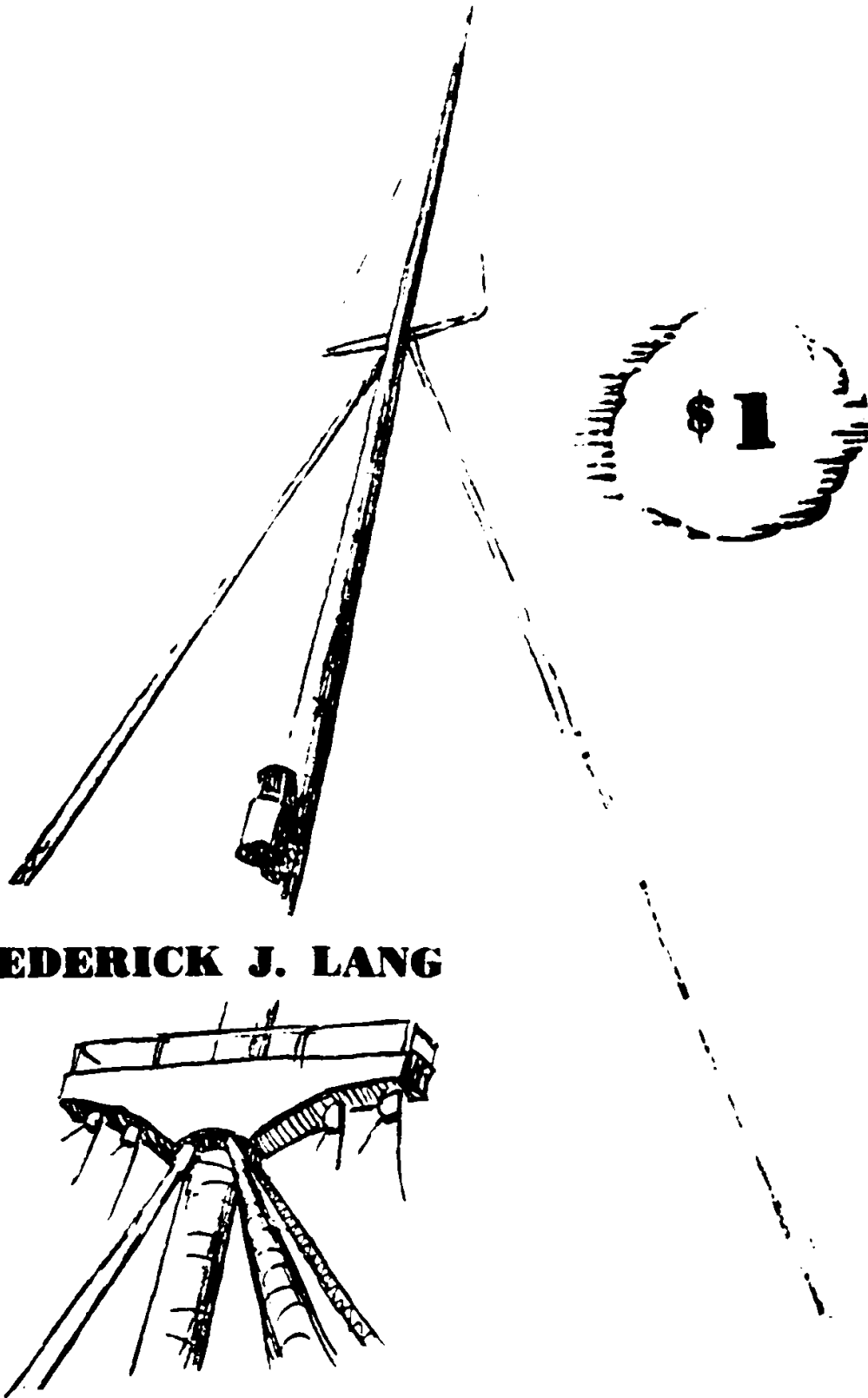


MARITIME

A HISTORICAL SKETCH
A WORKERS' PROGRAM



By
FREDERICK J. LANG

PIONEER PUBLISHERS • NEW YORK

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To
MURRAY GREENFIELD
HOWARD MANGUM
EDWARD PARKER
Sailors Union of the Pacific

CARL PALMER
Marine Firemen, Oilers, Watertenders and Wipers

EDWIN JAFFEE
RONALD TEARSE
DAVID UDELL
Seafarers International Union

—all members of the Socialist Workers Party, who lost their lives at sea in the Second World War when the ships they sailed were torpedoed by Axis submarines, this little book is dedicated.

