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The Labor Movement and the NRA

(The Standpoint of Progressive Unionism)



Minority report of Charles S. Zimmerman at the
22nd biennial convention of the
I. L. G. W. U.

Declaration of Local 22 on the NRA and the
labor movement.



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I.L.G.W.U.**

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INTRODUCTION

No public question today touches the interests of labor so closely or so vitally as the question of the NRA. Experience has shown time and again that for many a union the attitude it takes to the NRA and especially what it determines to do about it, is often a life-and-death matter. And yet on no question has there been greater confusion spread or illusions fostered among the workers than on the great blessings that were to come from the "New Deal."

Just a year ago today, spokesmen of our Local raised their voices sharply challenging the conception of those who were hailing the NRA as the "great charter of labor." Today these very people must admit that a great deal of our criticism has been justified by events, no matter how they may try to explain it away. From the very beginning, in fact, our Local, representing the progressive tendency in our Union and in the labor movement generally, raised its voice against these dangerous illusions. It presented a viewpoint and a program to enable the labor movement to ward off the dangers facing it as well as take full advantage of whatever opportunities could be found under the NRA. And the events of the last year have shown how well founded is this viewpoint. By a policy of aggressive strike action and dependence only on the forces of the workers, the International has managed to make great headway in all markets. But for the steel workers the NRA has meant the "National Run-Around," as the district leaders of the Amalgamated Association of Iron, Tin and Steel Workers so bitterly expressed it. For the auto workers the NRA has meant a set-up in which company unionism is legalized and recognized as a legitimate agency of collective bargaining. For the

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textile workers the NRA has meant lay-off after lay-off, amounting to slashing wage cuts. For the longshoremen on the Pacific Coast the NRA has meant the brutal smashing of their strike by means of clubs, machine guns and gas bombs.

Never was there greater need for the progressive message on the NRA. And if our Union is to become an effective force for progressivism within the general labor movement, it must actively and energetically spread this message everywhere.

At the 22nd biennial convention of the International, held towards the beginning of June of this year, the delegation of our Local put up a determined fight for a progressive program on the NRA. We introduced a detailed declaration on what ought to be the attitude of the labor movement on the NRA. Brother Zimmerman presented a vigorous minority report on the sections of the officers report dealing with the NRA. Our position was not accepted by the convention which, instead, adopted an evasive attitude, attempting to reconcile directly opposite standpoints. We are confident, however, that coming developments in the labor movement will drive the fundamental truth of our position home into the minds of all women's garment workers and trade unionists generally.

For the information and education of our members, we publish the two documents that express most clearly the viewpoint of our Local on the NRA: (1) the minority report of Brother Zimmerman as member of the committee on the officers report, presented to the convention on June 8; and (2) the declaration proposed by the delegation of our Local to the International convention. All dressmakers are urged to read and study these pages carefully.

July, 1934.

MINORITY REPORT OF CHAS. S. ZIMMERMAN

*As member of the Committee on the Officers Report,
presented to the convention on June 8, 1934.*

My chief difference with the report of the majority of your committee is on the question of the estimation of the NRA, its effects and its meaning for the labor movement. The committee is attempting the impossible task of reconciling diametrically opposed viewpoints on this fundamental question and is, thereby, evading the responsibility of taking a clear-cut position itself.

The question of the significance of the NRA and its meaning for labor is today the most widely discussed question in our movement and no union, certainly not a union of our character, can meet in convention without adopting a clearly defined attitude on this question.

Why the NRA?

The NRA is not now, nor was it even in the earlier stages, a scheme of genuine industrial democracy, a plan to give labor a real voice in the management and control of

American industry. On the contrary, the NRA was developed as a plan of stabilizing the shaky foundations of the capitalist system thru stimulating the organization of the employers on a national scale into gigantic associations endowed with government powers to regulate and direct industry in their own interests. It is important to note that in its general outlines the NRA follows the recovery plans proposed by Mr. Harriman, President of the United States Chamber of Commerce, in the Fall of 1931. Within this framework, the New Deal has included maximum work week and minimum wage provisions as well as what appeared to be a guarantee of collective bargaining (Section 7a) both as a concession to labor and as a supposed stimulus to recovery. In this form, the NRA was launched nearly a year ago.

