# PATTERN FOR SURVIVAL


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How Well Do You Know These Men?

They Don't Trust Capital

# PATTERN
# FOR
# SURVIVAL

*Sequel to*

THE DESTINY OF FREE ENTERPRISE

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*Printed in the United States of America*



Price $1.75



TRI-ARTS PRESS, INC., N. Y.

# WHAT WE MUST KNOW

THE destiny of free enterprise lies chiefly in the hands of the wage earners who, with their families, comprise more than forty per cent of America.

The most important fact in planning for the future of America, and of business, is what these people think. If their thinking is wrong, the consequences may be serious. But the fundamental point to be faced by business is that, right or wrong, their attitudes will dominate the decisions which will determine whether free enterprise as we know it is to continue.

So it becomes of pressing importance to know at this time just what are the attitudes of these people — and why they think as they do.

*Why is it that the great majority of them lack confidence in business? Why do they feel that they must look to government? What do they want for themselves and their families in the post-war period?*

*And what can be done about it?*

The answers to these questions do not lie on the council tables of industry. Nor can they be secured by poll interviewing to get answers to prepared questions.

They can be drawn out only in heart-to-heart discussions with these people in the privacy of their homes — discussions where the interviewer has the complete confidence of the worker and his wife, to the degree that they will express freely their personal and private opinions and reactions.

Following publication of *"The Destiny of Free Enterprise"*, the writer was asked by several executives of important companies if he would not expand his studies in this field, to develop the information contained in this current volume. This involved weeks of travel during the past Spring and early Summer, and long days and evenings of visiting these folks in their homes.

The background for these frank discussions came from years of contact with such people, to whose interests Macfadden magazines have been edited for over two decades. Through continuing editorial research operations, personal contact with thousands of these families has been established, and formed a specially favorable introduction for my calls. A considerable proportion of my visits were with these reader families, who have been found to represent an excellent cross-section of wage earners, and with their neighbors.

This book is a reporting of what the workers think and say in confidence, with the assurance that their names will not be revealed. They express here their criticisms of 'capital', and in some cases even of conditions in their own and other unions. Not that they lack confidence in unions, or that they believe all unions are open to criticism. On the other hand, the lack of confidence in capital which they express is general and total in its application. The conditions and attitudes revealed here cannot long continue if we are to have a better and more prosperous America in the years ahead.

In this company we have, of necessity as well as choice, come to know the wage earners well, to understand their problems, their thoughts and hopes and fears; for Macfadden magazines were the

first to be directed specifically to them, and reach more wage earner families than those of any other publisher. We see the need that this same understanding be conveyed to business generally; that each of the two — wage earner and industry — better understand and appreciate the other, so that they may work together successfully to their common objectives. The wage earners hold in their hands not only the political destiny of free enterprise, but, as the largest consuming group, the commercial destiny as well. Only from mutual understanding will come a pattern for survival.

Because of its particularized and special interest in both its wage earner readers and business advertisers, the undertaking was approved and the costs met by Macfadden Publications, Inc., which has also underwritten the cost of publishing this book. It was felt by O. J. Elder, the president, and Carroll Rheinstrom, executive vice-president, that this undertaking is of such importance to the planning of business executives that it is a proper function and duty of their company.

For the encouragement, help and guidance which they so generously and interestedly gave during the progress of this work, the writer wishes also to express special appreciation to Samuel Cherr, vice-president of Young & Rubicam, Inc., vice-president Harold Wise, Herbert Drake and Helen Johnson of Macfadden Publications. And not least, to all of the wage earners who opened up their minds and hearts, and talked freely and interestedly with me.

E. R. S.

Washington, D. C.
September 20, 1943.

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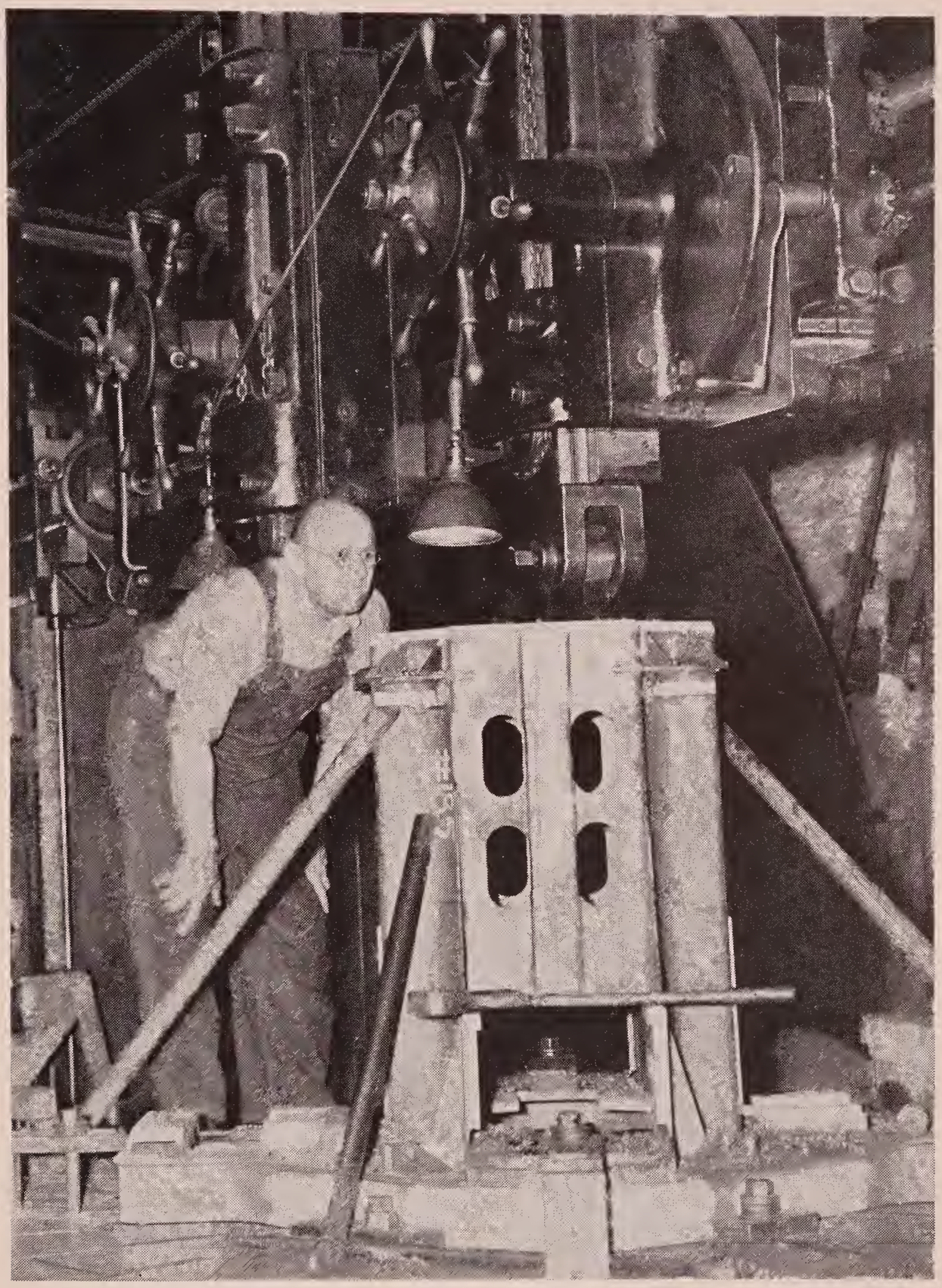
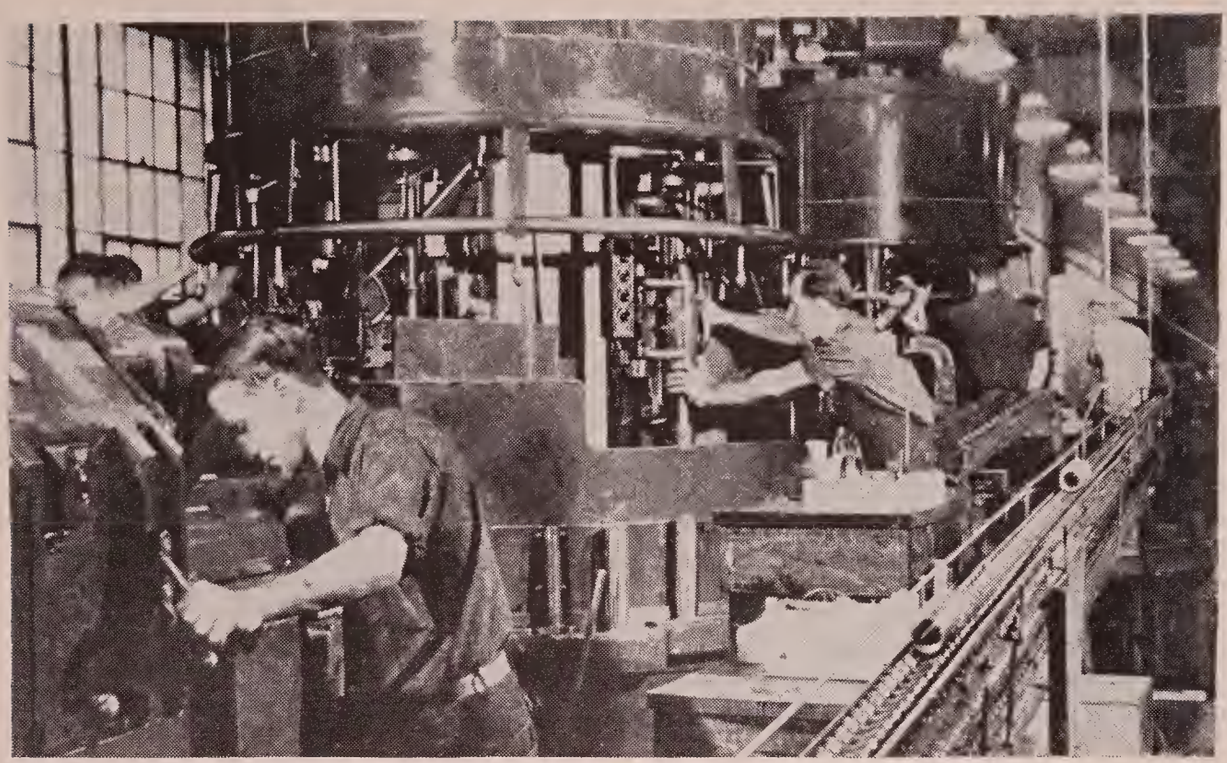
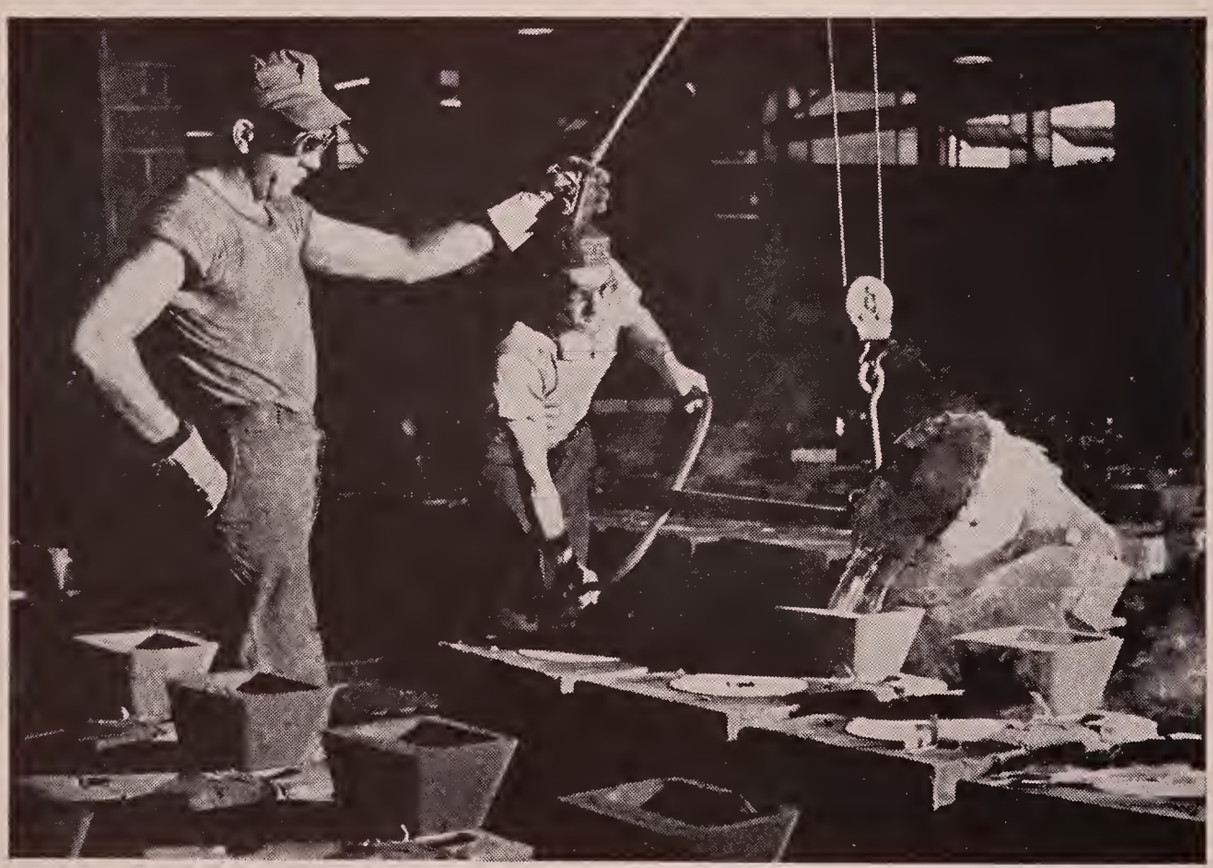


"The Company Makes $3 for Every Dollar I Get"



THEIR WORK IS IMPORTANT — ARE THEY?

"THE FAT BOYS IN THE FRONT OFFICE GET IT ALL"



# I

## *The Workers Speak*

It was his usual bedtime, but when I told him why I had come he drew up a chair for each of us and we settled down to a discussion that lasted for an hour and a half, while J. T. unburdened himself of the things that were on his mind — things that were troubling him.

For that was why I had called on J. T. — to find out what he and the thousands of others like him think about the present and coming economic picture — employment, business, government and all the rest of it.

For several days I had been calling on workers like J. T. — and now here it was again, the one outstanding fact —

*Labor has a rather complete lack of confidence in business and in industry — or as they call it, in capital.*

As we talked, Mrs. T., an attractive woman in her middle thirties, brought her work out and sat near us where she could keep an eye upon their adopted 10-year old boy and a couple of neighbor youngsters who were playing together.

T. is a hammer helper in a big plant in a mid-western city and was currently working on the night shift. He is doing very well at his work in a war plant and with overtime making about $80.00 a week, but he has no confidence whatever in business and industry. He thinks that they are run by a lot of racketeers. He told me with great positiveness that capital makes at least $2.00 net profit for every $1.00 paid out in wages.

"We guys pay for it all," he said, "and the fat boys in the front office get it. They take it out of us."

He thinks that there is going to be a very severe depression sometime after the war. He is happy to 'make his' while he can and is going to do everything he can to get it now. The only way

that things could be worked out satisfactorily in this country is, in his opinion, for labor to take over and run it all. "Labor has the power to do it and will do it."

He had other illuminating comments to make — illuminating as to the viewpoint of the men who work in the factories. But we will return to those later.

That same afternoon I sat in the front room of his home with A. T., who is a gear cutter in one of the big factories. At that time he was working on the 7 to 3 o'clock shift and had just got home from work. His is a pleasant and attractive little home, one on a street of small one-story houses. The furnishings are simple and comfortable. He and his wife are sound and substantial citizens, not too highly educated, not obsessed with the idea of keeping up with the Joneses, but with a great deal of self respect and confidence in themselves as good Americans.

A. T. emphasized his lack of confidence in capital. It is, he said, " always a battle between capital and labor. First one side is on top and then the other. Now we are on top. After the war business is over the company will be in the driver's seat. Then they will try to fire most of us, and later hire us back at low wages."

T. does not think much of the way things are being run in Washington, but he has still less confidence in business management.

He, too, brought out the idea that the company makes at least $2.00 net clear profit for every $1.00 paid in wages. Only he put it that, "The boss makes $2.00 profit for every $1.00 he pays out."

Another day, in another city, I sat in the home of W. C., who is a scoop spray operator in a big plant which is working entirely on war contracts. C. is a Union man. He makes good pay and is satisfied with his job, but he told me that he has no confidence in business and that that is true of all the other workers whom he knows. He thoroughly believes that business is interested only in

the profits it can make out of the war and "doesn't give a damn about the post-war period."