These friends and comrades were more than skilled seamen and more than loyal union militants. They were class-conscious revolutionaries who devoted their energies to the great cause of freeing humanity from the depressions, wars, and fascism of the capitalist system. This, they believed, could be accomplished only through construction of a worldwide socialist society of peace and prosperity. In furthering this program, their first interest was to arouse seamen to the necessity of strengthening the union defense against the ship-owners and their agents by adopting a militant general policy based on a Marxist analysis of the maritime industry.

It is hoped that this little book will help, however modestly, to carry on the work for which they gave their lives.

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AUTHOR'S NOTE

THIS LITTLE BOOK *was written with the cooperation and help of Terence Phelan. Without his aid in organizing the material and editing the work it could not have appeared in its present form.*

—F. J. LANG

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• I •

IMPERIALISM AND THE MARITIME INDUSTRY

EVERY SEAMAN today finds that settling a beef is not the same thing it was back in job-action days. The skipper doesn't know where the ship is going, and wouldn't tell if he did. The company agent cannot decide a dispute offhand: it must go to Washington. For the union patrolman to get the dope about overtime pay due a crew means weeks or months of letters to the Maritime Commission. Everywhere, in everything, the seaman is faced with government. He begins to feel that everything is all fouled up.

This did not happen overnight. War was the immediate and primary cause. But long before war was declared, there was a deliberate and skillful government policy in this direction. It's bigger than any everyday beef. Militancy and common sense on an immediate problem are no longer enough. For the sailor to comprehend today's problems it is necessary that he see them in their full scope. To understand why the government is now clamping down on seamen and their unions, we must first realize the exceptional place of the maritime industry in the nation's life, we must examine the nature of government itself, and we must analyze just how we have got into the present difficult and dangerous position.

That is the purpose of this pamphlet: to show seamen how and why they have been caught in the net of government regimentation way ahead of other industrial workers, and to show the only way out of that net.

The first step is to understand the nature of the problem.

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Nature of the Maritime Industry

Maritime is a peculiar industry, occupying a unique place in the industrial life of a nation. All industrial nations maintain their own merchant marine. The merchant fleets of the leading world powers, added together, are far more than what is necessary to transport the commerce of the world under peace-time conditions. The ships of any single one of the great powers would be almost sufficient to handle the entire burden of world overseas trade if this were scientifically organized. But that is not possible under the anarchy of capitalist competition.

The entire structure of capitalist economy, particularly in its imperialist stage of development, depends upon foreign trade and foreign markets. Competition among the highly industrialized countries—United States, Germany, England, Japan, France, and Italy—for control of the world markets, has forced each of these countries to give special consideration to its own maritime industry. They cannot permit any one country to establish a monopoly in this important service, on which the industrial life at home depends. In order to sell the manufactured product abroad, its safe transport to foreign markets must be guaranteed. The maintenance of an uneconomical merchant fleet is part of the price every imperialist country pays for that guarantee. The other part of the cost goes for the maintenance of a large navy.

When rivalry among the competing imperialist nations becomes so acute that it reaches the "shooting war" stage, the merchant marine then becomes even more important as an indispensable cog in the "national effort." The war, whether confined to the economic arena or finding military expression, is a contest to determine which of the imperialisms is going to rule the world market. And just as the economic warfare among them rages at the market place as well as at the home base, so in their military operations, they seek to occupy and hold market places abroad while they bomb enemy industries at home. The merchant fleet in time of open fighting is absolutely indispensable for carrying troops and war materials to the far-flung battle fronts; as now to India, China, Russia, North Africa, the Middle East, and the Pacific islands.