Wages, Hours and Profits

From the very beginning it was clear to anyone not intoxicated with the New Deal ballyhoo, that the NRA could not succeed as a recovery measure. It is true that corporation profits in the biggest industries jumped tremendously from the first quarter of 1933 to the first quarter of 1934. But the business upturn, which reached its height last summer, before the NRA went into effect, has become a slow and irregular decline. Official reports indicate that both increased production and the shorter work week provisions of the codes have not absorbed more than three million unemployed in almost a year, leaving nearly twelve million jobless. And since October 1933, the number of unemployed has been rising more or less regularly. From October

thru March, according to the May 1934 issue of the Monthly Survey of Business gotten out by the A.F. of L., "events took a different turn (towards increased unemployment) . . . Unemployment increased during the winter dull period and even the sharp rise in business this spring failed to lift employment again to the October level." The buying power of the workers has not increased during the NRA period. It has even declined. Hourly rates have risen and also minimum wages in some industries; but on the other hand, average weekly earnings have not grown and the buying power of labor has been cut because of the rise of prices. This has hit the workers so hard that large masses have been driven to open revolt, which is a contributing factor in the present big wave of strikes. According to the American Federation of Labor report of May 1934, "the individual worker in industry made no gain whatever in real wages from March 1933 to March 1934. His average weekly wage increased 9.7% but this was completely offset by a 9.3% rise in the cost of living."

Hours of labor have indeed been shortened in many industries but it is very significant that, as the American Federation of Labor bulletin points out, "not only was the average decrease in hours in industry during the last year less than 2½ hours a week" but that "hours are being lengthened as productive activity increases and it is a question whether the gains will be held."

It is clear today that no substantial recovery or relief can be expected from the NRA.

Company Union and the Open Shop

The most alarming sign on the labor front since the NRA is the menacing growth of company unionism. In the six months following the enactment of the NRA, the number of companies operating company unions jumped 180%, while the number of companies having agreements with genuine unions increased only 75%. At the beginning of this year, about 45% of the industrial workers were under the yoke of company unions and 45% more worked under open shop conditions so that only 10% of the workers were to be found in genuine trade unions. It is the irony of the situation that Section 7a, still being hailed in some quarters as the great charter of labor, has been turned into a weapon against labor and has operated as a boomerang serving as the cover under which this alarming growth of company unionism has taken place. As far back as last July, General Johnson made a public declaration that the open shop was the only form of the relations between labor and capital recognized under the NRA. "An open shop," he declared, "is a place where any man who is competent and whose services are desired is employed regardless of whether or not he belongs to a union. That is exactly what the law says. The statute cannot be qualified. Is anything clearer than that needed?" And on Labor Day, addressing the Illinois Federation of Labor in this very city, the NRA chief announced publicly: "If an employer should make a contract with a particular union to employ only members of that union, that would in effect be a contract to interfere with his workers freedom of choice of their representatives or with their right to bargain

individually, which is contrary to law." The notorious merit clause in the automobile code, giving the employers the absolute right to hire and fire, shows what the NRA has meant in practice for such an important section of American labor. The ineffectiveness of Section 7a by itself is painfully demonstrated in the Weirton case where the company, backed up by the steel trust, has for months brazenly denied the most elementary right of collective bargaining to the steel workers.

The outrageous auto agreement which provides for the turning over of lists of union members to a board including representatives of employers and thus establishes a national, government-approved blacklist, this auto agreement, which gives official recognition and thus legalizes the company union as a form of collective bargaining, shows what grave dangers the NRA has in store for the workers if they are not ready to militantly defend their unions and their interests.

The Right to Strike

The NRA has openly dared to challenge the right of labor to strike, a right without which no trade union can exist. At the last convention of the American Federation of Labor, Senator Wagner, chairman of the National Labor Board, did not hesitate to declare: "The first charge upon labor is that it abandon the philosophy of strike in its relation with employers. The crucial point is that the strike is never more than a protest. It has no constructive force. It creates hundreds of new problems but cannot solve a single one."