From worker after worker, skilled and unskilled, in city after city, came the same story of distrust of business, of lack of confidence in management. These men and the others with whom I have talked on trips to various cities around the country are good decent loyal Americans. They do not, it is true, wear Phi Beta Kappa keys, but they are far from stupid or dumb. Most of them would not come out at all badly on any of the standard I.Q. tests. They think and discuss among themselves, and they talk intelligently and interestingly.

What their attitudes are and the reasons for their attitudes will develop as we visit with workers in many plants in various cities. *What these attitudes mean and what must be done about it if we wish to maintain our system of free enterprise will begin to become clear.*

# II

## *'Capital' is a 'Profiteer'*

One of the men holding an unskilled job in a large plant is C. D. Like the others, he feels that capital is making 'barrels' of money and that he and the other fellows want to get theirs, too.

He also made emphatic comments on the favoritism which he claims exists in the appointments of foremen. He says there is altogether too much politics in the factory's operations and there is a complete lack of confidence by the men in their management. He went on to say that probably he did not know all the facts, but the point is that nobody has ever taken the trouble to tell him or the other men the facts of the situation.

"Why not," said he, "call meetings and tell the men exactly what the situation is and put the cards on the table. Maybe the company does not make $2.00 or $3.00 net profit for every $1.00 put out in wages. But I believe they do. However, I am open-minded if they will give me the facts."

K. L. also spoke of the fact that capital is making $1.00 or $2.00 in clear profit after taxes, for every $1.00 paid out in wages. He feels that the workers must 'get theirs while the getting is good.'

Like many of the others, L. feels that business will be good for quite a while after the war; but then he expects a lot of unemployment, particularly when all the soldiers come home. And he ended up by saying, "If there is a lot of unemployment and labor difficulties, the government will just have to take over." His faith is in the government, particularly in President Roosevelt. And said he, like so many others, "I would rather work for the government, anyway."

As to the present time, the comment of C. S. is that there is too much money in too few hands. "They tax us too much and the big fellows too little."

When I spoke of the corporation excess profits tax which runs as high as 90%, and of the high surtax rates for individuals, he said he was familiar with all of that, but, said he, "the big fellow feels his 70 or 80% tax a lot less than we feel our 20%."

T. L. spoke of the need of capital for post-war reconversion and development of new products, but he thinks that the companies are already saving plenty — that we don't have to worry about the money the companies and banks have salted away.

Like L., most of the men feel that capital is making tremendous profits and salting them away. They feel that is so much the case that capital is not interested in what happens after the war, for it will have plenty of money to live on. But when it was suggested to these men that the government taxes away 70 to 90% of the profits of industry — they either refused to believe it or said that the company still had plenty left; even with such taxes the companies are making a clear net profit of $1.00 or $2.00 for every $1.00 paid out in wages.

A. T., in another city, told me that he could prove to me that the company makes $2.00 net clear profit — only he put it that 'the boss makes it.' He is a gear cutter and gets paid $12.00 a hundred for cutting gears. And he knows, he said, that the company sells those gears for $12.00 each.

So we started to analyze that. I told him that, of course, the company had to buy the blanks, or the steel and make the blanks, for him to cut the gears. He agreed. Then I said the machine on which he works probably cost $6000 or $8000. He said it cost a lot more than that. "Well," said I, "you're not working out in a vacant lot, you're in a factory building. The company had to put up the factory and they have to maintain the factory, your machine, and supply the power." He agreed to that. Then I spoke of cost of capital, management, selling, supervision and all the rest, with all of which he agreed. And, said he, "after you figure

that all in I still think they are making nearer $5.00 than $2.00 net profit to every $1.00 they pay me."

This opinion is widespread as a conviction among the men — and came up so often one wonders if it is fostered by many of the labor leaders.

The workers do not know, and have not been told, that many of the largest companies (the ones they criticize most readily) last year showed profits after taxes of from 1 to 15 cents for every dollar paid in wages. Only a few made as high as 40 cents, and out of this must come their payments for capital, and reserves.

# III

## *'Graft'—Union and Management*

At this point it may be well to get a more comprehensive picture of the relationships between the men and the unions, which have a considerable bearing upon their opinions of management.

The great majority of the men with whom I have talked are union men. In practically every case they are strong believers in the unions. They believe that unions are absolutely necessary to protect them in the battle with capital, but they do not believe that all is perfect with all unions. The statements here, like the criticisms of management on other pages, are a reporting of unprompted comments by the workers — not the ideas or opinions of the writer.

The ideas and attitudes of the factory workers towards business executives are definitely colored by their own experience with, or what they hear about the executives of some of the unions.

One man, who should not be indicated here even by his initials, told me this story. He said that this last Spring his union held a picnic one Sunday. It was a big affair, for it is a big union with a lot of members, and they and their wives all went to the picnic.

One of the packing houses supplied all of the frankfurts for the hot dogs without charge. One of the big breweries gave them many cases of bottled beer. The rolls for the hot dogs were supplied by one of the local bakeries, again without cost. Other foodstuffs and supplies for the picnic were contributed by various other companies in the city.

When the union members and their families got to the picnic the union members paid for everything they ate and drank. "Who do you suppose got that money?" said he.

I told him that I supposed, of course, it went into the union treasury.

"Don't be silly," he said. "The union officers put it in their own pockets."

One afternoon I was talking with a man who is an assembler in a fairly large plant. He had come off his shift; but we had only half or three-quarters of an hour together because he was also going to welding school, training to be a welder, which would bring him higher pay. I asked him if he would have to join the welders' union when he completed his course. He said he would, and told me that that would require a $50.00 initiation fee and "some more money to grease the palms of the union officials."

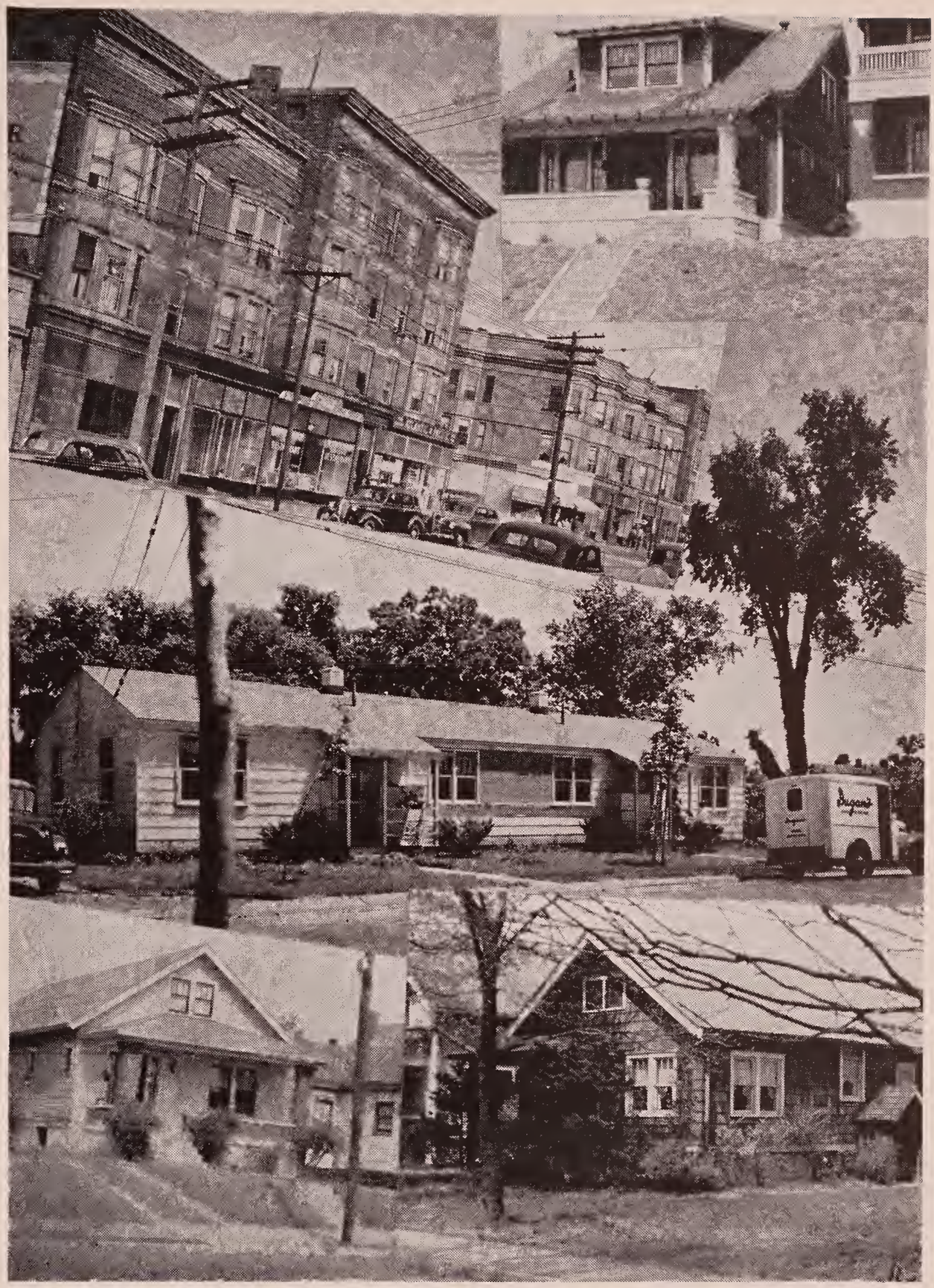
In another city I repeated this conversation to a welder and he said, "Well, in our union the initiation fee is only $12.00; but the rest of it," rubbing together his thumb and forefingers, "goes here too."

Elsewhere another union member, and a strong believer in unions, made the general statement that practically all of the unions are run by racketeers. He went on to say that the union to which he belongs costs each of the men $2.50 a month, or $30.00 a year. "Who do you think gets it?" said he. He laughed when I told him I supposed of course the union got it all.

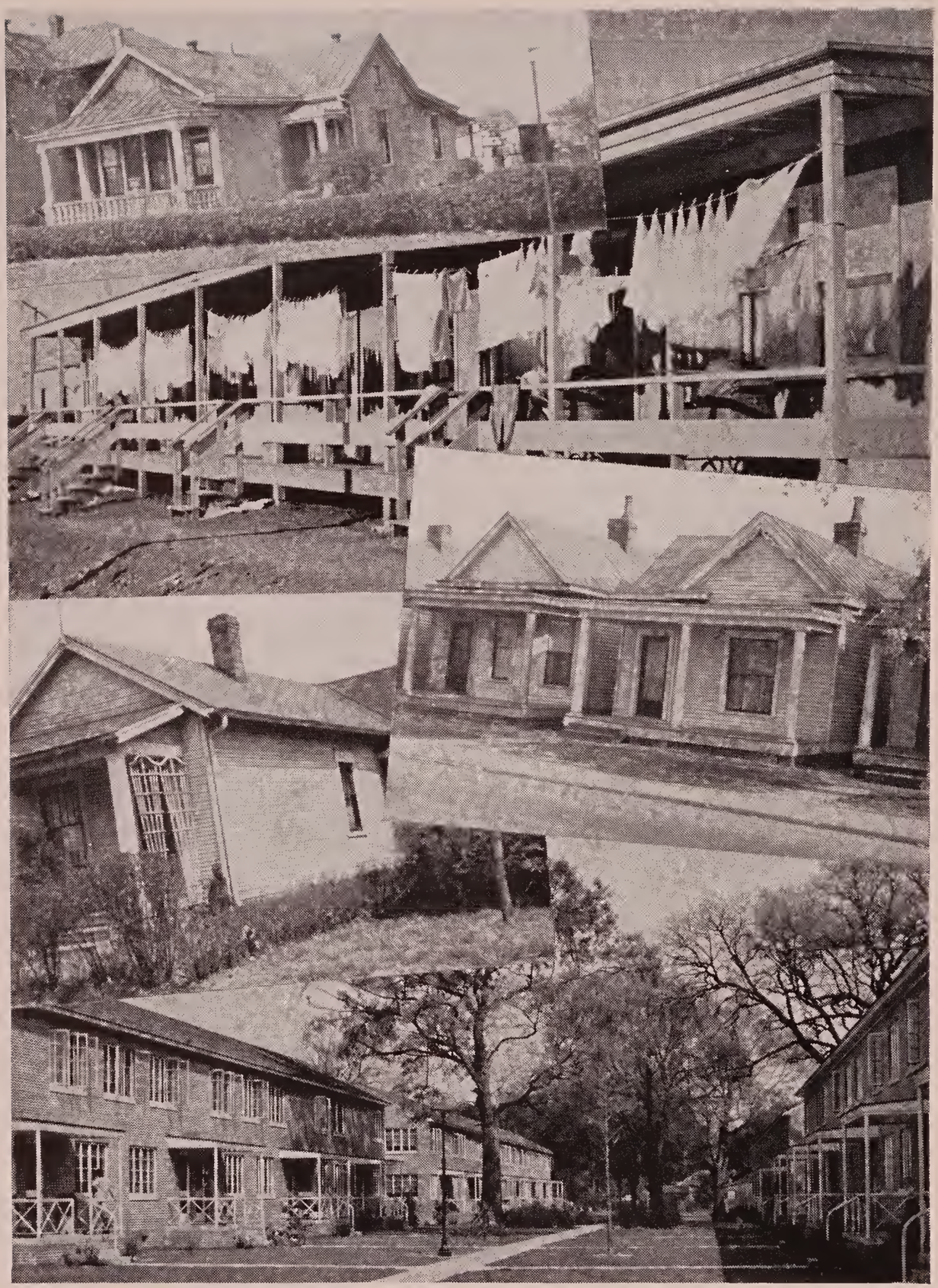
"Well, I'll tell you," he said. "A good part of it goes into the pocket of the same guy for whom we used to have to buy a brand new automobile, paid for by the union members, every year."

Another union man in another city also spoke of the fact that, when automobiles were to be had, union members had to chip in every year to buy a brand-new Chrysler with white sidewall tires for the business agent of their union, and he concluded, " — or else."

When some of these men were asked why, if they were so critical of what they think is racketeering in their union, they didn't do something about it, the general answer was, "What can we do about it?" They seem to feel that it is an evil rooted in the good soil of unionism, and something which they can't overcome.



THEY LIVE IN HOMES LIKE THESE



In Such Homes I Talked With Them

One man put it rather strongly. He said, "Look, suppose I get up in a union meeting and try to start something along that line. You know what'll happen to me? Before the evening is over I'll find myself down cellar in the hands of a couple of the strong-arm boys. They will give me a good working over. If they knock me out they'll throw some water in my face, set me on my feet, and knock me out again. And," he concluded, "if that doesn't teach me a lesson, they'll find some way to take away my union card so I can't hold a job. What would you do under those circumstances?"

It is not the purpose here to go into detail of union conditions as brought out by union members with whom I have talked during the past month. These situations and opinions are included only as they help to clarify or explain attitudes of the workers toward management and business.

This situation was noted by Donald R. Richberg in his recent book, "Government and Business Tomorrow."

> "A second adverse factor has been the toleration and support of criminals, masquerading as labor leaders, by those whose actual leadership should have forced them to repudiate these foul associates. Unfortunately, many of these decent citizens, in their vicious fighting with employers, had employed 'entertainment committees' of sluggers, had organized mass picketing, knowing that bloodshed and property destruction would follow, and had countenanced the brutal intimidation of non-union workers and their families. In brief, they had been assisted in many good causes by men and methods with which they would prefer to deny an acquaintance."

From the foregoing we can get an understanding of the attitude of J. T. He is one who commented that the 'fat boys in the front office' get all the profits. In common with many others, he believes that business executives get a lot of graft, apart from their salaries. This opinion is widespread among the workers.

J. T. thinks that the big boys in the front office kept part of the Victory Tax. He is very sure that they will put part of the 20%

Withholding Tax into their own pockets. I tried to explain to him that that is under government control and has to be turned over to the Treasury through the Internal Revenue Department.

He frankly didn't believe me, and said he knew better. There was graft all along the line, whether it was in the union or in the company. As an illustration, he went on to say that at one time in the past he was entitled to unemployment insurance. He had been shown papers by his employer according to which he was entitled to $15.00 a week. However, he got only $13.00 a week, — and he asked, "who got the other $2.00?" He thinks it was the boss.

