

SEE: TRUMAN COMMITTEE (Manpower)

COPY

April 12, 1943

Honorable John Green
President
Industrial Union of Marine and
Shipbuilding Workers of America
534 Cooper Street
Camden, New Jersey

My dear Mr. Green:

The copy of your supplementary statement to the Senate Committee Investigating National Defense and the other enclosures contained in your letter of April fifth have been received. I am very glad to have this information in my files which I am sure will prove useful to me since I am very much interested in the subject matter of your statement.

With kindest regards, I am,

Most sincerely yours,

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Industrial Union of Marine and Shipbuilding Workers of America

General Executive Board

JOHN GREEN
President

GEORGE W. WRIGHT
Vice President

PHILIP H. VanGELDER
Secretary-Treasurer

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Alternate

W. R. CARTER

Affiliated with the
Congress of Industrial Organizations



General Executive Board

534 Cooper Street : Camden, N. J.

April 5, 1943

Senator Harley M. Kilgore
Senate Office Building
Washington, D. C.

Dear Senator Kilgore:

After I had appeared before the Special Committee to investigate the National Defense Program on March 25th, I was requested to furnish certain information and kindly given permission to file a supplementary statement.

I have today forwarded this material to the Committee. I am enclosing for your information a copy of my supplementary statement which deals mainly with Mr. Frey's testimony in regard to the West Coast Stabilization Agreement and the National Labor Relations Board. I have filed with the Committee copies of the minutes of the Shipbuilding Stabilization Committee for January, February and March, 1941 and the other exhibits referred to in the statement. I believe this completely answers Mr. Frey's contention.

I think you will be interested to glance at the enclosed photostatic copy of a leaflet distributed by the A.F. of L. at a shipyard where the C.I.O. is the duly recognized bargaining agency. It is in complete contradiction to Mr. Frey's testimony on "raiding" and on the use of the N.L.R.B.

I am also enclosing for your information a copy of the Constitution of our Union.

Yours sincerely,

John Green

John Green
President

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Supplementary Statement of John Green,
National President, Industrial Union
of Marine and Shipbuilding Workers of
America, C.I.O., filed with the Senate
Special Committee Investigating the
National Defense Program in Washington
April 5, 1945

Before proceeding to comment on the testimony which Mr. John P. Frey, President, Metal Trades Department, A.F. of L., gave before your Committee on March 26, I would like to amplify briefly my testimony given on March 25.

The Chairman of the Committee, in the course of a question to me on absenteeism, gave two examples in which the rate of absenteeism was higher in establishments where the workers were organized by the A.F. of L. or the C.I.O. than it was in plants where the workers were unorganized. While, of course, cases like this can be produced, there is no reason to believe that any such tendency is general throughout industry. I certainly do not think it is true of the shipbuilding industry.

The latest study of the Bureau of Labor Statistics dealing with absenteeism in commercial shipyards was published in the February issue of the Monthly Labor Review. It shows that the average rate of absenteeism for the industry runs around six to eight percent. Mr. Ferguson of the Newport News Shipbuilding and Drydock Company testified before this Committee on March 8, that his absentee rate was about 10.2 percent. Mr. Williams of the North Carolina Shipbuilding and Drydock Company testified on March 8 that his rate might be as high as 14 percent. Both these gentlemen gave good reasons to account for their high rates, but

since neither of these yards is organized either by the A.F. of L. or the C.I.O., the figures would seem to point to a conclusion opposite to that implicit in the Chairman's examples. Indeed, on the basis of this much wider study, a case could be made out that organized yards have a lower rate of absenteeism than unorganized yards. But, as we all know, there are many other variables in the picture. All these variables are discussed at length in the study referred to above and are more pertinent to the subject than the matter of unionization.