At the same convention, General Johnson thundered: "Labor does not need to strike under the Roosevelt plan. The plain truth is that you cannot tolerate the strike . . . If you persist or countenance the strike, public confidence and opinion will break down and destroy you."

NRA "Unionism" A very grave challenge to trade unionism embodied in the NRA is the possibility it gives for government interference in the inner affairs and proper functions of the unions. Let me remind you that even in the cloak trade the NRA attempted to interfere and even held public hearings on the question of initiation fees. I need not emphasize how dangerous may become this attempt to deprive the unions of their independence unless labor crushes it in its very first stages.

In the most influential circles of the NRA, opinions are being advanced favoring the turning of our unions into government agencies, a tendency which bears within itself the seeds of Fascism. As far back as last September, General Johnson himself urged "overhead control of labor as responsible to government" for our trade unions.

Labor and the NRA The great expectations aroused by Section 7a proved a tremendous stimulus to the revival of trade unionism. Instead of utilizing this opportunity to build up their organizations and to fight for improved conditions, many labor leaders contented themselves with hailing the NRA as the great charter of labor that would automatically bring them

all sorts of benefits. Not only did they fail to realize the dangers in the NRA, but they even spread the illusion that the NRA would be the means of solving the problems of the workers and improving their conditions. They did not drive home to the workers the necessity of having strong fighting unions upon which they could depend; on the contrary, they tended to make the workers place their entire confidence in the official operations of the NRA. The sad plight of the textile workers today is only the consequence of dependence of the union leaders on the NRA rather than on strong, militant organization and aggressive action. President MacMahon of the United Textile Workers even went so far as to boast, at the A.F. of L. convention, of the strikes that he had prevented or called off. "No man no where has tried more determinedly than I have," he said, "to avoid chaos in the industry. In my office there are not hundreds but thousands of appeals from the workers demanding that they be allowed to strike. The vast majority of those appeals have come from the South."

The I. L. G. W. U. and the NRA The tremendous growth of our organization and the improvement of conditions in the various markets have come as a result of an entirely different practice, of a policy of aggressive strike action and dependence only on the forces of the union. In fact, the rebirth of our Union really began months before the NRA was enacted into law. This can easily be proven if you remember the Philadelphia dress strike. The report of the General Executive Board, Page 71, informs us:

"If the term, rising from the dead, may be used in regard to any of our unions within the past year, it can rightfully be applied to our Philadelphia dressmakers organization, Local 50. The experience of Local 50 in 1933 was nothing short of resurrection and most remarkable of all was the fact that the revival movement in the Philadelphia dress industry had preceded by several months the general recovery movement which spurred on trade union activity all over the land and in our own International Union. In a historic sense it became therefore the forerunner of the great strike movement in our industry last year and its splendid example acted as an inspiration and driving force for our union in the other markets."

Can anything more be required to prove that we do not owe the revival of our union simply to the NRA but rather to the aggressiveness of our union?

Especially today when the grim realities of the NRA are coming to the fore with the passing of the honeymoon stage, is it necessary for our International to adopt a correct and realistic estimate of the NRA, a policy justified by our experience in the last year, especially in the dress trade, a policy that will help insure militant action by our organization.

Instead of singing praises to the NRA and presenting gifts to President Roosevelt, we must realize the dangers and counteract the illusions of NRA. We must train our members to have faith only in their union and rely only on their organized strength for defense of their interests. We

must never for a moment forget that the whole NRA was initiated and developed primarily as a means to save the foundering ship of capitalism.

Labor and the Code Bodies The Darrow Report has fully borne out our contention that the code authorities are nothing more or less than executive committees of powerful trade associations of employers, concerned primarily with promoting their own business interests. What labor can get under the codes is not dependent upon its representation in the code authorities but rather on the strength of its organization, since these issues are determined not by the votes in the code authorities but on the picket lines. For labor to become part and parcel of the code authorities means for it to share responsibility for their decisions, which may often be the worst blows against unionism. It means for labor to mortgage its independence and to lose the advantage of freedom of action and suddenness of attack. Labor must confront the NRA machinery as it confronts employers associations, being prepared to back up its demands with its organized might but refusing to become part of it. By participating in the code authorities we promote the illusion amongst the workers that their problems can be solved within these bodies thus undermining their faith in unionism.