Another application of the idea of graft on the part of management was first brought to my attention by R. G., a construction machinist working at one of the new synthetic rubber plants. He was vehement in his emphasis upon the waste of materials. He told how goods and supplies are purchased and piled up, and allowed to go to waste; and how the companies hire more men than they need, while other men are standing around with nothing to do. "That," he said, "is part of the graft of the companies, because cost doesn't mean anything to them as they are allowed a percentage of profit on whatever it costs them to do the job."

And as I travelled around and talked with other men, they too pointed out the same thing in regard to what they think is deliberate waste on the part of management so that it can make more profits and graft on the purchases of labor and materials.

# IV

## *The In-Between-Fellows*

ONE EVENING I was at the home of W. R., who is a lathe operator, in his twenties. I spent a whole evening at R.'s home and a very interesting one. He is proud of his attractive wife and of their charming little 4-year-old daughter. He is proud, too, of his home. And it is attractive, so much so that I commented on it. He told me how he and his wife had just finished papering three of their rooms — the sitting room, the kitchen-dining room and a bedroom; and they had done a good job. The paper was tastefully chosen and to my unskilled eye looked as though it had been put up by a professional. He was also proud of the kitchen, with its shining electric range and electric refrigerator.

R. expects after the war a drop in employment and cuts in wages. He says that everyone is out to 'get theirs' and all they can get of it, and this applies to management, labor and everybody else. Since that is the case, the unions have got to fight to protect the rights of the men for their share. He believes that only strong unions can protect the rights of the workers against the exploitations of management.

And he went on to say that one of the troubles between management and labor is that there are too many in-between-fellows. He explained that he means the foremen and minor executives between the workers and the management. He says that they keep management remote from labor and that they act like little Czars, trying to exploit the workers and make trouble.

While we were talking some neighbors dropped in, S. O. and his wife. O. is a lathe operator in another plant. He confirmed and emphasized the things which R. said to me. He expects a bad depression after the war and he went on to say that in his opinion

there is too much selfishness on the part of everybody; labor, management and government, too.

W. M. is in his early thirties and works in one of the big automobile plants which is now entirely converted to war production. During the evening that we spent together at his home he explained very clearly the feelings of many workers on the subject of company and employee relations. He also spoke bitterly of the middle group between company executives and labor — the in-between-fellows.

M. was one of those to emphasize his belief that many of the foremen are selected on the basis of favoritism rather than competence. As he put it, "The way to get to be a foreman is to suck around the boss." And then when some of the men get to be foremen, they turn against the men with whom they have worked. They feel it is their job to ride and drive the men, to show their power and authority. One foreman, as M. told it, remarked, "If a man comes to work in a white shirt I'll put him on the dirtiest job in the place." Suppose, said M., one of the boys is going somewhere directly from the shop after work and wears a white shirt so he'll look decent for that occasion; well, that's the way the foreman treats him.

Criticism of the inefficiency of operations and management are widespread among the workers. The men claim that they are not allowed to do a full day's work. As C. D. put it, there is no shortage of manpower if the men were used efficiently. He said to me, "Just the other evening one of the fellows in the plant said 'if they paid me 10¢ for all the work I've done today I'd feel I was well paid.' "

Loafing in the factories was also emphasized by A. H. He gets around because he trucks shipments from factory to factory. He says that everywhere he goes it's the same story. He sees the workmen and talks with them, and says they spend a good part of their time loafing, through no fault of their own and against their own

wishes. That is mostly, he claims, the fault of the foremen, who are inefficient and incompetent. They tell the men to act busy or to go to the rest room.

There just isn't much common sense used in plant operations and in factory-labor relations, according to L. K., a shipyard worker.

Women workers tell the same story, as evidence the following from the New York World-Telegram of July 23, 1943:

> Barbara Sise, who up until yesterday was standing at a lathe turning out bullet molds, says it's exhaustion from fighting the slow-down, dodging the foreman, watching the rejects come in.
>
> "You go into a factory all steamed up to work, then you spend most of your time in the ladies' room. That's where the foreman sends you. He says, 'Go inside and take it easy,' because he doesn't want you hanging around where somebody might notice you're not busy. The work's there — you can see it sitting around in boxes and trays."
>
> Barbara remembers now the weary-looking defense worker she talked to in the U. S. Employment Bureau in Newark last year. He was changing jobs. "If they'd only let us work hard we'd have the war over in a year," he told her.

As to the universal complaint about foremen, a different situation was revealed by K. B., who works in one of the very largest plants in a southern city. He says that in his particular plant the factory-labor relations are excellent. All feel that they are one team. He volunteered that the chief reason for this is that the company has eliminated all foremen. The men now work in teams and work on their own under the general direction of the supervisors. He said that was the most important thing that factory ever did for getting the goodwill, loyalty and best effort of the men. If other factories would do the same, said he, it would solve a lot of the management-labor difficulties.

Even in factories where there is not so much complaint on the matter of foremen and company-employee relations, it is a subject which is apparently foremost in the minds of the workers.

G. W., an expediter in one of the big middle-western plants,

brought out the fact that he considers that the labor-management relations in their plant are rather better than in most. The reason for it, he says, is simply this. When the men have a complaint the company calls in all of the men involved, whether there are a few or many. Then the whole matter is thrown on the table for an open discussion. The entire matter is thrashed out and adjusted on a basis which is clearly understood by everyone involved. As a result there are relatively few complaints and no serious trouble in that plant.

# V

## *Management As Labor Sees It*

H. B. IS A semi-skilled worker in a moderate-sized plant. He is old enough to have a son in the Navy, a boy of whom he is very proud. And I would think that he would have reason to be, after seeing the boy's picture — a fine looking, intelligent appearing lad.

But B. has a strong gripe on the management of his company. The story he told me was not dissimilar to the stories told by a lot of men in other plants.

When he was hired, he said, he was one of about 25 men who went to work on a certain day. They were all brought into a room where the company's personnel man gave them a thirty-minute pep talk. In this he told them about the great opportunity to advance in the company, to improve their situation, and even to invest in the company. In fact, the general idea, said B., was that at the end of the first week they would own the company.

Then the personnel man promised that at the end of 90 days the men would have a 5% raise and another raise at the end of 6 months, making a total of 10%.

By the time the 90 days were up and the 5% raise was due, the personnel man had been transferred to another plant. No one else in the plant, including the new personnel man, knew anything about any such promise, or at least claimed they did not. The men still haven't got that first 5%, and they are all very sore about it.

When I talked with B., it was about the time the 20% withholding tax was going into effect. He said that on top of the 10% for war bonds, that made a big hole in his pay envelope. "Why," said he, "that's a bigger tax rate than the big boys pay."

B., like many others, was very critical of the operations in the

plant. He tied that up with the 20% tax which was being held out of his pay. He said we are paying those taxes to the government, and the government is letting the companies waste that tax money on all these cost-plus contracts. He said he could see it in their own factory. They have just finished their current contract for the government and they are keeping on the full force of men who are just hanging around 'playing hide and seek at full pay'. And, said B., we taxpayers are paying for it.

B. may be inconsistent, but nevertheless those are his convictions. He feels them so strongly that I hardly said a word during the whole conversation.

It is the convictions and beliefs of these men which are important — whether they are right or whether they are wrong.

Not all of the men are so critical of their company. Take for example W. C. and W. D., both of whom work in the Jack & Heintz plant in Cleveland. In talking with them I had the feeling that I was visiting with someone on a college campus the day before the big game. They are full of the spirit of 'do and die for old Siwash.' They are both working seven days a week, and twelve hours a day most days.

It came out in our talk that they feel that Bill Jack understands them. They feel that he is sympathetic and that he is close to them, without too many of the in-between-fellows. Very prominent in their minds is the fact that he has promised all of his employees jobs after the war. They don't seem to figure whether he can hold to that promise or not, for they take anything he says as gospel.

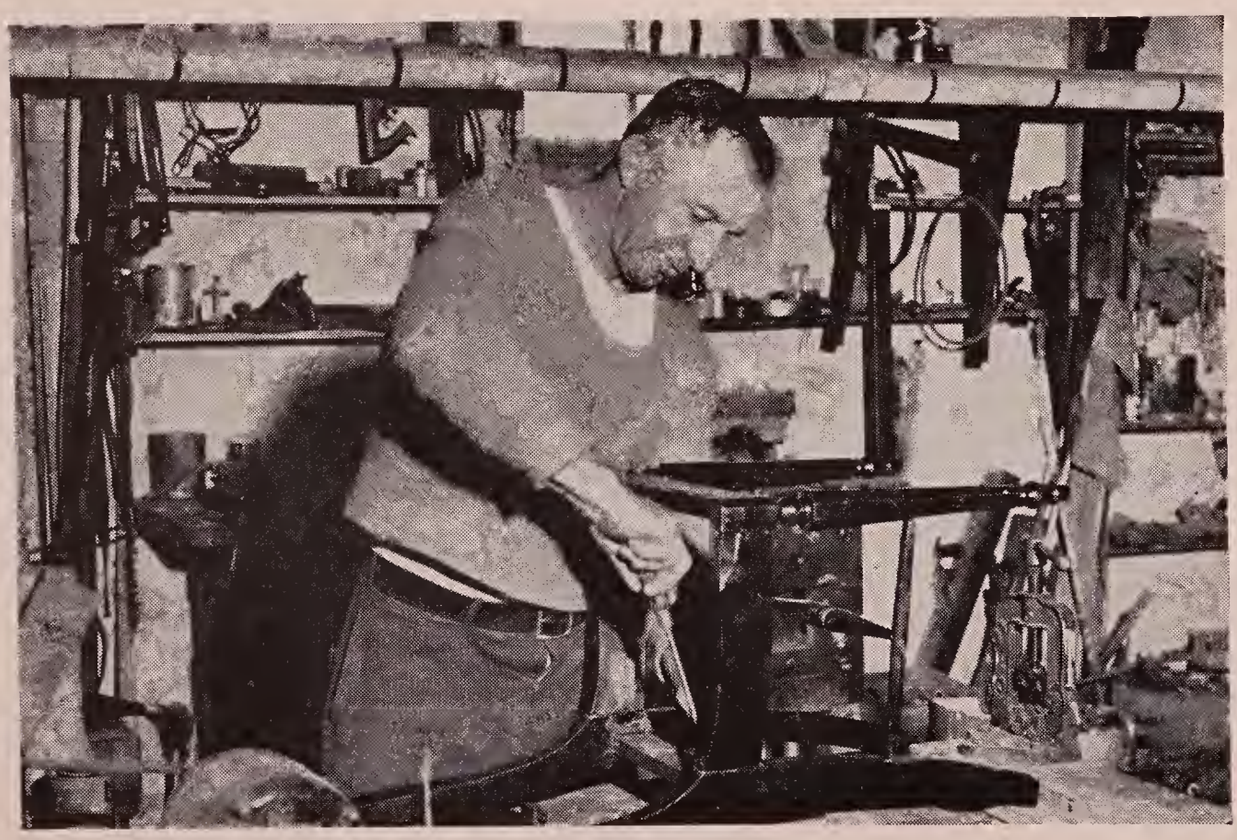
But not all the men in Cleveland are so enthusiastic about the Jack & Heintz operation.

As he got into that subject, A. Z. unbuttoned his collar and pulled up his sleeves as though he were going to work on something. He told me that he had refused three opportunities to go to work at the Jack & Heintz plant, because he 'knew too much

HOME FROM THE NIGHT SHIFT

Construction Men Are an Important Group

Many Have Basement Work-shops at Home, Too



about that racket.' That was before the men were all frozen on their jobs. He also said he could give me the names of a lot of men who have left there to go to other plants for less pay. Sure, he said, men get the dough, but it kills them off. They set an inhuman pace in the factory. When the men get groggy they are dragged off to the Turkish bath or sun lamp room, and they are pepped up with vitamin pills. Meanwhile their piece work quotas are constantly being increased and, said he, it's going to kill them off. By the time they have had two or three years of it they'll be finished physically and perhaps mentally.

At the same time Z. offered a comment that management would not only get more production from its workers but make more profit, if they had a better understanding of the men and a more decent attitude toward the men who work in the factories. While he was anything but enthusiastic about the Jack & Heintz operation, he was critical of the attitude of management in the plant where he works and in others that he knows.

# VI

## *Why Production Slows Up*

THE BROADER relations between the management and the men are a sore point with M., as with most of the others with whom I have talked. He said it is no wonder that unions have come in strong and fast in his plant and in other plants. Without the unions, said he, they would not have had the ordinary safety devices. He opened his shirt and showed me his chest, where he had been severely injured by oil burns. He told me of the danger from acid and oil burns at the plant where he works, and from fumes. He said that complaints to the foremen and supervisors had accomplished nothing, until they threatened to strike unless the company put in safety devices. He implicitly believes that they cannot depend upon the companies for even humanitarian and safety measures, but must look to their unions to enforce those.

And here is the way things operate when the men of the union have a complaint. The company has in their plant a man who has studied and analyzed the union contracts with the company's attorney. He sits down at the table to talk in all kinds of legal terms. The union men don't know what he is talking about, and have to look at their copy of the contract to find out if he is even talking about the contract. He tangles them up and confuses them, and tries to take advantage of every clause and loophole in the contract.

"That," said M., "is typical of the attitude of management."

He told me that the company claims in talks with his union that under the Smith-Connolly Act they no longer have to deal with the union and, "If they try to enforce the terms of the Smith-Connolly Act our union is going to strike. That Act is a dirty deal and has destroyed all the rights that labor has won."

In drawing him out to find out what he knew of the Smith-Connolly Act, I found that his knowledge of it, and that of his fellow workers, is a reflection of what they have read in their union paper.

Like many others, M. is bitter against the National Labor Relations Board. He thinks the coal miners got a raw deal. He said that if they are going to have anything like the Smith-Connolly Act he and the other fellows would rather work for the government than for the company.

He had no knowledge of the company's finances or other problems except one thing, he was very sure that the company is making at least $2.00 net profit to every $1.00 paid out in wages. When questioned he said, "Well, if that is not true how could I know, because the company has never told us anything about it."

One young chap, F. D., said that what was most on his mind was that the company and men don't get together. As he put it, there is too much jiggling around and pulling and hauling.

This summer there has been a great deal of disturbance over the lag in production in certain types of war materials. Donald Nelson, Chairman of the War Production Board, reported failure in many lines to meet quotas or even to maintain production of some previous months. The matter was entered into by James S. Byrnes, Director of the Office of War Mobilization, and he in turn called in Bernard Baruch.

The failure to produce to quotas was variously laid to the so-called 'peace scare.' It was suggested that many workers felt that they would better look for other jobs now that peace is approaching. It was said that some manufacturers felt that they should begin to look toward peace production rather than war contracts. And it was further suggested that many of the women began to feel that it was all right to go home now and leave the war jobs.

Perhaps, on the other hand, some of the lag in war production was due to the discouragement of the workers in the factories as

has been indicated in these pages. Discouragement on the part of workers who see the waste and inefficiency, and on the part of workers who realize that the foremen are not doing efficient work or keeping up production. Under those circumstances the workers hardly feel like exerting themselves, and in many cases are given no opportunity to exert themselves. This has all been pointed out to me by the workers themselves.

Perhaps a notable part of the lag in war production may be due very definitely to operations and policies which discourage the workers. It may be due to that lack of confidence and understanding which the workers emphasize. It may be due to the fact that management, and particularly the in-between-fellows, crack the whip instead of explaining, encouraging, and cheering on.

From what I have been told by workers around the country, I have no doubt that war production could be greatly increased were these factors remedied.

# VII

## *Union Problems—And Lewis*

T. L. IS ANOTHER worker who feels that the companies are making barrels of money and soaking it away, and that he and his mates don't have to feel that they are doing anything wrong in chiseling every cent they can get out of the company. He feels that the unions should become stronger, and that as unions become stronger they will be in a better bargaining position; there will then be less trouble because the unions will stand more nearly on a level in power with industry and management. Then, he feels, there will be less need for strikes, and the public is becoming less willing to stand for strikes either now or after the war.

L. also brought out the fact that the unions must have some of their men study and be trained to become bargainers, so that they may handle their cases more successfully with the trained men of management.

T. E. was bitterly critical of the operations of management within the plant. He said that foremen are often chosen by favoritism and because they play up to the boss. Then they ride the men and think it is their job to abuse the men with whom they used to work. That's what they think the company has hired them for. One of the biggest problems in industry, in his experience and opinion, is that of supervision.

He feels there is a great lack of information and understanding. He does not think that the foremen are of any use in that respect, but that the supervisors could pass on such information and understanding to the men. It is possible that the foremen themselves could be educated and trained in that line, but only if the foremen were weeded out to the competent ones.

