- 2.—You and every member of your family should write or telegraph your Congressman and Senators immediately asking them to oppose any anti-strike legislation. Tell them the truth about strikes in your area. Let them see the facts from your own experience.
- 3.—Write letters to the newspapers in your area which carry editorials supporting anti-strike legislation. Let the readers of the newspapers know the facts.

EXECUTIVE BOARD  
LOCAL NO. 301

U. S. Steel and Bethlehem  
Grant 10c An Hour Increase

The nation's two largest steel producers—U. S. Steel and Bethlehem Steel Corp.—bowed to demands of the Steel Workers Organizing Committee (CIO) on April 14 and granted 10¢ hourly wage increases, retroactive to April 1.

The increases will put at least \$70,000,000 a year more into the pay envelopes of 380,000 workers. Last year the two companies had combined net profits of \$150,000,000, and the profits for 1941 from close to \$2,000,000,000 in defense orders are expected to be much greater.

The U. S. Steel action, averting a strike scheduled for April 15, was announced at a conference with SWOC representatives at the Carnegie-Illinois Steel Corp. offices in Pittsburgh. CIO Pres. Philip Murray headed the SWOC delegation.

Sidney D. Evans, Bethlehem executive, simultaneously announced his company's yielding on the wage demand at a meeting with SWOC leaders at the Cambria works in Johnstown, Pa. Representatives of the company union (Employees Representation Plan) were also present, since the company has not yet complied with NLR orders to outlaw the stooge union.

Bethlehem has \$1,114,000,000 in defense contracts, excluding grants for construction of new plants and yards. The increase affects 90,000 workers. Net profits of the company, second largest steel producer of the U. S., were \$48,677,524 in 1940, just double the 1939 figure.

At a stockholders' meeting only six days before the increase was announced, several minority stockholders bitterly attacked the corporation's refusal to bargain with unions and pay fair wages. A motion by Miss Zara duPont to pay executives no more than \$50,000 until workers' wages reach a minimum of \$2,000 a year was overwhelmingly rejected.

The Bethlehem increase was said by the company to establish a minimum of seventy-two and one-half cents an hour, but the company's wage system has for decades been so complicated that few workers understand how they are paid.

U. S. Steel, which has 240,000 workers, holds \$398,000,000 in defense work. In 1939 the company reported net profits of \$41,119,934, a mark that was more than doubled by the 1940 net of \$102,211,282.

Wage increases by the two firms were considered inevitable when the National Steel Corp., a leading member of Little Steel and long an enemy of labor, granted a 10c raise to its 20,000 workers. Other smaller firms have also jumped on the higher wage bandwagon to avoid stiffer demands from unions.

## THE UPPER CRUST



"Fix Alfred up with something snappy"

C.I.O. Always Anxious To  
Settle Labor Disputes!

By ALLAN S. HAYWOOD  
Director of Organization, CIO

Prompt acceptance by the United Auto Workers of Governor Van Wagoner's proposal to end the Ford strike should go a long way to demonstrate again that the CIO is always anxious to settle its disputes with employers in the quickest and most sensible fashion possible.

It should prove to our critics that the CIO does not engage in strikes just for the sake of raising trouble, that it does not try to prolong them when they do happen, and that our CIO unions are as anxious as any other group or individual in the country to settle them quickly and fairly.

It should prove these things, CIO members and all honest people generally know them. Some of our critics—particularly the owners of newspapers and certain Congressmen—have deliberately chosen to suppress or distort these truths in an attempt to mislead the public. This attempt won't succeed, for the answer to such distortions lies in such actions as our acceptance of the Governor's proposal.

## DIFFICULT TASK

The task of working out a fair settlement for the Ford strike has been a difficult one. Day and night attendance at conferences, much patience and unlimited hard work have been required. I have been in on these meetings, and I know the amount of work involved.

Great credit should go to Ford Organizing Committee Director Michael F. Widman, Jr., not only for his work in these meetings but for his leadership in the job of organizing Ford workers to the point where they could present their demands in an organized, united way. Similar credit should go to CIO President Philip Murray, to UAWA President R. J. Thomas, and to all the officers in the Ford drive and to the Ford workers themselves.

## A TURN COMING

Reaction has been having its innings for some months past now, chiefly expressed in anti-labor plans in Congress and in the press to destroy labor's right to organize and to take strike action when necessary. Every political statesman on Capitol Hill has been sounding off on the subject—one of them recently recommended the electric chair for strikers. And of course they've been getting full space in the newspapers. All they have to do to rate page one is to attack labor.

But CIO has been going ahead despite all the attacks and threats, and CIO has been winning. The settlement in coal, almost completed at the time of writing, the great success of the strike at Ford, the progress in steel negotiations, all bear witness to the strength of the CIO.

And when these current disputes are finally settled, on fair and decent terms, we can expect a turn in the tide. Maybe the poll-tax bravos from the sweatshop belt will still continue their hysterical outbursts. Maybe the newspapers will continue to fill their editorials with slanders and distortions about the CIO.

But these major victories, already accomplished or in the making, will prove to the American people that the CIO is strong, united and able to win improvements in working and living standards for its members and for all workers.

ORIGINAL TORN