I would like to add a word to the discussion which took place with reference to the comparison of the construction of the South Dakota at the New York Shipbuilding Corporation with that of the Indiana at Newport News. Mr. Fulton informed me that many less man-hours were required on the Indiana than on the South Dakota. I am now informed that these two vessels are not sister ships and hence not strictly comparable. The South Dakota is of the same class as the North Carolina which was built at the Brooklyn Navy Yard, and the Massachusetts built at Quincy. The Indiana, although a battleship of around 35,000 tons, was of a different type. As to the South Dakota itself, when it was completed it was the most modern battleship in the world, this being due to the numerous structural changes made during the course of its construction. Despite this fact, it was delivered eleven to thirteen months ahead of schedule.

May I take this occasion to add a word on the subject of

statistics in the shipbuilding industry. Associated as I am with the industry, I believe my opinion has some value even if not supported in detail by statistics. I am continually in contact with highly skilled workers and management officials and through them gather much information. Several witnesses testified before the Committee on the influence of jurisdictional disputes on production. Are such statements capable of statistical verification or are they simply the opinions of people familiar with the industry?

Almost all information about the shipbuilding industry is now classified as secret for "military reasons". This is a considerable handicap on the work of our Union and I would like to draw the attention of the Committee to this aspect of the question. Responsibility is now generally cast upon labor organizations and their officials for obstructions to productive efficiency. We are constantly called upon to do all that we can to promote greater efficiency and to increase production. This is a responsibility which we are glad to assume and this is a call we are anxious to respond to. And yet, under the guise of "military secrecy", labor organizations and their officials are denied access to statistical data, which constantly pass through the hands of stenographers, typists, mimeographers and filing clerks, who are certainly not more devoted to the interests of our country and not more to be trusted with "military secrets" than labor officials.

It is more than unfair to expect labor organizations and their officials to be acquainted with the actual facts as to obstructions to efficiency and to take steps to remove these obstructions as well as to initiate programs for improving efficiency where it exists, while at the same time withholding from them the statistical data which alone would enable them to perform these functions effectively.

The need for "military secrecy" prevents me from getting to know precisely the number of man-hours consumed in the construction of any particular vessel, or part of a vessel, in a given yard; yet it does not prevent the employer from knowing these facts and even using them in the public press should he so desire. Many of the facts which are denied to us in the name of "military secrecy" are incidentally entered into the record, which is public, at hearings before the National Labor Relations Board, the National War Labor Board, Congressional Committees and the courts of law. I suggest that the Navy Department, the Maritime Commission, the Bureau of Labor Statistics, the Manpower Commission and other agencies dealing with problems relating to production and the war effort, be required to provide the National Offices of labor organizations with such data as will assist them in performing the legitimate function of increasing war production. The use of the data could, of course, be circumscribed by proper regulations as to the publication or the disclosure thereof.

I welcome the opportunity to comment on Mr. John Frey's testimony before your Committee on March 26. With regard to the question of jurisdictional disputes, I believe it is correct to say that the chief thesis of that testimony was that, in the Kaiser case, the C.I.O. is attempting to upset a governmentally sponsored contractual relationship between the A.F. of L. and the West Coast shipbuilders with a resulting loss in productive efficiency. It is my purpose to demonstrate the complete inaccuracy of Mr. Frey's contention.

The contention rests on a misconception of the Shipbuilding Stabilization Program and on the confusion of two separate and distinct documents, namely, (1) the Pacific Coast Zone Standards, and (2) the so-called "Master Agreement" between the A.F. of L. and the Shipbuilders.

Mr. Frey said:

"There was an effort made during the period of national defense to stabilize the shipbuilding industry of the United States. That effort had its origin in the President of the United States who, as Assistant Secretary of the Navy, had gone through the experience of the First World War, and recalled the chaotic condition, the disturbances that developed in the shipbuilding industry. To bring that about, the Shipbuilding Stabilization Committee was created in the latter part -- in December, 1940 or in January, 1941. Its purpose was to endeavor to bring about stabilization in the shipbuilding industry. The Navy Department, the Maritime Commission, O.P.M., the management of the shipyards, the C.I.O., and the A.F. of L. were all included on that Committee.....

"As a result, a conference was called in San Francisco in February, 1941. Present were the representatives of the procurement agencies and O.P.M., management, and of the American Federation of Labor. There were at that time three small yards in Los Angeles

Harbor that had been certified to the C.I.O., but none of those shipyard managements was willing to attend the conference, and they did not attend the conference, and for that reason it was exclusively between the representatives of the Metal Trades Department, the management, and the Government.