This matter of incompetent and power-drunk foremen is one

reason why he, too, believes so strongly in the necessity of unions. He is a member of an independent union, and went into considerable detail to explain why his is an honest union, with honest officers. He explained that in his judgment a great many union officials are grafters, but that that was not the case in his union. On that subject, he commented that Lewis and Bridges have given unions and labor a bad reputation among the general public.

He went on to say that the trouble even in the case of honest union officials is that they are constantly up against company officials who can out-talk and out-smart them. The union officers, he said, have a meeting with the company officials. They leave the meeting thinking that they have gained something, and only after the meeting do they realize how they have been outsmarted by the company's men. When they realize they have been made fools of, they have to cook up some kind of a story to save face with their own union members, and then trouble develops.

During these months the situation in the coal mines and John L. Lewis were prominent, and were brought up by nearly every man with whom I talked.

Without exception, the men felt that the miners are entitled to what they asked for. This was in part a reflection of their own feeling that the cost of living had gone up much more than the 15% ceiling on wages set by the WLB. But the attitude toward Lewis was something different.

One of the significant comments was that of A. H., who drives an interstate truck for a company operating through the middlewest between various war plants. H. told me that he worked in the coal mines for eleven years, and that the miners are entitled to all they are asking for. He described the difficulties and dangers of the work. As he told it, the miners gamble every morning when they enter the mines as to whether they will ever come out again. And as to the wage increases for which they have asked,

"they would have had it except for John Lewis, who is riding for a fall." Lewis, he says, is too conceited "and somebody ought to have drowned him when he was a pup."

Others spoke of Lewis as a Hitler and a Czar. Many of them expressed the feeling that Lewis was more interested in personal power and aggrandisement than in what he would get for the miners.

An interesting commentary on Lewis was that of T. L. He is just under 30, a toolmaker.

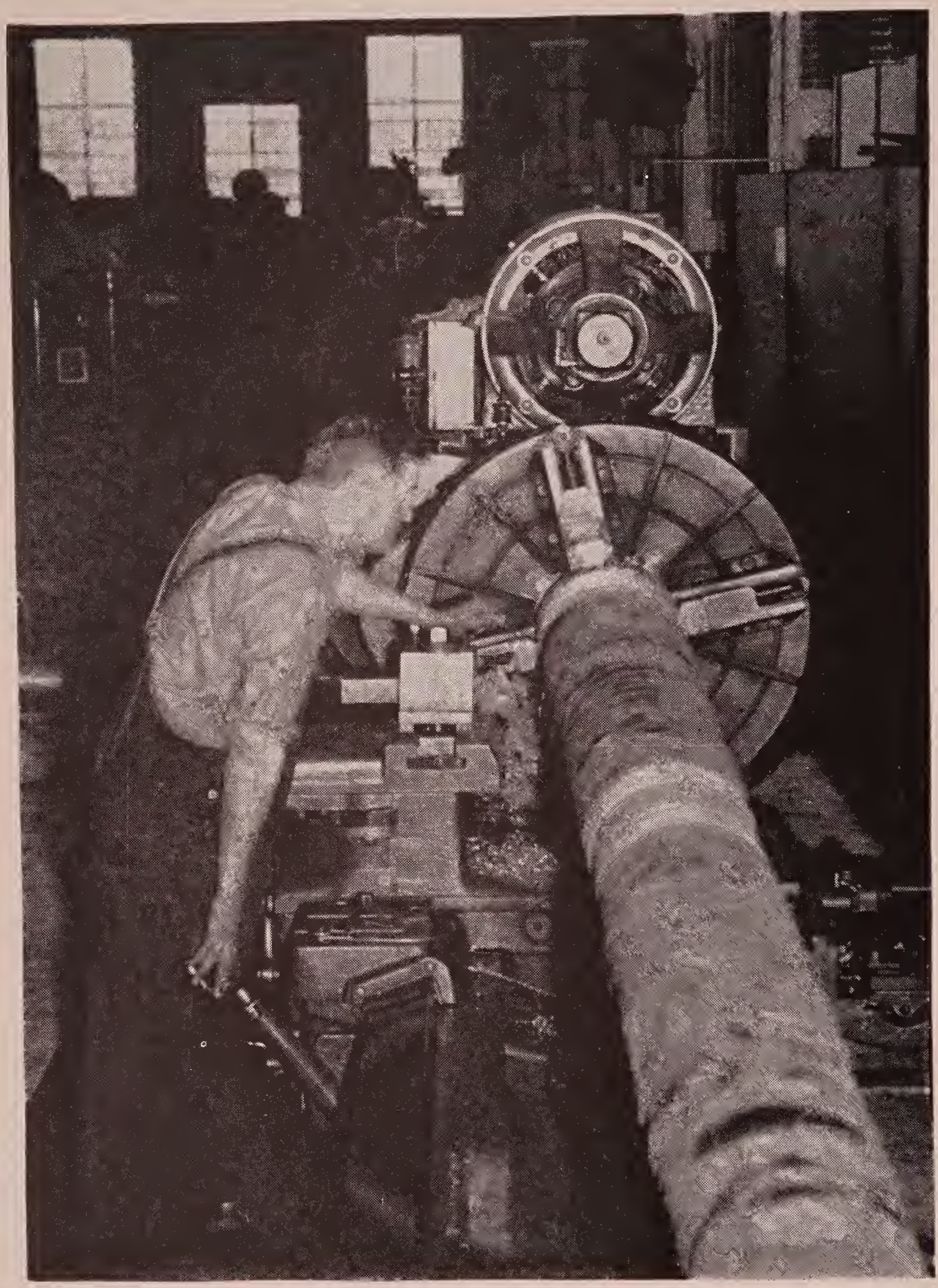
L. owns his own home. It is in a newer section of the city on a street of small single family houses, also owned and occupied by other workers.

I practically blew into L.'s home in the midst of a terrific thunderstorm about 8 o'clock one evening. L. took my jacket and hung it up to dry, and then got some beer from the ice box. The three of us, L., his wife and myself, settled down for an evening of interesting and animated discussion which kept me there until a late hour. He was one of those who referred to Lewis as a Hitler. Originally, said he, Lewis had done a lot for the miners and helped them, just as Hitler and Mussolini, for example, had at the beginning of their careers helped those who were downtrodden and abused. But, he went on, as Lewis helped the downtrodden and then got strong, power went to his head until he is now nothing but another Hitler.

Another former coal miner who is working in a war factory expressed similar sentiments, but also commented that he was not too sympathetic with the miners. He believed that they were entitled to the pay increase they asked for, but he went on to say that the miners are a bunch of radicals anyway. They will stop work at the drop of a hat in spite of the fact that they lose their day's pay and pay $1.00 a day fine, too. For example, he said, in a shift going on duty there may be one man who is sore about something. Maybe he had a scrap with his wife at breakfast. Then as

they start work some little thing happens that he ordinarily would pay no attention to, but being sore he throws down his tools and walks out. All right, the whole gang walks out with him.

"We Are All in This War to Win"



He Understands His Job — Do You Understand Him?

# VIII

## *Seeds of Trouble*

SUPPLEMENTING the opinions expressed by the workers with whom I have talked across the country, some of the basic labor questions have been asked of a panel of worker families among readers of Macfadden magazines.

Because of its timeliness, there was asked of this panel in July this question, "Will the Connolly-Smith bill have a bad effect on labor?" This and the succeeding questions were asked of the men only.

These men answered yes to this first question to the extent of 45.3%, while 32% said no. The others did not know or were confused in regard to the bill itself. So, of those who did have an opinion on the Connolly-Smith bill, 59% felt that it would have a bad effect on labor as against 41% who did not.

Many of those added individual comments to their answers. Of those who felt that the Connolly-Smith bill would have a bad effect on labor, these were some of their voluntary expressions: "Labor does not like to be dictated to." "As a rule Americans don't like to be told what they can or cannot do." "When you try to drive the American public it balks." "Government has a hand in business too much." "The most popular interpretation will be the one advanced by labor agitators." "Labor and business can work together, if they would only try to, without fighting one another."

Of those who felt that the Connolly-Smith bill would not have a bad effect, a couple made rather interesting comments. "I think Congress had to put a check on the miners under the existing conditions, the war. The soldiers are not striking and every miner that is working is a patriot where he puts his country's interest ahead of his personal condition." "I think the rank and file of

labor do not want to strike but are forced into it by their leaders."

Asked "Are strikes now in plants or industries justified?" 32% of the men said 'yes' and 60% said 'no.' The remainder gave qualified answers.

On this question also, many of the panel members offered conditional comments. Among those who said that strikes are not justified, these comments were made: "Not in time of war when all people should keep together for a common cause. They should settle differences in ways so as not to affect production." "Because we are all in this war to win and strikes won't help a bit at least not until after the war." "The farmers and soldiers don't strike and they work longer and get less than factory workers — and don't dare be absent." "I think that the workers should work and think of the boys who are fighting for them." "Because strikes are caused by foreigners. The greater percent of union leaders are foreigners." "Our boys are giving their lives for their country for hardly anything and we aren't going without too much." "In time of war the people should be satisfied with what they have — the soldier does." "I think a strike in war time is a victory for the enemy. Too, the fellows fighting think it isn't right for us to be falling down on our jobs of keeping them rolling, flying, etc."

Among those who said that strikes are currently justified some of the comments were these. "Because manufacturers refuse to share the profits with the employees fairly." "Employers are taking advantage of the fact that workers cannot change jobs." "Because after fair mediation between employers and employees there is no other alternative for the working man." "If the business man did not try to make so much profit due to the fact that there is a war, labor would not strike." "Because industries are making big money and if the employees don't get it now they will have to take a cut in pay in slack times."

Among the men with whom I talked on those travels, E. thinks

that the extent of war production operations has developed the seeds of a great deal of trouble. This is the point which other men also enlarged upon. E. gave a specific example in regard to one of the men working in his crew under his direction. This man, he said, was a barber. He was hired on this production job and has been given frequent raises by the foreman until he has reached the top of the scale, so now he thinks he ought to be a set-up man in charge of a crew. The foreman has pushed another incompetent along and there's trouble and dissatisfaction. But it will work out all right in the end, said E., because after the war production is over "that guy will be fired and can go back to being a barber."

The matter of company-created obstacles and difficulties in the dealings of the union and the company was brought up and discussed at length by T. M., who is a maintenance electrician at a large plant of one of the company's biggest corporations.

M. and his wife live in an eight or ten-family house in a mid-western city. Their small apartment is on the third floor.

The interest of M. in our discussion and in the expounding of his ideas can be seen from the fact that he delayed for an hour and a half a trip he and his wife were making to another part of the city to look at a house which they were thinking of buying. It was not a new house that they were considering because, as M. said, the houses which have been built in the last year or two fall apart and buckle and leak before they are finished. So they had made up their minds to buy a well-constructed house built a few years back, and were going to look at one that afternoon.

M. is a union man and a strongly enthusiastic one. He spoke of the fact that the men who run the unions are usually two-fisted fellows who fought and forced their way up to their positions, not always too honestly. But whether honestly or not, they are rough and ready, without higher education or business train-

ing. When a dispute or argument comes up with the company they sit at a table with the company's personnel man. That man is educated and highly trained for that job. His job, said M., is to out-talk and out-smart the less educated men. The union men can't compete successfully with him in that field, so all they can do is to resort to threats and force.

Some day, said M., it is to be hoped that the union also will be able to hire skilled and trained men who can meet the personnel man and lick him on his own grounds. Until that day comes they've got to use the only weapon they have, which is force.

M. brought up and emphasized the lack of understanding between the company and the employees. He says the men don't know anything about the company's problems and interests. They think the company is making barrels of dough, and they want theirs and all they can get of it. One of the first points brought out by M. in our discussion was that all the boys in the plant feel strongly that the company is making two dollars clear profit for every dollar it pays them.

Not only, said M., do the men not have understanding or knowledge about the company, but the company has no understanding of the men or their point of view. He illustrated this by speaking of the matter of absenteeism. In their plant, he told me, are numerous beautiful big posters dealing with the subject of absenteeism. Every one of these posters, said he, condemns the men for absenteeism and bawls them out for it.

I asked him what effect these posters had on the men. He said the men thumb their noses at the posters and say "nuts." The reason is that the men resent the critical angle of the posters.

He commented that the company and those who were putting up those posters would get a lot farther if they gave the men something to be proud of and cheer about. "Why don't they," said he, "give the men reason to take pride in not being absent

instead of damning them for being absent when sometimes it's something they can't help?"

In another city, A. Z. commented that the management is completely out of touch and removed from the workers "and that," he commented, "is just the way the union leaders want to keep it. If there were better understanding between management and the workers in the factory, the union leaders wouldn't have such a sweet opportunity to work their graft."

# IX

## *They Want Understanding*

So FROM man after man, in city after city, came the same story of lack of confidence in business, or capital, and criticism of its operations. They all feel that capital is making lots of money, $1.00, $2.00, $3.00 or more for every $1.00 paid out in wages. They brought up and emphasized lack of information and lack of understanding.

The lack of understanding on their part, they say, is because they have never been told. On the part of capital, they say that the lack of understanding is because capital is not interested in them and doesn't take the trouble to understand them.

What it is that they want now and after the war we have already seen from some of the quotations. We will get more of it as we talk with more of the men in other places.

Their expressions and opinions were entirely their own. But they talked freely to me, as perhaps is clearly enough indicated by some of the things which they have said. In what I have related of their discussions and shall cover in the following pages, there has been no predilection for particular points. The fact that there was so much unanimity in their voluntary discussions is the significant thing in it all.

And they feel strongly. For example I was talking one evening with K. L., who had just come home from work. After some general conversation I said to him, "tell me, L., what do you think is going to be the situation for you and the other fellows working in factories after the war business stops?"

He answered, "I don't know — what?"

"I don't know either," said I. "If I could find someone who really did know what is going to happen I could make a lot of

money betting on it; but you certainly do talk with the other fellows and must have some ideas of your own."

"You bet I have," said L., and then went on to talk. And, with an interjection of an occasional question by me, he kept on talking for an hour and a half. From what he thought would happen after the war, he worked back to conditions today. He told of his criticism of the foreman situation, of the waste of manpower and the waste of materials in factories, of the slow-downs for which the men believe the foremen are responsible.

T. B. who works on a mid-western railroad expressed the thought that capital fears labor. He thinks that capital is afraid there will arrive a labor dictatorship. So capital is fighting labor to the utmost and plans to hold labor down after the war. This was an extreme expression, but nevertheless to a large degree represents something of the feeling in the minds of most of these men.

And, as some of the men frankly stated, their opinions in regard to capital come from the officers and publications of their unions. As one after another said, they had been given no other information by anyone else. In fact, many of them complained that the companies for whom they worked, and business in general, does not give them any information of any sort.

As K. S. put it, "there are a lot of things which we probably would not get sore about and resent if they would only tell us the reason why. Let business tell us the reason and necessity for doing the things that they do, and then we will understand why they have to do them and not just get sore."

An interesting comparison of attitudes toward government and business was made by K. S. He says that the government is interfering too much all across the board. He emphasized particularly that this is resented, not so much because of what the government is doing, "but because the government is not telling us why. If they would tell us the reason and necessity for what is being done we would understand it and be glad to co-

operate. And that," he went on, "is just the trouble with business. That's why all of us fellows feel as we do towards capital. They never explain anything to us, never tell us why. Maybe some of the things they are doing are all right if we knew the reason, but as it stands now they look cockeyed."

The workers criticize the lack of understanding between management and labor. They feel keenly their remoteness from the management of the factories in which they work. As they have pointed out, they believe that the in-between-fellows are largely responsible. And, of course, they feel that management in turn is responsible for the development of the situation on the part of foremen and other 'in-between-guys', and for permitting the situation to continue as it does.

On the other side, many of these men say that union leaders want it that way.

In other words, these men feel that this wall between themselves and management is held up by two forces — by management itself and by many union leaders.

Yet, the men themselves want more direct contact. They want information 'from the horse's mouth.' They have suggested again and again that management should call them together in groups and explain the problems and purposes of business, and particularly those which apply to the shops where the men themselves work.

It is quite possible that many of the progressive and sound union leaders feel that such meetings and discussions are unwise or impractical.

How this can be worked out is a problem for management. The fact remains that the men want it.

But whatever the means which can be used, the men do want information — they want it to work both ways. They want above all to feel that management understands them and is closer to them. They do not feel that this will make the unions unnecessary

or diminish the power or importance of the unions, but they do feel that the unions can become stronger and more constructive if management and men are closer together.

It is these people with whom I have been talking who will control the destiny of free enterprise, as I wrote in my book of that title. I pointed out that they are being given a great deal of information and propaganda which is directly opposed to the system of free enterprise, and which those of us who believe in that system are convinced is completely wrong.