Imperialism Forces Government Control

Government in all the great imperialist nations exercises more control over its maritime industry than over any other part of the industrial machine. Because there has never been enough overseas

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traffic to use all the ships that were built in the great yards at Sparrows Point and Bremen, on the Clydeside and at Le Havre, in Kobe and Genoa, private ship operators could not profitably compete with one another. The industry in every country operates at a loss. It is able to attract private capital only when profits are guaranteed by government protection which prohibits foreign competition in domestic trade and by government money which subsidizes ships in foreign runs.

The basic problems which all governments of the robber nations face in building and maintaining a merchant service are only one facet of the much broader problem of their foreign-trade rivalry and market-grabbing. Although the American government was late in recognizing this peculiarity of maritime industry, it finally developed a program in full conformity with the fact. That program was embodied in the Merchant Marine Act of 1936. This Act was tacit recognition that:

- 1) U.S. imperialism cannot compete for its share of the world's markets without its own merchant fleet.
- 2) The merchant fleet must be built and operated at government expense.
- 3) War is a continuation by military means of the economic struggle and is fought on the same world-wide arena.

The Merchant Marine Act of 1936 was a measure preparing for the present imperialist war. It specifically states that the merchant marine is to be used as a war-time auxiliary to the U.S. Navy. The fleet that was being built when war broke out was designed by Navy architects and especially built so as to be quickly convertible to tend and supply the Navy's warships and to transport troops.

The government program for maritime was not executed with the same boldness that characterized the main ideas behind it. It is one thing to draw up a plan of action, something else to put it into effect. The new shipbuilding program was hampered from the beginning by the hypocritical pretense that this vast project was a "private enterprise" that government was only helping out with subsidies, i.e., by furnishing the capital for both building and operating the ships. No one was deceived by the pretense that it was really a privately owned and operated merchant marine—least of all the Roosevelt administration. But the *principle* of private ownership had to be respected. The problem of manning the new ships was carefully considered in the government plan. What was emphasized was a "disciplined personnel." This meant the regimentation of seamen, the destruction of trade-union independence. But the

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organized seamen were too strong in 1936 for the immediate realization of this point in the government program.

Machinery was set up for effecting the full-blown program in the easiest and quickest possible manner. The Maritime Commission was the agency entrusted with this job. It got the shipbuilding schedule lined up. And at the same time it began an attack on the unions, so as to have ready at hand a "loyal and disciplined personnel" when the new ships slid down the ways.

Nature of Government

The story of U.S. government intervention in the maritime industry clearly demonstrates that this government is—and, as we shall illustrate in Sections II and III, has always been—the executive committee of the American capitalist class. This government—more precisely, the President and his cabinet—sits like a board of directors for the entire industrial plant of the nation.

This board of directors has to find answers, to all the big national and international problems that plague U.S. economic and social life, for the benefit of the capitalist class. This does not mean that there are not temporary differences of opinion between antagonistic sectors of that ruling class. The two boss partes, the Republicans and Democrats, have alternated in office, arguing over tariffs and other secondary differences of opinion within the ruling class. But the important thing is that even though these rival sectors of that class may propose different answers to problems which affect them immediately, the government always gives the answer which at the time appears to the dominant section of the ruling class to be in the best interest of the class as a whole. On major issues, such as the need of preserving private ownership of the means of production, of controlling labor, and of undertaking imperialist expansion, all sectors see pretty much eye-to-eye. With the development of American industry and the growing need for foreign markets, American capitalism as a whole began to turn outward, to challenge its imperialist rivals in all the market places of the world.

Government and the Maritime Industry

Prior to 1917 the government regarded maritime not as a special industry but simply as one among many—one that also needed protection against foreign competition until it grew strong enough to stand on its own feet. And in the early period the government limited itself to applying that principle, which is the basis for a protective tariff, in a modified form, to the maritime industry.