"As a result of five weeks' conference an agreement was finally entered into which has since been known as the master shipbuilding agreement or merely the master agreement. In that agreement were a number of provisions to which the Government was as much a party as management and labor. It was the first time in the history of our country that the Government had sat in on collective bargaining with employers and employees. The Government was a party to those clauses in the agreement which determined the wage rate, the classifications of labor, and the rates they were to receive, the length of the workday, the length of the workweek, overtime provisions, payment for shifts -- premium payments for second and third shifts."

* The italics are mine.

In order to make it clear that, without saying so, Mr. Frey is talking about two distinct documents in this quotation, I am enclosing for the record copies of the Pacific Coast Zone Standards (marked Exhibit #1) and the Master Contract (union agreement), (marked Exhibit #2). The Pacific Coast Zone Standards were formulated at the San Francisco Conference which was participated in by the procurement agencies and the O.P.M. The "Master Agreement" was the result of negotiations carried on solely between the A.F. of L. unions and the Shipbuilders, without participation by or requiring approval in the results by any government agencies.

The different nature of these two documents is apparent at a glance. The Zone Standards do not mention the union affilia-

tion of the workers, but the "Master Contract" deals fully with the hiring arrangements through A.F. of L. unions, etc.

An illustration of the confusion of these two documents is to be found in Mr. Frey's account of the President's telegram calling upon all the parties to ratify the West Coast agreement. Mr. Frey implied that the C.I.O., in the Kaiser case, is going directly contrary to the wishes of the President of the United States. Yet, even according to the newspaper clipping read into the record by Mr. Frey, the agreement referred to by the President "was negotiated by the Shipbuilding Stabilization Committee of the O.F.N., the employers and labor representatives." This is clearly a reference to the Pacific Coast Zone Standards, for it was only in the formulation of that document that the governmental agencies mentioned by the President participated.

The point is made again by a reference to the letter which is attached to my Exhibit #1. Mr. John Queen, who was my representative on the West Coast at that time, states that he voted at the conference at which the Zone Standards were adopted, (the opening paragraph of the text of the Standards shows that the San Francisco Conference reconvened at Seattle.) The final paragraph of the letter indicates clearly that Mr. Harry Morton's motion to adopt the standards included a reference to the representation of the C.I.O. at the Conference. Incidentally, you will observe on the copy of the Zone Standards that Mr. John Queen has written in

ink "this is the copy Frey handed me", hardly the thing that Mr. Frey would do with a union agreement between his organization and certain employers.

The minutes of the Shipbuilding Stabilization Committee tell the story as it occurred. I am enclosing a copy of the minutes of the Committee for January 22, 1941, (marked Exhibit #3) and quote the following:

"The following appeared to be the sense of the meeting:

1. In connection with the West Coast Conference to be held in San Francisco, California, on February 3, the understanding was:
 - (a) That the American Federation of Labor would conduct the negotiations with those yards with which it at present has agreements.
 - (b) That the Industrial Union of Marine and Shipbuilding Workers of America will conform in general with the terms of this agreement in the case of those yards with which it at present has agreements.
 - (c) That in the case of three yards now now in production (Oregon Shipbuilding Company, Portland, Oregon; California Shipbuilding Company, Los Angeles; and Todd-California Shipbuilding Company, Richmond, California) which do not have agreements with either the American Federation of Labor or the Industrial Union of Marine and Shipbuilding Workers of America, the Chairman will write the management of these three yards and suggest that each company indicate in writing to the Chairman that it will comply with the uniform wage standards and working conditions established as a result of the Conference. Admiral Land expressed a willingness to cooperate on this matter.