The purpose of this book is to give the facts as to how the workers are thinking. If we know what they want and what they now believe, we shall know how to approach them, provided we are willing to approach them and realize the importance of doing so.

As I previously wrote, "The great majority of those who are most vitally concerned in free enterprise are the wage earners. What do they know about the plans and activities of industry in this direction? Labor itself is not participating in most plans for the future. But more important, labor as a whole is not being given any information about them. The best laid plans of industry may more than possibly fail without the understanding and cooperation of labor. That cooperation cannot be secured without frankness and understanding on both sides. The only way in which it can be assured is by giving comprehensive information to the wage earners as a group — to the millions of them."

The lack of confidence on the part of the workers which is evident in these pages is at the root of many of the present problems and conditions confronting business. If that lack of confidence continues, the plans and progress of industry in the next few years will be handicapped by serious obstacles, perhaps insuperable obstacles. The sad part is that most of these obstacles are unnecessary and their existence is often more the fault of management than of labor.

# X

## *Buying Power—And Wants*

THE IMPORTANCE of wage earners as consumers now and in the years to come, and the reason why, was pointed out in *"The Destiny of Free Enterprise."* In cross-section studies among wage earner families as far back as a year ago, two-thirds of them stated that they were financially better off than they had been even a year previously. Since in 1941 many of them were already profiting by the higher employment and wages due to the war effort, these reports of this situation in 1942 are particularly significant.

Of those who reported that they are financially better off, nearly 90% said they were saving some of this money, and the great majority of them buying war bonds and stamps.

What all of these folks want is a good decent American standard of living. They want a comfortable home with those conveniences which make life pleasant and which make the work of the wives easier. For the wife does have a lot of work to do. They don't go in for fancy foods, but they go in for a lot of good, substantial, nourishing food.

For the first time in years, and in some cases for the very first time of all, a large proportion of these wage earner families are able to buy without stint or restriction the best of food among the kinds of things they want to eat. Rationing has played its part in this distribution; they want to get the very best for their ration coupons. Extensive studies among consumers and among retail stores have shown emphatically that this means the purchase of the better known brands. They are proud to have these brands of good food.

Among all these families there was not a one which was not already raising its standard of living or planning to do so after the war, or both.

A significant commentary on this was a point brought out by K. S., who is a retail route driver for one of the big bakeries in a large city. His route is chiefly in the wage-earner section.

S. told me how a few years ago many of those families would have trouble in scraping together the 60¢ each week to pay for the six 10¢ loaves of bread they had bought. In fact, he said that was true in many of the cases as recently as three years ago. Now those same families spend $2.50 to $3.00 a week for bakery products and that isn't all for bread either, for they are buying other kinds of baked foods, too.

The workers and their wives have told me how much better they are living these days. They say that they are buying better kinds of foods and more of it, and setting a better table of good, substantial, nourishing foods. For after all, these are working families, the men work hard and mostly at physical labor. They come home from work with husky appetites, and they have a husky appetite at the lunch hour which has to be met with a well-filled dinner pail of substantial food.

And they take pride in the appearance of their families. The men want their wives and children to have better clothes and nicer clothes. In the wage earner section of one city I was visiting a home in quite a poor area. The family were living there, not because they hadn't enough money to live in a better place. There were no better places to live available, among the class of people with whom they wanted to live. They could easily have afforded a place in the white collar section of the city, but they had no desire to live there. That social environment would have been strange and foreign to them.

While in this home I got chatting with the 14-year-old daughter, who was ironing some of her dresses and as we chatted I noted the dresses. And the thought was in my mind that I wish I could afford as nice and as many such dresses for my own 14-year-

old daughter. It is true that my income is considerably more than is that of her father, but it is also true that I have standards and obligations which absorb so much of my income that I do not have the 'loose money' which he has.

As K. S., the bakery driver, remarked, "half the time these days those women expect me to change a $20. bill, and they have $50. or $60. more loose in their purse."

One of the most direct indications of what the women in wage-earner families are thinking about war time conditions is revealed in response of the Macfadden panel to questions in regard to rationing. These answers also reveal something further as to the living standards of these families.

Under rationing, and with the value which they place upon their ration coupons, 56% say that they are buying better grades and qualities of canned and packaged foods than they did before rationing. Comments which they offered were like these:

"I always buy good brands of merchandise. If I hadn't I would now to get full value for my coupons."

"In regard to question two, I have always more or less bought better brands because I thought it was a waste of money to buy cheaper brands."

While the wage-earner group in total have always been the larger buyers of advertised and branded foods, it is further interesting to note that 17.3% said that they are buying more advertised brands than they did compared with last year and 60% about the same. Even with shortages which have existed, only 22.7% said that they were unable to buy as many advertised brands as before.

T. E., at whose home I visited, is a set-up man in a good-sized plant. He is a personable chap of about thirty and with a good education. It was cooler inside the house that afternoon than it was outside on the porch. His small son of six years seemed very much interested in the discussion. After awhile I realized that

A Worker's Wife — She Wants the Best for Her Family

GOOD MECHANICS — AND GOOD CITIZENS

THE WORKER'S WIFE BUYS THE BEST

the thing in which he was interested was my hearing device, so the discussion had to be interrupted while I explained to him that I am deaf and that I have to have this apparatus so that I can hear. His curiosity was still unsatisfied until I explained how it works something like the radio that he is used to listening to, only that it is a little private radio which only I can use.

These folks are proud of their families, and they have nice families. Most of the men are making far more money than they ever made before. The cost of living has gone up and they are very conscious of it, but they still have a considerable margin. They are, of course, buying war bonds and they are saving in other ways for after the war. T. E. and many like him are saving with a double purpose — to buy after the war those things which have not been available during the war years, and also against any possible period of unemployment which may come in the next few years.

But with that all, they still have plenty of money for expenditure within that standard of living and social environment which is theirs. They are buying different and better kinds of foods and more foods than they used to and their wives speak with pride of the meals they prepare for their husbands and the lunch boxes which they put up for them. The men are proud of the more attractive and better clothing which they are able to buy for their wives and children.

T. E. is one of those who is saving substantially for the post-war period. He thinks that a plan of enforced savings would be a good idea if the men were also compelled to continue their bond buying. He is planning to buy a home for himself after the war, instead of the rented house in which he now lives; but he thinks things are too unsettled to start buying a house now. He feels the times will be good for several years after the war because of the tremendous amount of goods which must be supplied to our own people and to other nations.

Along with all that attitude of optimism and the fact that he is making very good money and saving a lot of it, he turns severe criticism on management and capital. He too brought up the fact that while he is getting good money he is not getting a bit too much, because the company is making at least a dollar clear profit for every dollar paid out in wages. That, he added, is the basis that all companies work on.

The hopes and desires of T. E. and others, freely expressed to me, are confirmed by reports from interviewers of the Macfadden editorial department who call on reader families in many cities. For two months in the past Spring they asked questions on some of these points.

73.7% of all the people interviewed expect to have bonds to cash if needed after the war. In the case of the men who now have jobs in factories engaged in war production, 87.8% say they will have war bonds for use after the war. In addition to war bonds, more than half of the people are saving in other ways, and this figure rises to 72.7% in the case of men in war plant jobs.

More than half of these families are right now thinking in definite terms of things which they plan and hope to buy after the war when goods are again available. This checks very closely with the survey made some months ago by the United States Chamber of Commerce.

The family hopes and ambitions for the post-war period are expressed in replies of the Macfadden panel group on such questions as this — "Are you definitely planning any special purchase after the war with the savings which you are accumulating?" The reply was 'yes' on the part of 68%.

A new home is in the minds of more wage-earner families than any other one thing. Some of those whom I visited are living in nice modern homes of their own, but the majority of them are living in rented quarters, and in many cases in places which they consider undesirable.

56% of these families say that they are very definitely planning to build or buy a new home after the war. This will not be a costly home in an exclusive neighborhood. Most of them expect to spend from $3000 to $5000 for a home, and in a few cases as high as $6000. The kind of home they are looking for is a modern but modest single home in a neighborhood of the sort of people whom they know and with whom they feel at ease.

Many of the families told me that that is one of the things which they expect to do with their war bonds, and in some cases they expect to have nearly enough war bonds to pay for the home.

And in their discussions of new homes many of them say as did one woman:

"We would like to buy or build a new house now but they are too high in price and they are not worth the money, for they are made of very poor material."

But, of course, the home itself is not all they want. The new home means a lot of new things.

Of interest to the manufacturers and advertisers is that high in importance to them all was the purchase of modern conveniences for the home, which was mentioned by 10.7%.

Next to a new home in desire, is an automobile, followed by mechanical refrigerator and furniture. These are major items which are in their minds.

H. F. is a young chap in his early twenties with a wife and baby. He is working as a trimmer in one of the big plants busy with war production. He came to that city from Tennessee. Because of the shortage of accommodations, he and his wife and youngster are living in a single room. This one big room is sitting room, bedroom, kitchen and bathroom. Mrs. F. was embarrassed that I should come in to visit them there in those quarters, because they had been used to better things and are planning for better things after the war. F. is saving his money and saving a lot of it. He plans that after the war production is over he and his

little family will go back to Tennessee to the farm which he is now buying.

In this respect F. is like a good many others who are working in the factories in the cities these days. They are saving their money for the farm or the home which they expect to buy after the war. They are already planning how it will be furnished and the conveniences and luxuries which they will have.

Some of the thoughts of wives are expressed in comments made by a few of them such as this:

"I would like to know more about new homes and all kinds of color schemes and arrangements of furniture."

"We are hoping and praying for this war to end soon so that our present dreams of the future will come true."

They Are Planning For Her Future

Worker Families Know Good Living

What of the Post-war Years?

# XI

## *Will They Dare Spend It?*

As has been pointed out by several recent writers on post-war planning, production is impossible without consumption.

Most producers of consumer goods have long recognized that the wage earners of the country are the greater part of the market for their products.

So the future prosperity of industry and enterprise depends chiefly upon the wage-earner market. Without that, there can be no large scale production.

The wage earner then must have two things. First, the ability to buy; second, the desire to buy.

Ability to buy depends in the first case, of course, upon money in hand. But even more, upon assurance of money to come.

As many of these men with whom I have talked pointed out, they will hesitate to spend their accumulated savings if they fear, too greatly, unemployment and drastic wage cuts. They expect fewer hours of work and wage reduction in that direction, but if they are led to expect substantial reductions in basic wage rates and extensive total or partial unemployment, they are not going to spend their savings for new products and new conveniences.

Obviously, one of the chief factors in post-war business planning is the accumulation of savings in the hands of the public. It has been estimated that in 1943 the money which it is impossible to spend for goods and services will exceed forty billion dollars. A very considerable proportion of this is in the hands of the wage earners in the form of war bonds and other savings.

Some reservation as to the possible readiness of the workers to spend this money when goods and services are again available has been indicated in these discussions. There is little doubt

that their attitudes toward such spending will be definitely affected by employment conditions.

But it has been indicated that there are two other factors which may jam up this spending. One is not employment conditions, but what the worker himself thinks the employment conditions may be.

The second is the difference which may exist between the worker's present income position and that which will be the case after war production is finished. For example, here is a man who has substantial savings and is now making $80.00 a week in a war plant. A definite and substantial proportion of that $80.00 is due to long hours of work and overtime payments. That man may be putting in from fifty to sixty or more hours a week, which is rather common. After the war production tapers off, or that which concerns his factory is eliminated, he will drop down to forty hours a week. That means not only the elimination of pay for one-third of the time which he has put in, but that one-third of his time was at overtime so his paycheck will be cut nearly one-half.

This drop in his current income may have a very definite and strong effect upon his willingness to spend his accumulated savings, particularly if there is any question in his mind as to the permanence or steadiness of his employment.

It is not so much a question as to the reduction of his current income, and therefore of the amount which he can spend from that income, but the question arises as to whether he will then dip into his savings for replacements and new items in connection with an improved standard of living which he desires. That will depend very largely upon whether he believes that employment will continue with a reasonable number of hours at the current basic hourly rate.

What assurance can the worker have from industry on that point?

You will say that industry is fully conscious of that, and is making every effort to plan for maintenance of employment. You can say that industry expects that for several years after the war there will be substantial employment.

But unless industry can convince the worker on that point it makes no difference what are the expectations and plans of industry.

There is another very definite area in which business must give the wage earners information and understanding, and must take them into its confidence. So far there have been no important steps in this direction.

So the willingness to buy, on the part of the wage-earner group, depends upon industry's adequate planning for maintenance of employment and reasonable wage scales. And quite as important, upon industry being able to convince the wage earner that such will be the case.

It has been made very clear that these men are skeptical of industry's desire and ability to maintain employment and good wages after the war. Here is one of the greatest public relations job ahead of business. It is a public relations job which must be done with the wage earners.

The usual type of public relations operations and publicity will be as futile there as they have been in the past in influencing the wage earners. The industrialist may satisfy his own vanity and please himself by telling his own sort of people what he is going to do; but as I have so earnestly tried to point out, there aren't very many of his sort of people and they are not going to have very much to say about it.

With all of these hopes and plans in mind for new homes, new comforts and conveniences, and better standards of living after the war, it is significant that fewer than half of these women said they had seen any advertising of home building materials, equipment, appliances, home furnishings, and the like.

Such purchases are so definitely in their minds that two-thirds of all the people interviewed said that they would like to see more advertising of the products which they will be able to buy after the war.

A large proportion of these men and their wives are looking forward to buying or building a new home after the war. But as to what sort of homes these should be, what new kinds of equipment and new arrangements they will embody, whether they will be homes which can be rearranged by movable walls, whether they will be homes which can be purchased according to the family's particular wishes and put together quickly on the spot — all of these are points which they failed to discuss with me.

When I asked them, I found out that they had not had any information about these new things. Again and again they told me that they had not seen any advertisements in regard to the new types of homes and home equipment. Apparently they just don't seem to look in the places where those advertisements appear. Or, conversely, the advertisers don't place them where they will see them.

But as to the advertisements which they have seen about new kinds of products and product improvements after the war, these men are a very skeptical lot.

They say "what are we *really going to be able to buy* within six months after the war? We are not interested in dreams of what will come five or six years later."

Most of these men work in factories and are mechanics. They know how long it takes to develop radically new products or radically changed products. And as they read some of the present advertising of future dreams, they simply feel that business is trying to kid them again.

In their minds there is a great deal of confusion regarding new products. Some of the men think that all of the dies and tools for the automobiles have been junked. Some think they are still

available. Some say cars will be of new types, others that they will really be 1941 models.

But they all say, please stop kidding us about what will really be available six months after the war. Don't pass out these wild ideas of homes, cars, and radios.

One man, commenting on some recent advertisements of television, said, "We have been kidded for years about television. Don't kid us about new things until they are real, but do tell us about the things we are actually going to have so we can look forward to buying them."

They are looking for information; they are not getting very much of it, they say.

Mr. Carroll Larrabee of Printers' Ink recently said that the "short-sighted policies of the advertisers I have mentioned" are "damaging advertising seriously in the eyes of labor, consumers and government." In addition, he said, they are keeping advertising from living up to its full potentialities.

"It is an important fact," Mr. Larrabee declared, "that the things that are hurting advertising today are more matters of bad taste, lack of imagination, lack of understanding, than they are the product of cheap dishonesty."

Industry realizes that production must be raised to a much higher level of consumer goods manufactured than we have ever known in the past, if we are to give adequate employment. It should be clear from the pages which you have read so far that preparation for that is not something which can be put off and postponed indefinitely. It is time right now to begin telling these people what they are actually going to be able to buy after the war. If they are given that information they will start buying as soon as goods are available, and do their part in helping business to maintain production and employment.

# XII

## *Post-War As They See It*

VERY FEW of the men brought up the subject or spoke of inflation as such. One of the few who did was G. W. He is very much concerned about inflation and says it is well on its way. He spoke of the increase of living costs, which he feels are now well up beyond the 15% level of wage increases.

He said that a decent lunch which used to cost 25¢ now costs 50¢ to 60¢. He also spoke of the fact that the men are spending more money than they used to, and particularly that they are spending for relaxation as a result of the long hours and strain under which they work. They have to have relaxation which accounts for their drinking more. For instance, he said a man will drop into a bar after work. Where he used to have one beer he now drinks three or four and they gamble a bit to let off steam and that takes some of their money. All of these things, he said, contribute to the passing around too easily of money and are a factor in inflation.

A bad depression is expected after the war by F. C., another lathe operator. He thinks that everything is in a mess throughout the country, and that it's going to be impossible for the government to pay off the bonds. He is convinced that the government will either repudiate the war bonds or ask people to burn the bonds which they have bought.