In arguing against our statement on the NRA, the majority of your committee declares that our union must not even attempt to lay down policy for the general labor movement of this country. I regard this viewpoint as basically and dangerously wrong. Only if we view the NRA from the

standpoint of the labor movement as a whole is it possible to see it in a clear light and to frame policy accordingly. That is why we must not shirk the responsibility of contributing actively to the working out of an effective program for the trade union movement of the country. Our International is today the third largest organization in the American Federation of Labor, one of the largest trade unions in the world. It is, therefore, our solemn duty to throw our full weight in the direction of progressivism and militancy in labor's ranks. Our statement lays down a clear and definite orientation for American labor at this crucial moment. I therefore urge upon this convention to bear all these considerations in mind and to endorse the minority report.

THE NRA AND THE LABOR MOVEMENT

Declaration proposed by the delegation of Dressmakers Union Local 22, I.L.G.W.U., for adoption at the 22nd biennial convention of the I.L.G.W.U.

1. American labor today stands in the dark shadow of the Blue Eagle. Under the impact of the NRA, new problems are arising for the trade union movement and old problems are taking on new forms. New courses of development are being charted and the old lines are assuming a new significance. A clear understanding of the nature of the NRA, of what it has really accomplished in the last year, of what it holds out for trade unionism, and of the prospects for the future, is today more than ever necessary if labor is to build on a sound basis in its policies and tactics.

I.

The NRA as a Recovery Measure

2. Under the NRA, the organization of the capitalists into trade associations has become virtually compulsory and consequently practically universal. Thru the system of codes,

regulating the conduct of the various industries and setting up code authorities to direct them, these trade associations have been vested with governmental power. Thus the tendency to concentrate control of American economic life in a few hands and to merge big business and government, has been greatly advanced by the NRA.

3. As a recovery measure, however, the NRA is already an admitted failure. The business upturn, which reached its height last summer before the NRA went into effect, has become a slow and irregular decline. Official reports indicate that both increased production and the shorter work-week provisions of the codes have not absorbed more than 3,000,000 unemployed in almost a year leaving over 12,000,000 still jobless. And since October 1933, the number of unemployed has been rising more or less regularly. The buying power of the workers has not increased during the NRA period; it has even declined. Hourly rates have risen and also minimum wages in some industries; but, on the other hand, average weekly earnings have not grown and the buying power of labor has been seriously cut because of the rise in prices. It is clear today that no substantial economic recovery can be expected to result from the NRA.

II.

The NRA and the Trade Unions

4. For the trade union movement the NRA has had the most profound consequences and there is nothing more

important for labor today than to learn the lessons of the last year. When the industrial recovery program was first instituted, most labor leaders not only confidently foretold the early end of the crisis, but, on the basis of their own interpretations of Section 7a, enthusiastically greeted the NRA as the "great charter of labor." Among the masses of the workers, too, there were great expectations and great hopes. The experience of the last year has put an entirely different aspect to the question.

5. The great expectations aroused by Section 7a, together with the natural effects of the beginnings of business upturn, let loose a wave of labor struggles and strikes, a movement of unionization and organization, that brought dismay to the employers and to the leading NRA circles. The militancy of the workers, their self-confidence and their readiness to fight mounted rapidly and, in general, conditions were most favorable for rapid and effective strike action and organization. **But only if labor understood quite clearly that it could not depend upon the NRA nor expect it to shower blessings upon the workers, only if labor relied on its own organized power and militancy, could it take advantage of the extraordinarily favorable circumstances in the first days of the NRA.** Those unions that acted on such a basis, particularly the I.L.G.W.U. in the most important markets, made tremendous headway in building themselves up as

well as in obtaining better conditions for the workers. Those organizations, on the contrary, that either refused to fight or else disarmed in return for promises, met with deep disappointment and disaster. On the whole, the American trade union movement made considerable progress but far from what was possible had it not been bound by conservative policies and antiquated structure.