The minutes of the Shipbuilding Stabilization Committee for February 21, 1941, a copy of which I enclose (marked Exhibit #4), record that a disputed question was submitted to the O.P.M. as in the following quotation:

"At the close of the afternoon session the Chairman was authorized to communicate the following to the Office of Production Management:

"The Shipbuilding Stabilization Committee, as a result of its meeting on February 21, 1941, submits to the Office of Production Management the following question, an answer to which is essential to permit the Committee to proceed in its future deliberations:

- "1. Should the Shipbuilding Stabilization Committee be given authority to (a) set basic wage rates for skilled mechanics around which the detailed wage schedules and classification for the shipbuilding industry would be adjusted by zone and local negotiations; (b) regulate overtime rates; and (c) establish shift premiums; or
- "2. Should the above topics be left to the determination of zone collective bargaining conferences attended by representatives of the industry and labor, such conferences being called under the auspices of the Shipbuilding Stabilization Committee (O.P.M.)? If the latter method is approved, are the findings of the zone collective bargaining conferences to be submitted to any governmental agency for subsequent approval?

"There was an equal division of opinion within the Committee on the above question."

The minutes for March 3, 1941, a copy of which I enclose (marked Exhibit #5), contains a summary of the reply received from O.P.M. as follows:

"The response to the Committee's request to O.P.M. under date of February 21, 1941 authorizes the method of zone conferences as a means of arriving at zone standards. Before zone standards are made a part of individual collective bargaining agreements they are to be submitted to O.P.M.

During the morning session the Committee discussed various matters, particularly the question of the San Francisco Conference.

At 12:45 p.m. the Committee recessed.

At 2:30 p.m. the Committee reconvened with the following present:

Morris L. Cooke, Chairman; John P. Frey; Captain J. S. Gawne, U.S.N. (alternate for Admiral Emory S. Land); Joseph W. Powell; Professor H. L. Seward; H. Gerrish Smith; Phillip H. Van Gelder; T. L. Norton, (Executive Secretary).

Also present: Isador Lubin; Captain C.W. Fisher, U.S.N. (alternate); John Green, Daniel S. Ring.

Regarding the San Francisco Conference, it was the sense of the meeting that:

- (1) the conference should reconvene March 10, at 10:00 a.m. in the Whitcomb Hotel
- (2) Mr. Smith assumed responsibility for notifying the employers and Mr. Frey for notifying the A.F. of L. representatives.
- (3) insofar as the C.I.O. representative is concerned, his position will not be changed, and he will be so notified by Mr. Green
- (4) only the following topics are to be included in the zone standards:
 - (a) Basic wage rates of standard skilled mechanics;
 - (b) overtime provisions;
 - (c) shift premiums;
 - (d) a no-strike and lockout clause;
 - (e) a provision against limitations on production;

- (f) a clause outlining grievance machinery, including provisions for arbitration;
 - (g) a two-year duration clause providing for periodic wage adjustments.
- (5) The zone standards arrived at between employers, representatives of organized employees, and representatives of Government shall be announced by O.P.M. as covering all shipyards doing construction work on the Pacific Coast.

The shipyards and the organized employees shall undertake that these zone standards will be made a part of all collective bargaining agreements entered into between the shipyards and their organized employees."

I am endeavoring to obtain from the files of the Shipbuilding Stabilization Committee a copy of the full response sent by the O.P.M. to the Committee. When it is received it will be submitted to your Committee. It will be seen that the Zone Conferences were for the purposes of arriving at Zone Standards which had to be approved by the O.P.M. before they became part of individual collective bargaining agreements. There is no reference at all to union affiliation or to a closed shop for the whole West Coast among the list of topics on the agenda of the West Coast Conference under the auspices of the Shipbuilding Stabilization Committee.

The position which our Union took on this matter is indicated by a letter which I wrote on January 7, 1941 to Mr. Morris Llewellyn Cooke, then Chairman of the Shipbuilding Stabilization Committee. I am enclosing a copy of the letter (marked Exhibit #6). It shows our insistence on the necessity for government participation in the formulation of Zone Standards. The objection which we made then culminated in the decision which appears in the minutes of March 3, 1941, referred to above.