One of the interesting men with whom I talked is C. S., who is a maintenance engineer in an oxygen reduction plant. He is very proud of his job and of the meticulous care used in the production of oxygen for the air forces. He told me in considerable detail about the methods used for making sure that the oxygen is completely dry so that the valve will not freeze up at high altitudes when the oxygen is needed. Like most of the men

working in plants whose products go more or less directly to the armed forces, he was proud to be playing a part in the war. S. is a former soldier himself. He is now nearly 60, and was in the army at the turn of the century, stationed in the Philippines for a long time. Altogether, he served three complete enlistments.

S. feels that he has the postwar situation all figured out down to the month. As we sat in the living room of his home one evening, he told me how he sized it up. He thinks that it will take about eight months for industry generally to reconvert to the production of civilian goods. Following that, it will take about 14 months more to supply all of the civilian goods that can be used or bought. Then he thinks there will come a depression. In fact, he is positive that there will be a serious depression, and pointed out that if we have a serious inflation that will make it still worse.

Another one of the older men is J. C., who works in a Naval Ordnance Plant. Since he already works for the government, he is personally not worrying about anything nor too much concerned about the future. But he did comment that labor now has the upper hand, and after the war capital will have its inning. That is the way it has always been. He feels that too many of the young people are not saving, but are spending their money, and consequently will have no reserve funds after the war as will the older ones whose memories of the depression of the thirties are more acute.

Looking at the future, T. L. feels there will be plenty of jobs for skilled men after the war is over, particularly in his own field. But L. suggested that there is one problem which must be met. Even though basic wage rates are maintained after the war, when a man's hours of work drops from 68 hours a week which L. is now working to perhaps 40 hours a week, that fellow will not be inclined to spend his money freely and to buy the new things he wants. With his lessened income he will feel relatively poorer

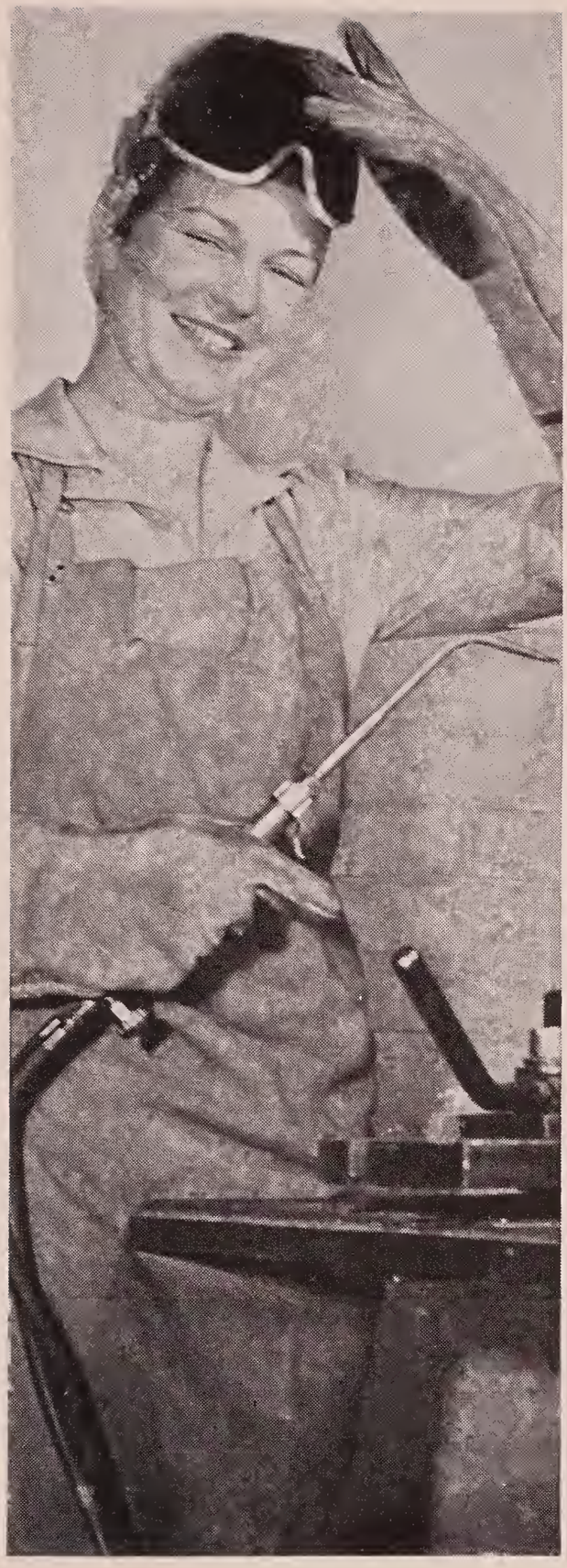
and will want to hold on to the money which he has saved up. Then, too, the fellow who is laid off for a while during reconversion will also be scared to spend his savings until he knows how things are going to work out.

For that reason L. thinks that the government or somebody should force people to spend their accumulated savings for new products, for the things they have had to put off buying, so as to keep the factories going after the war.

One who is not greatly worried about the future is F. D. He is in his early twenties and works at one of the big war plants. As has been indicated, he is very critical of the company relations with the employees. However, he feels that he and the others will be very glad indeed to drop back to a 40-hour week when the time comes. He feels that the long hours they are now working are very strenuous. He said that he and a lot of the others whom he knows are saving now against that time. They anticipate that their earnings will not be as great when the production drive lets up, and consequently they want to lay aside a good supply of savings with which they may buy the products which will be available after the war.

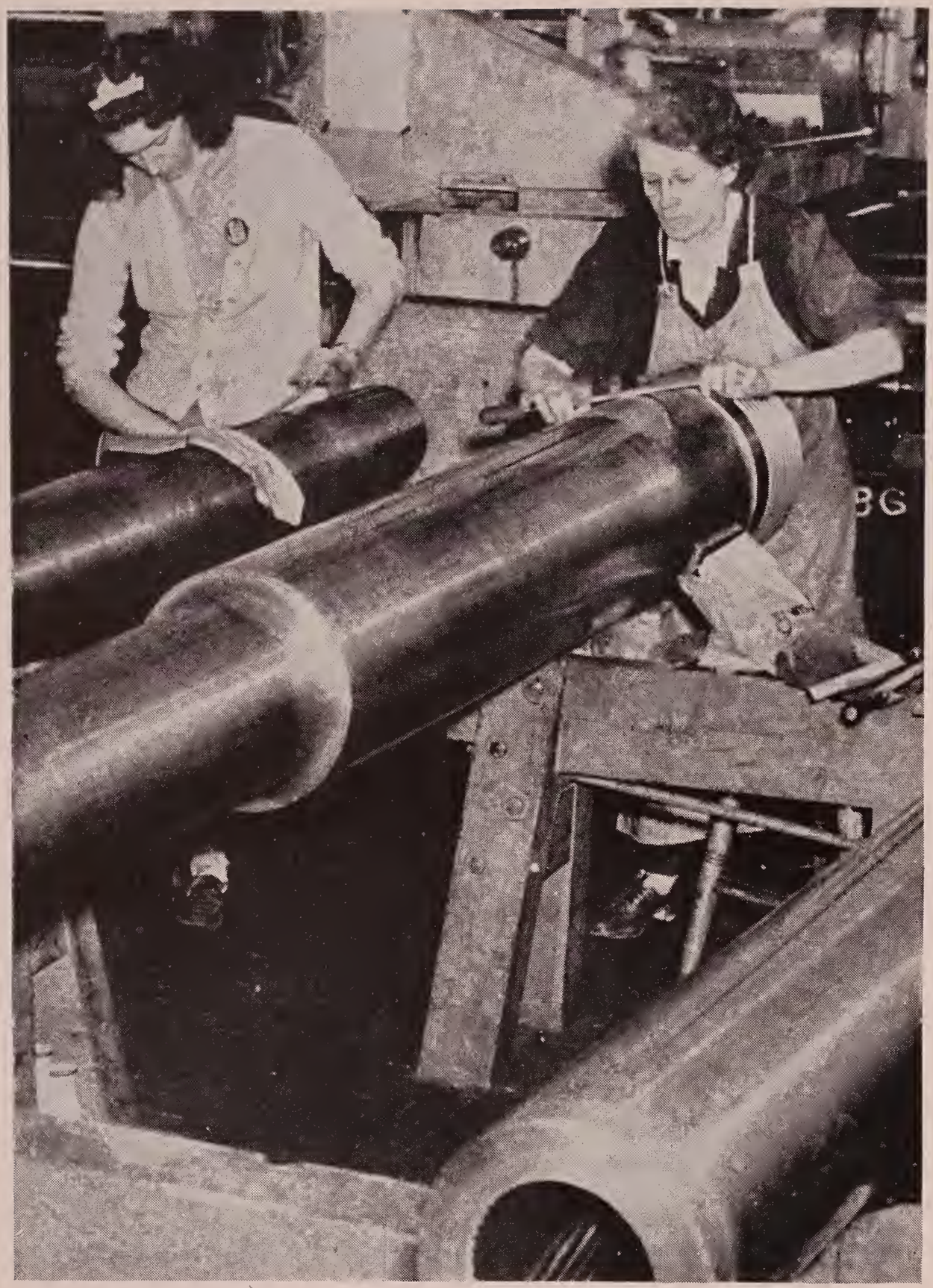
Like most of the other men W. R. is buying war bonds and saving in other ways. But he thinks that, when there comes a drop in employment and wage cuts, he and other men will hesitate to spend their savings. As a result, they will not be spending money for the new products which would make for better business and employment. He has an idea that the government is going to have to forbid the cashing of bonds.

Many of the younger men, too, are not exceedingly optimistic about the future. W. R., for example, who is a 24-year-old lathe operator, thinks that it will take only a few months to fill all the deferred needs, because we have built so many factories and have so great productive equipment. He then expects a drop in employment and wage cuts. He feels that even the basic wage rates



A New Generation Wage Earner

Sometimes the Wife Is a Wage Earner, Too




WILL THEY KEEP WORKING AFTER THE WAR?

cannot be maintained under those circumstances. The unions, he said, must protect the rights of the men to their basic wage rates, "for capital is going to chisel us down all it can, and they're going to cut wages wherever possible."

A. K. is 28 years old and works in a rubber plant. Most of his talk was about unions, labor and capital. He was one of those who brought out the fact that labor has the whip hand right now. After the war, however, capital will be top dog and will take advantage of that position. In the postwar period the unions, he said, are going to fight to hold up wages. They have become strong and will be still stronger. The union heads are going to put up a terrific fight, and that means there will be a lot of labor trouble after the war. And, incidentally, one reason the heads of the unions are going to put up such a fight, said he, is to save their own jobs as union executives. The point was that if wages are cut too much, the unions will lose standing with labor. The union leaders realize this, and are going to fight their bitterest to hold up wages and save their own jobs.

# XIII

## *The New Generation of Workers*

That a considerable proportion of the women who have gone into the factories will go back to their homes, or to the establishment of new homes, after the war is the opinion of many of the men. They feel that those women who are soldiers' wives will want to make homes for their husbands as soon as they get out of the army and get themselves jobs.

Another of those who expressed quite definite ideas about the future employment of women in the factories was T. L. The opinions which he expressed size up this way. Most of the factories are now working on three shifts. Of all the people employed in those factories about 1/3 are women. Okay, said he, let the women go back to their homes. That cuts us down to two shifts. Then let out the drug clerks, the grocers, the drivers of laundry wagons, and all the rest who are not skilled, so that they may go back to their old jobs where they will be needed. If we do that, said he, we will not have too much trouble, if any, with unemployment.

Another who expressed a similar opinion about women leaving the factories after the war was G. T. That was a matter of little concern to him, because he is expecting shortly to go into the army and thinks that he will remain in the army. He went on to suggest that a lot of the men who have gone into the army will find that a good career. He feels that we will require a large army for a good many years and that there will be an opportunity there for ambitious, intelligent fellows like himself to make good and have a career which will be interesting and at the same time have assurance of security.

We have seen what some of the men think in regard to the question as to whether women will stay in factory work after the

war. Among women themselves there is a very evenly divided difference of opinion. Of wives in wage-earner families in the Macfadden panel, many of whom are working in war plants, was asked in July this question, "Will women stay in factory work after the war?" 46.7% said 'yes' and 50.7% said 'no.' The remainder said that some women would, which brings the yes and no's to about an equal division.

While her husband and I were discussing that subject one wife put in this point, "After the last war women remained in the factories and I believe still more will after this war."

Another wife interjected this comment, "I'm working in a factory now, but know after the war I'll be glad to stay home again. Most women, especially those with children, will stay home."

A very interesting comment was that made by R. T. He is a man of forty who works in a factory which is not engaged in war production of any sort. Like many of the others, he feels that capital will look out for itself after the war and not worry about the little fellow "the same as it always has." He feels that with all the soldiers coming back there will be a real problem of unemployment. Furthermore he commented on the fact that so many of the younger boys have gone to work and have learned to have their own money.

It happened that on the evening when I was visiting at F. D.'s home, his two boys were both there. One is sixteen and the other seventeen. Both are working and both have very definite ideas about things. They are not going back to school. They are now accustomed to having money enough to buy their own clothes, to go to the movies when they want to, to take out their girls to the movies and to restaurants. Another year or two of this, and being a year or two older, they are certainly not going back to high school again.

This touched upon a phase which was evident in many cities.

That is the break in the rising educational curve of the bulk of the American public. Hundreds of thousands of boys have been taken away from school, either to go into the army or to go to work, and many thousands of girls have interrupted their schooling to go to work. It is true that there is much talk of governmental provision for these young people, particularly soldiers from the army, being provided with the means for completing their education. The question is, how many of these young people after a break of two, three, or four years in their education will be willing then to go back to the educational grade of the sixteen to eighteen-year-olds and drop back to that age group and with them. If discussions with these youngsters and their families mean anything at all, there is strong evidence that the majority of them will never again go back to school.

# XIV

## *"Let Government Do It"*

In line with the quite general feeling that there will be a period of bad depression some time after the war, and that capital is doing nothing to plan against it and in fact cares nothing about it, most of these men feel that they must look to the government. For instance, K. D. has made up his mind that there is going to be something like a new W.P.A. to take care of folks.

K. C., forty-eight years old, is a tool-maker in one of the big plants. He also says the government is going to have to take care of folks. He commented that during the depression 30% of the people supported the other 70% and "more of us now are paying taxes than were paying them then, so everything will be all right."

Of another man who expressed somewhat similar thoughts, I asked where the government would get the money to pay for the support of all the people who might be unemployed. "Why," he said, "they will get it from taxes." "In other words," I went on, "if you have a job and the guy next door doesn't have a job, it really means that you're going to support him as well as yourself." Well, he "hadn't thought of it that way."

The real bite of taxes is just beginning to take hold of most of these men, and they still look on government as an inexhaustible source of money. And where they do feel that that source may be exhaustible, they insist that business and the banks have plenty to be drawn on.

This attitude toward government as the fairy godfather of all seems to be very widespread. J. P., twenty-two years old, is a skilled mechanic in a shipyard. He told me that things will probably be good for a while after the war, but he is wondering if all the farmers and others who have gone into factory jobs will go back home. He thinks the older ones will, but that the younger

ones will not. These young folks, he said, who have had a taste of big money are going to want to keep it up so, he went on, the government will have to step in. As for capital, he commented that capital doesn't have anything to say about it even now. Government and labor are running the whole show, and will continue to do so. He therefore has made up his mind that it would better be government, where things would be soft and easy. He would much rather work for the government than for a private company, because he would be sure of his job and he wouldn't be pushed so hard.

But fortunately that attitude of not wanting to work hard, and wanting things soft and easy does not seem to be so widespread.

Most of the men think that the great battle is between capital and labor. That they can never get together, and for that reason the government will have to step in and run things.

C. S. has no confidence whatever in Congress and is very critical of Congress for what he called "squabbles." He also severely criticized the 'professors' in the government bureaus. However, he emphasized that he has every confidence in the world in Roosevelt.

If a depression comes, he says, the government will have to pay compensation to all the people who are out of jobs, and he went on to state that the government will have plenty of money to do it with. Asked where he thought the government would get the money, he said they would get it from business and the banks, who have plenty.

Another one of the older men is D. P., who is working as a carpenter in a factory engaged in war production. He feels that after the war there will be a couple of good years and then a very bad depression. When that comes, said he, the government will have to take over everything, business and all, for neither capital nor labor will be able to do anything about the situation individually and they can never get along together. They always have

and always will fight each other. The government, said he, has controlled wages and it has got to control capital. Capital is largely responsible for the increased costs and cost of living. It is capital which is forcing the government to hold down wages while living costs go up.