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World War I proved that this was not enough, that a merchant fleet is an absolute essential in the great game of imperialist rivalry—and especially under war-time conditions.

American capitalism emerged from the 1914-18 war in a much more favorable position than it had held at the outbreak. It had become the greatest creditor nation in the world. The dollar had financed the war and every nation of the world owed America money. The American industrial plant had produced enough war material to supply half the world through four years of slaughter. Thus was produced the paradox that led ultimately to the 1929 U.S. and the 1929-31 European crashes. On the one hand, that mammoth new U.S. industrial plant had to be kept going if American capitalism was to extract profits from its exploitation. On the other, to avoid monetary catastrophe, the debtor nations had to pay in consumers' goods, which competed with the products of U.S. industry. The Republicans who from 1920 to 1932 were the directing committee for U.S. imperialism, coasted along, partly at the expense of war-torn Europe, partly by means of a gradual credit expansion for the sale of U.S.-made consumers' goods internally, never attempting any basic solution to a set of contradictions full of economic dynamite.

During the post-war "prosperity" era they had built a huge tariff wall around this nation. The debtor countries had been unable to pay off their war debts because the American government's high tariff had kept exports above imports; instead of debts to America being whittled down, they were increased. If other countries cannot pay for goods received from America in the form of other goods imported into this country, they have to pay in gold bullion (that was back in the days when the gold standard was something sacred). But America had a large share of the world's gold already, and to demand more of the other nations meant the collapse of the gold standard (this is what finally happened). There was only one other means whereby the debtor nations could pay off, however small the payment: by services. Shipping is a major service to world economy.

Thus, while buttressing its industrial machine behind an insurmountable tariff wall, the leading committee of American capitalism sacrificed its high-seas merchant service to greedy shortsightedness which dictated payment—at least something—on the war debt.

Although the government is the executive committee of the ruling class—and whatever political administration is elected to

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power always represents the will of the dominant section of the class at the time of election—this does not mean that this board of directors is able to satisfy all the requirements of all sections of the capitalist class at once.

The economic decline that began on a world scale in 1929 proved particularly painful to those industrialists who produce consumers' goods—clothing, furniture, tobacco, etc., and which depend directly on the purchasing power of the masses. These light industrialists wanted a "New Deal"—a deal which would increase the mass purchasing power immediately. They took the lead in instituting a shake-up of the top committee.

The economic decline that began on a world scale in 1929 proved that some serious mistakes had been made somewhere along the line. The American boss began a shake-up in the top committee, prompted by the growing discontent of the masses of people.

Roosevelt came to power in 1932 with a whole set of emergency measures. He showed far more imagination and had a better understanding of the problems that harass U.S. imperialism than any of his predecessors. He lowered the tariff wall and oiled the industrial machine with public funds.

With a weather eye to the gathering war clouds, Roosevelt turned the attention of government to the imperative necessity of a modern fleet. The merchant marine modernization program of 1936 was the conscious effort of full-grown U.S. imperialism to meet one of its most overdue needs. It had no intention of being caught short as it had been in World War I when an emergency fleet had to be built *after* the outbreak of open hostilities.

The U.S. merchant fleet in 1935 ranked below that of any of the leading imperialist nations. It was largely the remnant of the emergency fleet built by the government during the First World War. Title to it had been given to private operators. Whatever small fees had been charged by the government for the legal title were more than offset by government money poured into the industry in the form of mail subsidies, without which the merchant fleet would have ceased operation entirely. In actual fact this merchant fleet, though ostensibly a private enterprise, had been built and was operated at the expense of the U.S. Treasury. The new expansion called for no change in this respect. It did, however, envisage a more careful control by the government over the industry. The idea of control was to be applied throughout, from top to bottom. But its most noticeable effects have been at the bottom. The base

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of all industrial life is the working man whose labor alone builds and runs industry. There is where government now applies its most restrictive and rigid control.

Government and the Maritime Unions

Maritime labor had joined the great wave of revolt that swept across America in the years 1934-38. The longshoremen's and seamen's strike on the Pacific in 1934 established one of the strongest sections of the American labor movement. Seamen extended their organizational gains and by 1938 the vast majority of seamen were in either the AFL or CIO on the Gulf and Atlantic Coasts as well as the Pacific.

