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J. P. Cannon

Dear Jim,

During our conversations at the West Coast Vacation School you expressed a desire for information about trends in real wages since the 1930s. I relayed the request to Dick Roberts and he has prepared a memorandum on the subject, a copy of which is enclosed. You will note from it that two things seem to stand out about the more recent trends. For the last decade the rate of increase in real wages has been dropping off, and current figures indicate the beginning of an actual decline in real wages.

Today the workers are perceiving the change in direct terms of losses in buying power because of war-inflated prices. They also see a growing gap between earnings and take-home pay due to tax gouging, imposed mainly to finance an unpopular war. In addition many workers are hurt by discriminatory wage differentials rigged to exploit differences in seniority, race, sex and geographical areas. As a result the workers tend generally to brush aside Johnson's wage "guideposts." Demands are pressed for "catch up" wage increases and for the abolition of wage differentials. Even more significant is the growing demand for an escalator clause to keep wages abreast of the rising cost of living, i.e., the sliding scale of wages.

Mounting pressures for the inclusion of an escalator clause in union contracts reveal the extent to which the working class as a whole is hit by rising prices. Even workers who have the most secure jobs and receive the highest wages are restive about the threat to their relatively comfortable living standards. This is probably a big factor in the rising demand for special raises to skilled workers. Even more significant, however, is the support within the labor aristocracy for the escalator demand.

As the principle of the escalator clause becomes more firmly established in union contracts, the workers can be expected to turn their attention to defects in the existing clauses. At present few of the escalator clauses apply during the full term of the contract. The percentage of wage increases usually lags behind the percentage that prices rise as determined by the government's Commodity Price Index and, even then, there is generally a ceiling on cost-of-living wage hikes during the given contract term. On top of that the CPI itself is rigged so that it shows less than the actual rise in prices.

As the defects in the CPI become more obvious to the workers, it will grow more evident that the unions need their own gauge for measuring price increases. Perhaps the unions will take a hint from the housewives committees whose boycott movement is swiftly spreading across the country. The policing of prices, which has become a significant part of the housewives activity, suggests itself as a form of trade union action designed to get an accurate measure of price increases for use in cost-of-living escalator clauses.

A significant feature of the housewives committees is their use of union methods of struggle: boycotts, picketing, demonstrations to put heat on government officials, etc. This brings pressure on the unions themselves to take a direct hand in the battle. In addition, brazen assertions by the food profiteers that boycotts and picketing won't bring prices down permanently indicate a need for demands that the profiteers open their books for inspection by the housewives committees and the unions. Such demands would dovetail with union efforts to improve wage agreements with employers.

While the need for wage hikes to offset rising prices has become a central trade union demand, there are also other key issues that impel the workers toward struggle. Speedup pressures and bad working conditions are growing causes for grievance. Loss of union control on the job produces mounting backlogs of grievances which goad the workers into defensive action. Economic security is undermined by loss of jobs -- and the threat of unemployment -- because of automation and the general intensification of labor. Many youth in working class families, among whites as well as Negroes and other minorities, find themselves frozen out of any meaningful role in the labor force. And the next economic downturn is bound to aggravate the whole job problem quite deeply.

Plagued by a combination of problems, the workers have evidenced growing militancy throughout 1966, and it is spreading across the class as a whole. Workers show an increasing readiness to strike and there is new militancy on picket lines, some of it reminiscent of earlier times. In some cases they have either ignored or maneuvered around anti-strike laws. Rank and file solidarity seems to be on the rise as the need for struggle produces a revival of class consciousness. The change is making it harder for the union bureaucrats to readily drop union demands to which the employers object or to capitulate to pressures from the capitalist government. It has led to the forcing of significant concessions from the corporations and the government, as Johnson's "guidelines" are now quite consistently broken.

In several cases the rank and file has rejected contract settlements recommended by the union bureaucrats and told them to go back and get more from the bosses. Opposition is growing to the bureaucrats' policy of signing long-term contracts. Lately the bureaucrats have had to tolerate -- and sometimes authorize -- an

increasing number of local strikes. As they are doing in the case of national contracts, the union ranks are pressing demands for a membership vote in determining settlement of local disputes with employers. Parallel to this there are new signs of resistance to bureaucratic imposition of trusteeships over local unions, also evidence of the membership asserting itself more forcefully within the local unions.