As to employment and unemployment after the war, 60% of the Macfadden wage-earner panel, queried on this point by mail in July, expect considerable unemployment after the war, while 37.3% do not. The remaining 2% are uncertain.

But the answers of this panel become more interesting, in relation to the interviews which I have quoted, on the following subjects. The first is this. "Who can do most to keep up employment and jobs?" Here is how their replies tabulate:

| | |
|---|---|
| Government | 49.4% |
| Business | 16.0% |
| Gov't & Business | 13.4% |
| Labor Leaders | 8.0% |
| Gov't & Labor | 5.2% |
| Labor & Business | 2.7% |
| Total Government | 68.0% |
| " Business | 37.3% |
| " Labor Leaders | 16.0% |

On the question as to who is planning for maintaining employment and jobs after the war, their answers parallel rather closely their response to the previous question. Here is how they replied:

| | |
|---|---|
| Government | 52.0% |
| Gov't & Business | 10.6% |
| Business | 10.6% |
| Gov't & Labor | 9.4% |
| None | 6.7% |
| Labor Leaders | 5.4% |
| Don't Know | 4.0% |
| Gov't, Labor, Business | 1.3% |

The overwhelming confidence of wage earners in government as a medium to solve our problems, and through which to attain their desires, is evidenced in other surveys. In April and July 1943, more than 500 people were interviewed in wage-earner families in five cities scattered through the East, Midwest and South. The interviews were made in connection with Editorial Reader Research on Macfadden magazines, and were conducted by people who have been especially trained and have carried on this type of work for several years.

That the government in Washington can do the best job of straightening things out for labor and everyone else after the war was the opinion of 55.6% of the people interviewed. On the part of the men 59.2% expressed this opinion, and 54.7% of the women.

Of them all, only 12.1% had an expression of confidence in industry and 9.9% in labor leaders. However, another 10.5% said that the only way things can be straightened out is for all three to work together; that is, government, industry and labor. The remaining 12% did not know or had no conviction about that point.

When asked whether they would be interested to know anything about what industry is planning for maintenance of business and employment after the war, 87.4% of the men said that they would. Most of these men also said that they supposed industry was making some plans, but emphasized the fact that they knew nothing about it and had heard nothing about it.

Fewer than half of the people interviewed, 47.9%, felt that there will be plenty of jobs after the war. On the other hand nearly as many, 46.9%, feel that there will be fewer jobs after the war.

And two-thirds of them (67.9%) expressed the conviction that in any case they will all get a lot less pay. Only about one-third felt that they will have as good job after the war as now.

"We've Got to Look to Government"

THE TRUCK DRIVER SIZES THINGS UP

So many of the wage earners have suggested that in their opinion government will have to step in eventually and handle and control the management of industry, that we might well consider for a moment what that could mean.

Since the fall of Mussolini in Italy there has been formed a four-party group and that group has already proposed a post-war program. In that program it is specified that capital, mining, and big industry are to be completely controlled by the government. Only small business is to be free.

In Russia, all business of whatever size is controlled by the government. There is no such thing as free enterprise in Russia.

In France, what the situation will be and what restrictions will be developed, who knows? But there are tremendous possibilities for an upheaval in that country.

With these examples in mind, can anyone doubt the immediate necessity of seeing that our American enterprise system is widely understood by the workers themselves? For unless it is understood by the workers themselves there is grave danger that government control will eventually end it.

# XV

## *Simple Economics*

Of these men with whom I have talked, some have high school educations, many have not. Yet they have been doing and are doing a lot of thinking about conditions now and for the future. It is true that their thinking is colored very largely by what they know, and also that what they know is largely what they hear from their own associates. It is quite obvious that they neither hear nor know the ideas, the plans, the philosophies, which are discussed among business executives. For these latter as a rule have no means of communication with the workers. Or at least they do not use those means of communication which are available. The business executives talk among themselves and tell each other. They do not tell the millions of workers.

And yet, if some of the important executives of large businesses would take off their high hats and sit down with these workers in their homes as I have done, they would find very often that the conversation and discussions of these workers is much more interesting, much more stimulating and much more real than that which they hear from some of their business associates.

A suggestion of the range of thinking and discussion of these workers is that which came in my talk with R. P. He brought up the point of the thousands and possibly hundreds of thousands of war prisoners who have been brought and will be brought to this country. These men from Italy and Germany are for the first time seeing America, what it is, what kind of a place it is. They are learning about America at first hand. Of course, said he, they will be sent back to their countries when the war is over. But don't think for a minute that most of them will not want to make tracks back for the United States just the minute they can. His conclusion was that we must very promptly put up the bars

against unrestricted immigration or we will be flooded with the former war prisoners and their families, who have learned the benefits and opportunities in this country.

I said in *"The Destiny of Free Enterprise,"* the white collar group, which includes most of the heads of industry, does not as a rule understand the new and greatest group which has developed — that of the 'wage earners.'

And that is a complaint which I find across the country among the wage earners. Most of them feel keenly that lack of understanding and deplore it. They frankly say that business does not understand them and what they want. Many of them go farther to say that business doesn't understand how to talk to them.

And those of us who have listened to business executives talk, and to the publicity which they put out, realize how remote they are from even approaching the interest and attention of the wage earners.

Not long ago I was talking with one of the top executives of one of the very large companies. He, too, deplored the lack of understanding, but put it on the fact that the workers did not understand the functions of free enterprise. I asked him why he didn't do his part in telling the workers in his factories. His reply would be laughable if it were not so tragic. And the more I talked with wage earners the more tragically laughable it becomes.

He said, "Oh, you can't give those people an education in economics."

To him economics meant those profound studies which have been made by the students and professors and written up into dry and uninteresting books. And he is confused, too, by the fact that the books and the professors fail to agree among themselves in regard to these profound thoughts on economics.

But here is economics in practice. One evening I sat in the home of J. S. who is a young man of about 30. He works in one of

the very big plants which is busy on war contracts, and he is doing very well indeed. His home is attractive and he has a small family of which he is very proud, and for whom he wants the best of everything within the orbit of the kind of things they want. For two hours he talked with me, telling me about the problems as he saw them and the difficulties. He was one of the many who thinks that if we have further difficulties and troubles the only answer is for the government to take over and run things.

At the end of our long discussion, when he had completed the expounding of his views and ideas, I said, "Now listen, S, let me shoot a few at you." And I went on:—

"Do you remember some years ago when there were two low-priced automobiles, the Ford and the Chevrolet? In those days Ford and Chevrolet were selling together about 1,000,000 cars a year. Then along came Mr. Chrysler and decided to put out the Plymouth car to compete with Ford and Chevrolet. You surely remember those ads and the billboards which said 'look at all three.' "

"Oh yes," said S., "I remember that."

"Well now," I went on, "if the government had been in control of the automobile business, certainly the people in the bureaus in Washington would never have permitted somebody to come in with a competing new make of car to upset a perfectly nice situation where, with only two brands to worry about, they were selling a total of 1,000,000 cars a year.

"But fortunately the government had nothing to say about it, and Mr. Chrysler and his stockholders were willing to gamble their money — they might win, they might lose, but they thought it was a good gamble. So they put on the market the Plymouth car, and what happened?

"By 1935 Plymouth alone was selling nearly 400,000 cars a year. But did that mean that Ford and Chevrolet sold that many fewer? Indeed, it did not. They both sold more. Instead of a total

of 1,000,000 cars a year, the total sales for three competing makes were now nearly 2,000,000 cars a year in that price class. Ford and Chevrolet together were selling nearly 50% more than before Plymouth came along."

"Good gosh," said S, "and think of all the jobs that meant! By golly, I see your point — you're right."

That is economics; in simple terms of interest of the men to whom you are talking. That is the explanation of free enterprise in terms of the interest of the worker — the wage earner; and that's the way you get it over to him, and that's the sort of thing he wants to be told.

# XVI

## *"Get Our Ideas, Too"*

W. C. DOUBTS very much that many companies are making plans for maintaining employment and business after the war. He, too, thinks that capital is not interested — that it is making plenty of money now and isn't a bit concerned about what happens after the war production is over. He went on to comment that the Jack & Heintz Company in Cleveland is making such plans, and perhaps one or two other companies, but that is about all. He is one of the few who expressed a lack of confidence in government also. He said that he has no confidence in either government or business and doesn't trust either one of them. The only place where he has his confidence is in his union. At the same time, he emphasized the fact of there being too little understanding between labor and business. The two, he said, must get together. Unless they do, that lack of confidence which he and other workers feel will continue and will make trouble.

The same sort of conviction about the lack of interest on the part of capital in post-war planning which I found everywhere was expressed by T. F. He is one of the men with whom I talked who is not in a factory working on war production. He is in charge of truck maintenance for one of the big chain store operators. Although he is a skilled mechanic, he has refused several jobs in war plants. He is sticking to the food business, because he says that will keep on going after the war. He feels that a lot of the men working in war plants are going to feel pretty badly off after the war. They have become used to big pay with overtime, bonuses and the like. When they have to go on shorter hours and lower pay after the war the difference is going to hurt. All of this is predicated again upon his idea that when the war production is over things are going to drop down very low, and that business

is not doing anything in the way of planning to counteract it.

Again and again these men had told me that they do not believe that capital is at all concerned or interested about the post-war period, and very definitely that they do not believe business is making plans with the objective of maintaining a high level of employment. After W. S. had expressed himself very strongly on this point I asked him if he had ever heard of the Committee for Economic Development. He said that he had not and knew nothing about it.

So I told him how several of the heads of big companies had got together informally to plan for the post-war period, and how out of this had come the Committee for Economic Development, to which a good many of these men were giving a large part of their time. I told him that the basic plan of C. E. D. is to study the needs of the post-war period in relation to maintaining a high level of employment, and then to stimulate businessmen everywhere to plan accordingly. As I went on telling him something of the idea and plans of the C. E. D., he became more and more interested and said that he was tremendously glad to hear about that. It was news to him, and he had no idea that businessmen were doing things of that sort.

And at the conclusion he made this thoughtful and stimulating comment, "Why doesn't that Committee for Economic Development form groups of us little fellows, take us into its confidence, inform us of what their plans are and get our ideas too?"

That was not a single or exceptional reaction. In later meetings with other workers in other cities, I tried the same experiment after we had more or less finished our general discussion, by telling them too about this Committee for Economic Development. And in every case I got just about the same sort of reaction.

As these men had said again and again, they have no information about what the companies are trying to do and what are their problems. They have told me time and again that they feel

relations between management and labor would be infinitely better if management would take the workers into its confidence.

And as these men indicated, they would like to cooperate and play their part in the common cause.

But they feel that management is treating them as pawns or as automatons in the game of life, that it does not keep them in its confidence nor seek their understanding and cooperation. And generally speaking, they are right.

It is true that in a few big plants there are labor-management committees. Whether these have been forced on management by labor as in many cases, or whether management has welcomed the idea, it nevertheless is true that even the establishment of such committees is not common or widespread. Most of labor has no contact with management and nothing to indicate that management is interested in labor.

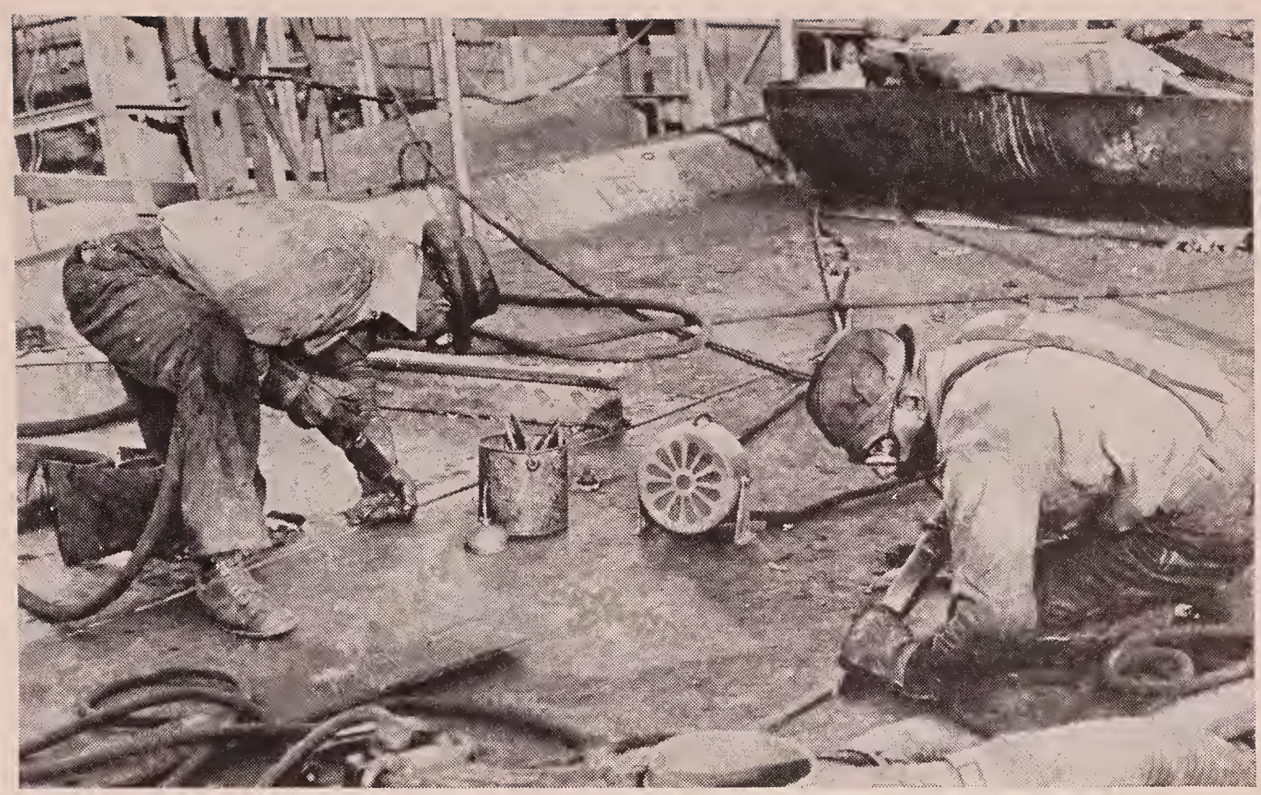
It is evident from these discussions and comments by the wage earners that there is not only lack of certainty, but a great deal of confusion as to what is going to happen in the days to come.

It is just as true that industry has no certainty as to the future, although business executives probably have more specific and concrete ideas of what is to come than do the workers in the plants. This comes, if for no other reason, from the fact that the executives are naturally better informed.

But the workers do not expect that someone can give absolute and complete assurance of the future, nor do they ask that.