This development of strong independent unions alarmed the government. Long-established domesticated unions are pliable instruments and usually lend themselves to government pressure. They often become important instruments for government regimentation of labor as has been notably demonstrated in Great Britain. But the militant new unions that were forged in the heat of the great strike struggles of 1934 and 1936-37 were not tame enough for ready acceptance of the government's 1936 merchant marine program.

With U.S. entry into World War II the government still had not realized its program. It had made a fair start. But events overtook it. Under the pressure of war-time conditions tactical improvisations were introduced to speed up the work. The entire industry was requisitioned and brought under direct government control.

Control of the labor supply is the main emphasis of the government's war-time tactics. It talks of "requisitioning" labor, just as it has requisitioned the merchant fleet. But it cannot ignore the unions. Some sections of the ruling class have become impatient and favor a frontal attack, an open drive to smash all union opposition to the repressive measures against seamen. Occasionally such drives are tentatively launched by the government. They have not been carried through. The government is cautious: it realizes that this is not the best method at this time for the American boss to use in his war on the home front. He doesn't risk so much by proceeding more cautiously for the present.

The key fact of the present situation is that the leaderships of the seamen's unions are united on the basic question from which all tactical actions flow: that is, all sections have declared complete support of the imperialist war.

The fact that trade unions exist independent of direct gov-

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ernment control is a threat to the imperialist aims of U.S. capital. No one understands this better than American capital's present board of directors—the Roosevelt administration. They seek to utilize the trade-union officialdom. One pincer of their dual solution to the problem is carefully to control the unions by bringing the officialdom into the government apparatus. The unions then become semi-official government agencies through which the program of the government is applied.

Under government pressure the unions are being transformed from independent working-class organizations defending the immediate economic interests of the sailors into dependent instruments politically integrated into the state structure, at the service of finance capital. (No merely negative "anti-political" tactic can stop this historical process. It was completed in England during World War I. It is now taking shape in this country in the crucible of the Second World War.)

Before the solution we offer to this culminating problem can be clearly understood, there is necessary a thorough understanding of its constituent components: the role of the government as shown in its policy toward shipowners and toward maritime labor; the crisis of the divergent policies of maritime-union leaderships; and the full implications of the government's tendency to integrate the once independent unions into the state apparatus. But to understand the present stage in each of these matters, it will first be necessary to see how we have reached it, that is, to retrace our steps a little and sketch in its broad general outlines the history of maritime. We shall thus see that the role of the government toward shipowners at the present juncture is nothing novel or exceptional, but only the logical end-product of a long consistently worked-out process. For convenience in handling this complex material, it is subdivided into the government's attitude to the shipowners, and its attitude to maritime labor. But it must never be forgotten that they are only two faces of the same coin. Later their intimate interrelation will become apparent.

• II •

THE GOVERNMENT AND THE SHIPOWNERS

1: *Up Through the 1915 Seamen's Act*

AS AN independent business the U.S. merchant marine has never stood on its own feet, but has been artificially fostered as part of the government's international policy. From its very beginnings, shipowners have been shielded from the normal effects of free international competition by special government legislation of a protective nature. This over-all policy, culminating in the Seamen's Act of 1915, was originally conceived of as a temporary measure, in the belief that the shipping industry would finally be able to stand on its own feet. This proved to be an illusion: quite on the contrary, the shipowners have only increased their profitable dependency, their successful sucking at the public teat, with every passing year; moving from protective legislation through concealed subsidies to direct subsidies, they have drained increasingly astronomical sums from the general wealth of the nation until at the present time their completely parasitical role has become nakedly visible.