6. Seriously disturbed by the wave of strikes and the drive to union organization, the employers, collaborating with the NRA authorities, have launched a counter offensive. The National Labor Board and its innumerable auxiliaries have been established to prevent or suppress strikes. An organized nation-wide campaign to entrench and spread company unionism and to wipe out genuine unionism, has been initiated by powerful employers groups, aided by the "interpretations" of Section 7a of the NRA officials. On its own part, the NRA administration has made every effort to rob the unions of their independent class character and to convert them into "government unions." The relations between the NRA and the labor movement have become more and more strained, if not actually hostile.

7. The leadership of the A.F. of L. has not proved able to cope with this situation. Its policies of "peaceful" collaboration with the employers, its unwillingness to arouse the masses to struggle, its excessive readiness to compro-

mise and surrender, have led to defeat and to such inexcusable disasters as the Detroit auto settlement, in which the company union is legalized and recognized as a legitimate instrument of collective bargaining. On the other hand, the refusal of the A.F. of L. to completely change its obsolete craft structure along more modern lines, has proved a serious obstacle in the way of organizing the hundreds of thousands of workers in the large mass production industries of this country. Altho it is clear that the labor movement is now facing a grave crisis, the leadership of the A.F. of L. is unfortunately not showing sufficient recognition of the necessity of adopting new and more militant tactics and of transforming the structure of the unions to meet the new conditions.

8. The experience of nearly one year of the NRA indicates that the following are the most important charges of labor against the NRA:

a. It has automatically organized the employers into powerful trade associations but has left labor to shift for itself, sometimes even placing obstacles in the way of its organization.

b. It has granted the power of determining wages, hours and working conditions, and even of modifying col-

lective agreements, to code authority bodies completely dominated by the employing class.

c. It has fixed minimum wages and maximum work-weeks at such levels as neither to increase buying power nor to cut unemployment to any substantial degree.

d. It has operated to force down the higher wage levels of skilled and semi-skilled workers.

e. It has instituted complicated systems of geographical differentials, reacting unfavorably on conditions all around.

f. It has operated to disrupt strikes, quench labor militancy and in every other way to disarm the workers in the face of the employers.

g. It has fostered the alarming growth of company unionism under cover of interpretations which practically nullify the collective bargaining guarantee of Section 7a.

III.

The Tasks for Labor

9. In view of these circumstances, it is necessary for the American labor movement to awaken to the seriousness

of the situation and to undertake a fundamental change in its policies, tactics and organizational practices.

a. It is today even truer than ever before that labor can get nothing under the NRA except what it is ready and able to fight for and win. Only the organized might of the workers can achieve anything. Relying on the "good will" and "reasonableness" of the employers or the NRA can only lead to demoralizing defeat.

b. The structure of the American trade union movement must be basically changed along the lines of industrial unionism, if the A.F. of L. is to succeed in unionizing the basic industries of this country. A well-prepared and nationwide organization drive of these basic industries must be launched directly under the supervision of the A.F. of L.

c. A united drive of the whole labor movement to smash company unionism must be initiated by the A.F. of L.

d. Determined resistance must be offered to the attempts of the NRA or code authorities to interfere with collective agreements or with the proper affairs of the unions. In general, it is necessary to fight the tendency to subject the unions to government supervision.

e. The A.F. of L. should launch a drive for a sharp reduction in the maximum work-weeks provided for in the

codes and for an increase in minimum wage rates at least to meet the rise in prices.

f. As a result of the widespread desire for organization, numerous independent unions have arisen in some very important industries (auto, metal, etc.). The A.F. of L. should strive to absorb these independent unions in its own ranks and should adopt ways and means to that end.

g. Experience has shown us that the code authorities are nothing more or less than executive committees of powerful trade associations of employers, concerned primarily with the business affairs of these employers. For trade union leaders to serve on these code authorities, particularly as they are necessarily in a small minority, means to undermine the independence of the trade unions as fighting organizations of the workers and constitutes a serious obstacle to effective labor struggle. Trade unions should present their demands to the various NRA and code authority bodies, just as they do to employers associations, and be prepared to back up their demands with their organized power, but should under no circumstances become part of them.