Uneasy about mounting criticism from the ranks, the union bureaucrats feel the need to produce a little more in collective bargaining. Toward that end the top AFL-CIO officials are beginning to form bargaining coalitions where several unions are involved in a given contract negotiation. This step emphasizes the damage to the union movement from internal witch hunting: the 1949-50 expulsions of 11 Stalinist -led unions from the CIO; the craft split-offs that ensued in the industries involved; and subsequent expulsion from the merged AFL-CIO of the Teamsters and other unions who were under fire in the Kennedy-McClellan smear campaign. Continuation of the essential witch-hunting policy involved is shown by current exclusion of UE -- which was among the Stalinist-led unions thrown out of the CIO -- from participation in the bargaining coalition formed for the General Electric contract negotiations.

It should be added, by the way, that the present dry rot at the top in unions like UE shows that the Stalinists have no big edge over us in the coming contest for left wing leadership in the unions.

As for the general run of bureaucrats, the faster the screws tighten in the developing class struggle, the shorter will be their tenure in office as union dictators. With the capitalist class intensifying the squeeze on labor, all the bureaucrats can do is bluster and whine -- and look to the capitalist government for help. They ask only enough small concessions to keep the workers partly mollified and to give the bureaucrats a face-saving pretext for capitulation to Johnson's strikebreaking pressures.

The catch is that government policy is shaping toward taking things away from the workers, not making concessions to them. Use of Taft-Hartley injunctions is on the rise, and special laws have been threatened against some particular strikes, most recently in the case of the airline walkout. Preparations are under way to generally stiffen existing anti-labor laws in the next Congress. The trend implies both new curbs on the right to strike and further government intervention in internal union affairs along the lines of the Kennedy-Landrum-Griffen law.

A related trend is the introduction of "anti-riot" legislation into the last Congress which, although aimed directly at the Negro movement, threatens the trade unions as well. This also represents one of the most invidious aspects of efforts to divide Negroes along "respectable" vs. militant lines, and it is a high

crime that Meany has rushed to join in the denunciation of advocates of black power. Meany's act is another piece of bureaucratic hypocrisy toward Negro workers whose second-class citizenship causes them to be hit doubly hard by inflation and unemployment.

The union bureaucrats are also criminally defaulting on their duty to combat attempts to stir up racial antagonisms within the working class. Their craven attitude not only fills Negro workers with justified grievances against them; it helps racist demagogues pit white workers against black at the expense of the class as a whole. The consequences become all the worse when the capitalist government resorts increasingly to repressive measures designed to force acceptance of tokenism and gradualism upon all workers, subordinating their class rights and interests to the needs of the imperialist war policy.

As the mounting costs of war are shifted onto the workers the economic squeeze they are already resenting will intensify. They can be expected to connect the war more directly with both the inflationary attrition on real wages and the tax bite on their take-home pay. With the war profiteers fattening their purses at the same time, it is inconceivable that the workers will stand still for such a raw deal. To an increasing degree they refuse to be impressed by the argument that strikes will hurt the war effort in Vietnam. At the same time the mounting casualty lists, involving a majority from working class families, are causing workers much uneasiness about the whole question of the Vietnam war. And further escalation of the war can only increase the adverse impact on the working class.

The Vietnam war is listed as one of the factors causing what newspapers describe as "backlash against Democratic candidates" in New Jersey unions. A state AFL-CIO official is quoted as saying, "It's an undercurrent, a kind of latent, cumulative hostility that has been building up for some time." Small wonder that there is "backlash" against the Democrats. Johnson and the liberal "friends of labor" are racking up quite a strikebreaking record. At the same time they have reneged on promises to repeal Section 14 (b) of the Taft-Hartley Act and have continued such anti-union vendettas as the legal persecution of Hoffa. For the workers there have been only token social measures like the phoney new minimum wage law.

The Democratic record has grown so bad that some union bureaucrats have thrown their support to Republicans in the November 8 elections. But this turn toward old-style Gompersism to "reward friends and punish enemies" won't cut the mustard. It simply reflects in a negative way the growing objective need for a labor break with capitalist politics. That is why the union bureaucrats seem obsessed with fears of rank and file abstentions in the November 8 elections and why they are beating the drums so vigorously for a big labor turnout at the polls. Although its only a straw in the wind, the recent call for a labor party raised by air-

line strikers on the West Coast can be taken as a forecast of a coming political trend within the unions.

During the next immediate period significant parts of the union membership will most likely engage in what might be termed guerilla warfare against the capitalists, the government and the union bureaucrats. Continued ferment is implied by the current national contract settlements which have left unresolved many local disputes with the corporations and growing backlogs of unsettled grievances. Capitalist arrogance and interventions by a hostile government, which has repeatedly been caught lying, will whet the workers' anger. On top of that a number of new contract negotiations involving big unions in major industries will come up during 1967.