Thus, in preferring charges to the N.L.R.B. against the Kaiser yards our Union is not attempting to upset a governmentally sponsored and approved contractual relationship between the A.F. of L. and West Coast employers of shipyard workers. We have set in motion governmental machinery to vindicate public policy enunciated in numerous enactments of Congress, particularly the National Labor Relations Act, and to set aside a private agreement, collusively arrived at, depriving tens of thousands of American citizens of the rights guaranteed to them by Congressional enactment. This devotion to the principles of the Wagner Act and this purpose to see that its principles are vindicated are not new to our Union. In this connection I would like to draw your attention to a paragraph in my letter to Mr. Cooke of January 7, 1941, referred to above. The paragraph reads as follows:

"I am likewise very much disturbed by the suggestion of the employers that they want freedom to violate the Wagner Act, as I can see no possible circumstances under which this would be desirable. On the contrary, it is the primary demand of this Union that the Wagner Act be respected and complied with in its entirety as a prerequisite for cooperation on the part of labor."

The consistency of the stand taken by our Union is further borne out by a letter which I wrote to Admiral Land on March 31, 1941. I am enclosing a copy marked (Exhibit #7) and quote the following passage:

"It has been my understanding that it was agreed at the Shipbuilding Stabilization Committee meetings that no agreements would be signed unless a clear determination of majority representation was made, by the Labor Board or otherwise, and that no agreements would be signed in new yards until the employees had a chance to show their preference in a democratic manner."

A further illustration of the present set-up in the Kaiser establishments is the copy of the standard printed form letter sent by the Kaiser Company to job applicants (marked Exhibit #8).

It will be seen that initiation fees of the A.F. of L. unions mentioned range from \$12.50 to \$53.00 and the monthly dues from \$1.25 to \$5.50.

On page 2 the opening paragraph makes the incorrect claim discussed above that the closed-shop agreement to the A.F. of L. was set up by the Shipbuilding Stabilization Committee. The original of the form is in the possession of our National Representative, William McCaffrey, 142 High Street, Room 330, Portland, Maine.

In answer to Senator Ferguson on March 26, 1943, Mr. Frey stated that there was no truth to the C.I.O. claim that the A.F. of L. is raiding some of their plants or some of their unions. In order to refute this statement simply and directly I am enclosing for the record a photostatic copy of a leaflet circulated on March 11, 1943, by the A.F. of L. at the Port Newark yard of the Federal Shipbuilding and Drydock Company (marked Exhibit #9). The Industrial Union of Marine and Shipbuilding Workers of America, C.I.O., has been certified by the N.L.R.B. as the duly established collective bargaining agency for this shipyard. As much cannot be said for the A.F. of L. in those cases in which our Union has preferred charges to the N.L.R.B. In none of these cases has the

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A.F. of L. been certified by the N.L.R.B. or any other governmental agency as the chosen representative of a majority of employees. It is well to remember also that our Union has a contract with the Federal Shipbuilding and Drydock Company covering its Port Newark yard.

I particularly draw your attention to the final sentence of this leaflet in which the A.F. of L. addressing the workers claims that "the machinery of the National Labor Relations Board will be set in motion on your behalf." And this comes from Mr. Frey's organization, and he has suggested that the National Labor Relations Act should be suspended for the duration of the war!

I think the illogicality of Mr. Frey's stand is still further demonstrated by a reference to the Seventh Annual Report of the N.L.R.B. I enclose as Exhibit #10 a table published in that report analyzing by union affiliation the new cases brought before the Board in the fiscal year 1942. It shows that the A.F. of L. brought 4,787 as compared to 4,922 by the C.I.O.

In conclusion I want to reiterate my belief that the way to improve the morale of the workers, to get their hearts into the war effort, and to increase production does not lie in the direction of the suspension of our efforts to introduce fairness and democratic procedures into the industrial scene. I do

not believe that the feared loss of production from the operation of these democratic procedures, a fear which I do not share, is significant when it is compared to the constant loss which results from the sullen resentment of the workers at the continuance of unfair labor practices. As I stated before, the workers' resentment at these practices on the part of employers is redoubled if they are given cause to believe that their elected representatives or their designated agents of their government are parties to the perpetuation of such practices.

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