AS EARLY as 1789, a tariff act provided for lower duties on goods entering the country in American bottoms, specifically those from China and India; and imposed heavy duties on foreign vessels in coastwise trade. In 1804 an additional fifty cents per ton duty was levied on all foreign ships. A supplement to the Embargo Act in 1808 closed U.S. coastal trade to foreign ships. First of a long line, these measures were designed to enable the otherwise un-economic U.S. shipping industry to compete successfully with for-

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eign vessels in overseas trade, and to eliminate their competition from coastal trade.

To supplement these *negative* measures of discrimination and monopoly, the shipowners in 1830 persuaded the government to begin extending *positive* aid in the form of mail subsidies. These measures, which were to terminate after World War I in a scandalous orgy of pork-barrel graft and treasury raids, were at first very tentatively applied, largely because of differences of opinion in the capitalist class itself, the Southern and Western agricultural sector opposing mail subsidies just as it opposed the parallel protective tariff; and for a few years after 1845, to appease these elements, these subsidies were abolished altogether. Nevertheless, with the victory of the industrial North in the Civil War, the policy was reapplied in individual cases, such as ten-year contracts for ships running to Brazil and to the Orient; and crystallized in the Postal Aid Act of 1891.

Special privileges for U.S. shipowners and shipbuilders were accorded also from other angles. The 1909 Tariff Act, for example, helped cut shipbuilding costs sharply by providing for duty-free entry of foreign materials going into ship construction. Meanwhile every new opportunity for reapplying the old discriminatory protectionism was seized on: with the opening of the Panama Canal in 1912, for instance, U.S. shipowners were aided by an act establishing free transit for U.S. coastal vessels while foreign vessels paid fees. Though this situation has since been modified, higher fees are still paid for the transit of foreign than of U.S. vessels.

It should be understood that all these measures were on a relatively small scale. American maritime law at any given period reflects the attitude of the U.S. government to the maritime industry and is an index of the developing economy of the country. In clipper-ship days the maritime industry shared in the same anarchy of industrial capitalism that characterized the whole period of the rise and development of American economy up to the opening of its imperialist phase in 1900. But the rapid expansion of the frontier and the building of railroads to reach the new markets of the American continent afforded more lucrative investments for capital than the maritime industry. There were, of course, American shipping companies, and lots of money to be made in the business; but in the main, it was comparatively neglected by U.S. capital, and declined after the Civil War. In a parallel way, questions relating to maritime industry were comparatively neglected by the government, set aside as special but secondary problems,

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until the big imperialist upsurge of the new century. A chart will show at a glance this decline and resurgence of U.S. shipping:

Foreign Water-Borne Commerce of the U.S., 1821-1934
(Compiled in Bureau of Foreign and Domestic Commerce of Dept. of Commerce)

Year	Exports and Imports Percent in American Vessels (approx.)
1821-30	90
by 1860	65
by 1900	9.3*
by 1920	12.7
by 1930	33.8
by 1934	35.2*

With the burst of U.S. imperialist expansion following the Spanish-American War, U.S. capitalism began to grow aware of the importance of its merchant marine. The epoch of the frontier was over and American capital was having to seek new frontiers beyond the seas for further expansion. The old methods of aid by discrimination were continued; in 1900, for example, the legislation barring foreign vessels from U.S. coastwise runs was extended to cover Puerto Rico and Hawaii. But the government was beginning gropingly to seek a more consistent generalized policy.

Essentially the U.S. capitalist government had been trying to protect its maritime industry in roughly the same way that it protected all its young industries (straight protective tariffs in the latter case, discriminatory equivalents in maritime), in the hope that it would ultimately be able to rival foreign fleets in free competition. To encourage this, the government was even willing to make concessions to foreign shipping provided it received reciprocal concessions, while taking sharply punitive measures against recalcitrants. As early as 1815, such reciprocal agreements were arranged with Sweden, Norway, and Great Britain (exclusive of the British West Indies); while in 1820 a prohibitive duty of \$18 per ton was slapped on the vessels of France, which had refused concessions to U.S. shipping. With the Seamen's Act of 1915, this basic illusion that its merchant marine could finally become self-sufficient reached its highest expression. The entire maritime problem had just been sharpened by the outbreak of World War I,

*These figures become the more striking when it is noted: 1) that total American foreign commerce in 1900 was more than three times that of the war year 1865; 2) that "by reason of world-wide business depression, the total volume of American exports and imports shrank from \$7,157,827,442 in 1930 to \$3,266,938,298 in 1934."