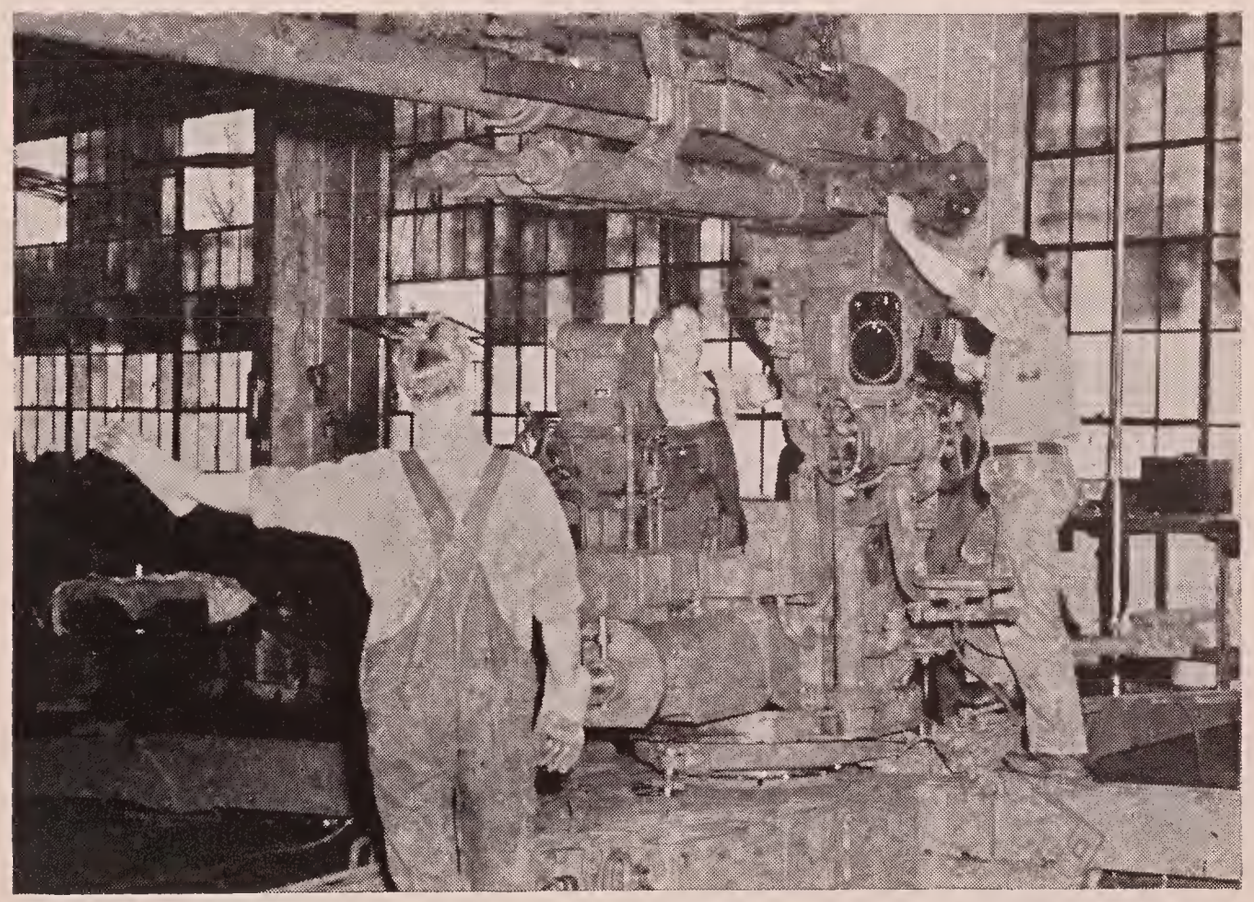
These men believe in a free America and in opportunity for each of them. They want the opportunity to go from one job to a better job, and they realize that with such opportunities goes a certain measure of risk.

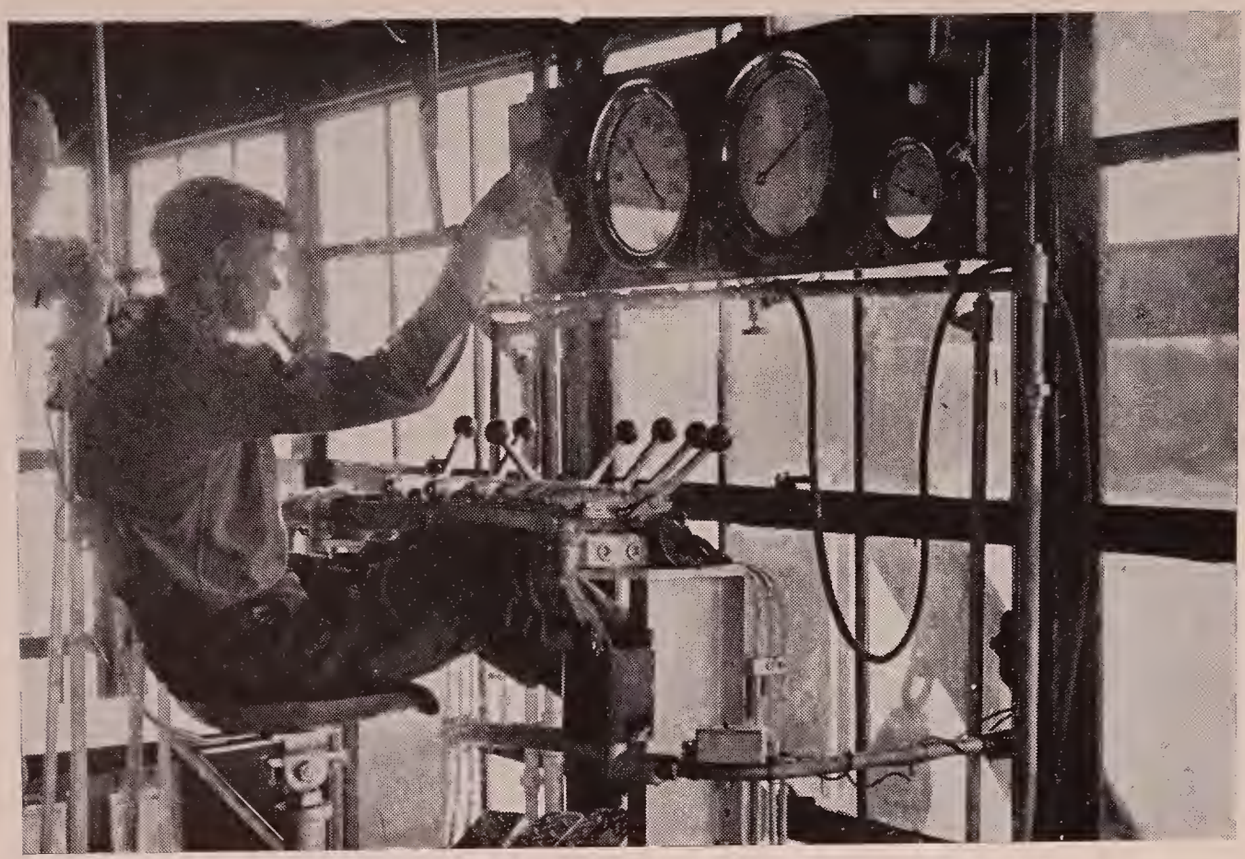
The assurance which they do want from industry is that industry is definitely planning, working, and striving for the maintenance of high levels of employment. If they can have some assurance that business generally, and their own company in par-



Men Who Build Our Fighting Ships

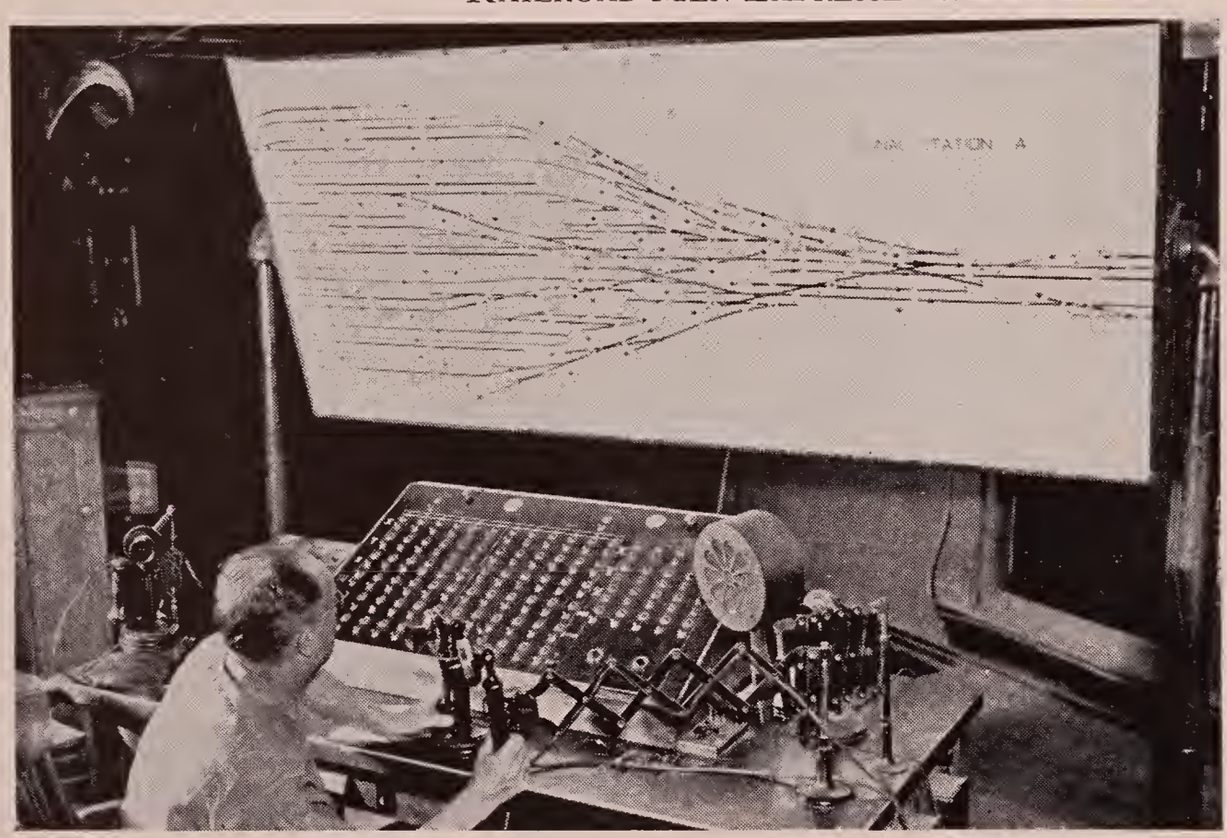
They Respect Their Work — Do They Respect the Boss?





This Pump Operator Has to 'Know His Stuff'

Railroad Men Expressed Their Ideas . . .



ticular, are working steadily and soundly toward an expanding and better future for their business, that is what they would like to know.

But as I have pointed out, they want to feel as good Americans that they are and can be part of that planning and development for a better future.

As matters stand today, most of these men feel that any planning on the part of management is remote from them and uninterested in them. That it is purely a planning for management's own interest and profit.

If management can make clear to them that these plans of necessity involve not only the front office but the shop and all the men in the shop, then these men will be more willing to stick by, cooperate, and take the risks along with management.

policy is understood and that it is carried out, than to explain the policy simultaneously to the men whom it affects and to those by whom it is to be carried out. Such meetings, too, will cover a point previously touched on, in that beyond anything else it will make the workers themselves feel that they are a part of the business.

With such a policy of intra-plant relations many of the difficulties which now arise would never appear. Troubles which start as little ones and grow to big ones would never develop to troublesome proportions. In fact, it is human nature that the man who feels that he is working in a sympathetic and understanding environment will not be apt to let the little things upset and annoy him.

So the work with the supervisors and foremen involves not only giving them instructions, but working with them. To the man who asks how he can be expected to afford that time, I would simply ask whether he can afford the time which is lost in strikes, in slow-downs, in inefficient and disinterested work.

After talking with factory workers over much of the country, I am convinced that the great majority of them do not want to perform inefficient work, to take part in slow-downs or to go on strike.

If management will make a sincerely interested effort to bridge the gap to the workers, the result will be a great increase in loyalty and efficiency.

Such contact directly with the men does not mean by-passing the unions, nor labor-management committees where those exist. If any management thinks that by such direct contact they can by-pass the union and put it out of business, they are very much mistaken. Such an attitude will become quickly apparent and arouse the resentment of the workers.

But undertaken in the right spirit of constructive understanding and sympathy, such a policy of contacts will make for far better union relations and labor-management committee relations.

The second form of contact is much broader. It is that of public expression of management's attitude, interests, and plans through media which reach the workers and their families.

Management may say at this point, "Why should we advertise to millions of families when we have only twenty or ten or five thousand or fewer workers in our factories?"

It is just as true of the wage earners as it is of any of the rest of us, that our own opinions and attitudes toward our company, toward our friends and associates, toward the town we live in, toward the automobile and radio which we own, are colored by what we think other people think about them.

In a word, this objective is the effect of public good will and its influence upon those of the public with whom we individually are particularly concerned.

Here lies the opportunity of top management to present the story of its own planning, and what they individually and in association with others are doing and planning to do.

The most effective means for doing this important job is through advertising. This is a direct personalized message from a human and responsible person (company). It is straight and ungarbled, handled as the advertiser intended, setting his own editorial policy. Moreover, it carries the prestige — and in the minds of many workers that is a definite social prestige — of the trade name.

By such advertising individual companies can tell their story to that group of people whose influence and votes will dominate during the years to come. It is time for company heads to stop simply telling the story to each other.

On this point there might be well set up here a basic rule for the selection of media for such advertising. Here it is:

The president or other major executive of the company should list those media (magazines, newspapers, radio programs, etc., etc.) which appeal most to himself, his friends and associates.

The resulting list will give those media which are *not* to be used to reach the workers.

Many of them do reach some of the workers — a few. But the very fact that they appeal to the president, his family and friends proves that they could not appeal basically or broadly to the wage earners. Part of the gap in understanding between worker and management is due to the wide differences in their respective cultural, social, and economic backgrounds.

Management has a concentrated job to do. To be effective, they must concentrate in the media which primarily appeal to these people. To reach large numbers of the workers, the effective method is by use of those media of contact which are primarily or solely directed to the workers.

Having selected the media through which he will present his information and understanding to the wage earners, the manufacturer should be as frank and straightforward in the method of use of those media, as he must be in the messages which he wishes to get over to the wage earners. He should not depend on 'publicity.'

In the first place, in this area of activity publicity seldom rings true; and even if it does, it usually fails to impress or convince the workers.

Second, publicity is of course subject to editing or criticism by the media. Hence it may reach the worker in a different form or with a different effect from that intended.

On the other hand, advertising is accepted by the worker as a direct message from a definite, known and responsible company. He may not agree with what the advertising says, but he knows it is a direct, responsible, and uncolored message, and it carries the prestige of a known name, signature, or trade mark.

In order to tap the vast reserves of savings and earning power for sale of products and services after the war, there must be used the same criteria for selection of media to reach the wage earners

for product advertising as for getting understanding of labor relations and post-war plans.

These wage earners with whom I have talked told me again and again that they want to know definitely what they will be able to buy within six months after the war. They want advertisers to stop kidding them and to stop feeding them dreams of products of the future — of a future anywhere from two, three, to five and ten years hence.

If they are going to spend at all they want to spend now — as soon as products are available. They have desires for new homes, new durable goods, and new consumer goods and services. Those desires are rather general, sometimes vague. The wage earners would like to begin soon to translate them into definite and specific plans.

So they are waiting for advertisers to kindle their desire for specific products. As has been pointed out, they are practical people and realize that six months after the war they cannot buy the automobile which will be available three to five years later. But what they want is a new automobile after the war, not three or five years later.

And right here is an opportunity for the advertiser to get over understanding and confidence. In telling the workers about his plans for making specific and definite products, available immediately after the war, let him also tell them what that means in jobs and what those jobs mean in purchasing power for products made by other workers. Simple, isn't it? Why don't we do it?

# XVIII

## *The Third Era For Free Enterprise*

A GENERATION or more ago most industries and business enterprises were relatively small. There was a closer contact between the workers and the boss.

A much larger proportion of the bosses had come up from the ranks of workers than is true today and a goodly proportion of such men still had a feeling for and understanding of the workers, and the workers knew it.

Then developed the second stage, of bigger business, of factories employing not dozens but thousands of men. There of necessity developed a system of delegated authority and contacts.

The directions which that has taken have been clearly shown by the reports from the workers who have been quoted in this book.

Even that more modern attempt to bridge the gap between management and labor — the personnel man — has frequently failed in the basic purposes of his function and has no closer understanding of, or sympathy with, the workers than has the purely financial man, let us say, to whom the factory operations are of no concern.

So there has come this present condition of rather complete lack of confidence in capital on the part of the workers.

A continuance of that lack of confidence can result only in disaster for the system of free enterprise. If it is allowed to grow and continue, the workers will demand control of industry and business, whether through the unions or more probably by government. And, as has been pointed out, the workers control the votes.

So if our system of free enterprise is to be saved, it must enter upon a third stage.

Note that I do not say if the system of free enterprise is to be

restored to the situations and conditions of two or three decades back. That will never happen, and able and far-sighted heads of industry don't want it to happen. They recognize that free enterprise, when it is destructive and not operating broadly in the interest of the public good, must be controlled.

But even that free enterprise which operates in the direction of the public benefit as a whole and pursues honest practices still faces the need of developing quickly into the third stage.

That stage can be simply expressed — it is the development of sympathetic mutual understanding with the workers and the cooperation which will result from that.

These workers have told us the conditions which must be corrected and suggested some of the steps needed to correct them.

It is a broad picture in which these workers and their families, the millions of them, the greatest single segment of the American public, must be looked at not only as employees but also as customers and as 'bosses' in their own right. That is, as bosses in the consumer field and in the political field.

While certain means and steps which are more or less specific have been suggested, they all depend upon one basic point.

The starting point is that the heads of industry and business must begin to devote the same study to, and develop the same understanding of, the workers as they have devoted to problems of finance and selling, for example. They must recognize that the wage earners are human beings and American citizens, not machines in the factory; the worker is just as important as is the president of the company — and there are a lot more of him.

Only with that viewpoint, management may approach the development of the steps suggested in this book which can bring about the third stage in free enterprise and save it.

The problems are acute and the time is short, but it can be done.