Such a situation points toward a further rise in the labor militancy manifested during 1966. When added to the existing anti-war ferment and the Negro upsurge, the ingredients are present for a degree of social unrest intolerable to a government engaged in prosecuting a war. Efforts can be expected from the ruling class to keep the antiwar, Negro and union movements divided so as to defeat them piecemeal and maintain a social equilibrium based on repressive capitalist rule. The counter-task will be to build up an effective alliance between the various sectors of the mass movement and carry the combined struggle in an anti-capitalist direction, especially around the unifying factor of independent anti-capitalist political action.

This need was implicit in the complaints of some delegates about the recent state convention of the New York AFL-CIO. They spoke to newspaper reporters about "tired slogans and lack of imagination" which causes labor to give "only lip service to its leadership role in society." Their remarks testify to the decline in leadership authority which the union bureaucrats are experiencing. Add to that the casualties among top bureaucrats in recent union elections and it shows how their monolithic rule is being weakened. The trend heralds a continuing rise within the unions of positive sentiment for a meaningful change in leadership, which will lead in due course to a general ousting of bureaucratic misleaders from office.

In several respects the young party comrades -- who lack union experience and have had no previous chance to see the union movement in action -- will get a new view of the workers' revolutionary potential. After years of relative quiescence under objective conditions that fed reformist illusions, the workers are beginning to give a limited preview of their vital role as a class. Coming events will help to illustrate the qualitative strengths of the working class because of its strategic role in the nation's economic structure. They will also help to reveal the workers' distinctive characteristics as a relatively homogeneous social class. In this connection it is significant to note the swift

change taking place under adverse pressures on real wages. After many years of relative prosperity for a majority of the class, it took only a few months of accelerated inflation to generate struggle moods. There are increasing signs that the change will sweep across the entire class, including workers who still find themselves in a relatively privileged economic position.

Some young comrades seem to have misconceptions about the criteria to be applied in determining what constitutes meaningful openings for the party in the unions. Lack of background knowledge, which would help them get a better feel of potential for us in the unions, can give rise to the application of too rigid political criteria; for example, assumptions that there must be some form of forthright political motion, like efforts to start a labor party, or growing readiness to come directly into our party. In part such misconceptions stem from an idea that our perspective is to move straight toward formation of a socialist wing in the unions.

In helping young comrades understand our approach to union work -- and educating young workers we can expect to win to the party in coming times -- we need to explain our concepts of a class struggle left wing in the unions. The comrades want to know why and how such a broad left wing precedes the rise of a socialist wing. Toward that end it might help if we generalized the programmatic concepts from which we start in building a class struggle left wing, perhaps along the following essential lines:

Put an end to labor "statesmanship" and advance demands reflecting the actual needs of the workers.

End all reliance on the capitalist government and use the full union power in defense of the workers' rights and interests.

Abolish internal witch hunting in the unions and maintain a solid united front of the working class against the capitalist class.

Break completely with capitalist politics and form an independent labor party based on the trade unions.

Such generalizations, concerning our essential political approach in shaping concrete demands, should help the comrades to get a better feel of how we go about advocating a program for a class struggle left wing. Besides the labor party slogan mentioned above, such concrete points should probably include the following major items at the present stage:

A cost-of-living escalator clause to offset rising prices.

A reduced work week with no cut in pay. Unemployment compensation at trade union wages for all jobless persons 18 or over, whether or not they have been previously employed.

Equal rights in the unions and on the job for Negroes and other minorities. Full union support to the civil rights struggle as a whole.

Bring the troops home now. Use the money spent for war to meet social needs here at home.

If the premises for a class struggle program along the foregoing lines are understood, the comrades will be able to grasp more fully the transitional stages through which we proceed in union work -- moving from stress on immediate issues to projection of the concepts of a workers struggle for power and the abolition of capitalism. They can better understand how we reach out to worker militants with our full socialist program and seek to recruit them to the party. It will also become clearer how we strive to expand party fractions in the unions to promote the growth of a conscious socialist wing.

Concerning our intervention in the trade unions, we can expect to find openings in differing forms and in varying degrees as the objective situation improves further. In some cases comrades who have long held on in a union, despite long adversity, will find new opportunities to do effective party-building work. In other instances we can anticipate chances to colonize comrades in one or another union. At the present stage, however, our efforts directed toward the unions remain essentially propagandistic in character. There are no immediate prospects of our leading rank and file upsurges or contesting for union posts. Our main task is still to keep abreast of developments in the unions, to push our line propagandistically and to prepare for coming events.

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This letter is intended simply to put in writing some of the points we discussed about the changing trade union situation and on which we found ourselves pretty much in agreement. An effort is also made to continue thinking out loud about the significance of new developments since the time of our conversations at the WCVS. It, therefore, seems advisable to send the National Committee members copies of the letter to help stimulate further collective thought on the subject.

Comradely,



Farrell Dobbs

cc: NC members