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which caused a huge tonnage of ships to be withdrawn from service by the belligerents, at a moment when the U.S. was dependent on foreign vessels—e.g., in 1913, only 10.1% of U.S. trade was carried in U.S. bottoms.

The 1915 Seamen's Act was primarily intended to improve the wages and conditions of U.S. merchant seamen.* But (as may be reasonably deducted from its acceptance by the capitalist government) it had also another significance which, though secondary, was more far-reaching. In matters of labor conditions capitalist government is often more far-sighted than is the small handful of capitalists in charge of a particular industry. What had appeared to the seamen to be government paternalism for them was in fact paternalism—but for the shipowners.

By such provisions in the Act as the abolition of imprisonment for desertion and the legal guarantee to seamen that they could at any port draw one-half of all wages earned up to that point, and above all by making these provisions applicable to seamen on foreign vessels in U.S. ports, the government aimed at a double goal: increasing the maritime labor supply by encouraging foreign seamen to jump ship in U.S. ports; or, alternatively, forcing foreign shipowners, in an attempt to prevent this loss of their crews, to raise wages and better conditions, thus improving the competitive position of the U.S. shipping industry. As a matter of fact, in actual practice it worked out partially in both ways.

That this was a deliberate and conscious policy is revealed by an article in the *Pacific Marine Review*, authoritative organ of the West Coast shipowners, which frankly confessed:

This decision will place foreign vessels at the Panama Canal on the same basis as American vessels so far as the part payment of wages earned is concerned, and will probably increase the number of desertions from foreign vessels, now comparatively few in number, with possibly a resulting increase in wages to the American scale on foreign vessels paying less.

So dangerously successful was this device at first that foreign governments had to take severe counter-measures. H. L. Gray, some years afterwards investigating in England for the U.S. Shipping Board, reported:

The higher wages offered seamen in American vessels have led certain British crews who found themselves in American ports to go over to the more lucrative employment. To counteract this tendency the British Ministry of Shipping has since August 1918

*The strictly labor aspects of this Act are examined in detail later. Here we are concerned primarily with its significance for U.S. shipowners in particular and U.S. imperialism in general.

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required that every member of a British crew provide himself with an "identity and service" book, which he must always be ready to produce. Failure to show it or produce it exposes him to the operations of the Military Service Acts. The important stipulation attached to this certificate is that the holder may not take service on the merchant vessels of any other nation. By this restrictive device, it is hoped that the British crews may be retained intact despite the attraction of higher wages elsewhere.

But in spite of certain momentary gains, the 1915 Seamen's Act in essence failed of its capitalist purpose, partly because of such counter-measures by rival imperialisms as in the British case just cited, but in the ultimate analysis because its basic conception—that a capitalist merchant marine can finally be got somehow to operate successfully in free and open competition—was false. It did not take into consideration the inescapable fact that every imperialism must maintain its *own* merchant fleet—however uneconomic it may be in itself, and without regard for the international oversupply of vessels created thereby—for its higher imperialist needs both in peace and in war. The Act's failure led to the realization of this fact, and to the consequent adoption, after various experiments and false starts, of new and different policies, consciously and consistently imperialist in character.

2: 1915-1920: *Paternalism (Real)*

UP TO the moment of its own entry into the first imperialist holocaust, the government still clung to the belief that its measures were only temporary and would succeed in making the maritime industry self-sufficient. With its war-entry, however, theory or no theory, it had itself to launch a mammoth ship-building program and essentially take over the administration of shipping. But though it had to adopt an over-all program of which the private shipowners were incapable, either individually or collectively, it fell over backward in avoiding even the appearance, let alone the reality, of modifying the principle of private property. Its policy toward the shipowners became one of the purest paternalism. It built ships for them, hired them as managers, and guaranteed their profits. And though the war ended in the midst of its program, it lived up to its commitments to the shipowners, opening the epoch of the gray-boat and noisome scandals which followed.

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THE AMERICAN boss was unprepared for the First World War. And this was especially true of the maritime industry. Foreign fleets, which had been carrying 90% of U.S. cargoes, disappeared. Foreign-bound freight piled mountainously on the docks, and exports, even with the war boom, fell by \$370,000,000 in 1914 alone. Improvised expedients were adopted, but proved totally inadequate. Under the pressure, the government was driven to develop a comprehensive program.

It did so with the passage, in September 1916, of the Shipping Act. This created the U.S. Shipping Board, with five commissioners at \$7,500 per annum. The Board's negative duty was to stop diminution of the U.S. merchant marine by controlling the transfer of U.S. vessels to foreign registry "in time of war." Its more important positive powers were "to form one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the trade of the U.S."—for which it was assigned a sum "not in excess of \$50,000,000." Its success, though slow in getting under way, was finally phenomenal: between 1917 and 1922 it constructed, at Sperry Point, Hog Island, and elsewhere, 2,316 ships. On the labor side, its Sea Service Bureaus shipped approximately 50,000 new men into the industry.

But the most striking and significant of the provisions were those guarantees that it was not "nationalization," that the government had no intention of replacing private capitalist ownership. It was carefully specified that the operation of vessels by such "emergency corporations" was permitted "only when the Board was unable to contract citizens of the U.S. for charter of such vessels." Furthermore, such government operations might not continue for more than five years after the conclusion of the war, when they should stand dissolved. "All property and vessels of any such corporation would be taken over by the Board, through which the Property, other than vessels, might be disposed of on the best possible terms. . . ." etc.

But the war was of greater scope than U.S. capitalism had dreamed. When the U.S. itself became a belligerent, the scale of the 1916 Act was found inadequate, and there was rushed through Congress the Emergency Shipping Act of 1917. This granted broad powers to requisition the existing fleet and necessary facilities for new ship construction to the President, who promptly turned them over to the U.S. Shipping Board. The following figures indicate the Act's scope:

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Cost for requisitioning fleet: \$250,000,000 (appropriated for immediate use: \$150,000,000).

Cost for construction of new ships: not to exceed \$500,000,000 (appropriated: \$250,000,000).

Cost of operation: \$5,000,000.

As in the case of the 1916 Act, the Emergency Shipping Act of 1917 was careful to protect "private enterprise": it was specified that all power granted to the President "shall cease six months after a final treaty of peace is proclaimed between this government and the German empire."

In a deficiency-appropriation act of 1919, further millions were poured in:

For acquisition of plants and materials, and for enlargement or extension of such, authority is granted to enter into contracts or otherwise to incur obligations for not to exceed \$34,662,500 in addition to amount heretofore appropriated.

The scope (and the richness) of the gravy is again indicated by the April 1919 report of Charles Piez to the Board of Trustees of the U.S.S.B. Emergency Fleet Corporation on the corporation's activities, which began April 16, 1917 with a capital of \$50,000,000. By October 15, 1918, he reported that:

Our total program, including deliveries, vessels under construction and under commitment, consisted of 3,155 ships of 17,276,318 dead weight tons, and that contracts for all the materials for this tonnage had been ordered at war prices months before.

The profits extracted by private capital from these operations were incredible. Let us take as an example Bethlehem Steel, whose shipbuilding subsidiary owned 27 of the country's 87 building ways and 19 drydocks. During 20 years of existence Bethlehem Shipbuilding made more than \$1,000,000,000 from building and repairing of ships—two-thirds of which was made between 1917 and 1921. In the well-documented book, *Our Ships*, by the editors of *Fortune*, the nature of the tie-up between private capital and its government is neatly illustrated by the Bethlehem case:

Mr. F. A. Shick, Bethlehem's comptroller . . . explained to the [Nye] committee how the government lent Bethlehem some \$52,000,000 worth of facilities to build destroyers, engines and boilers during the war. The yards on the Squantum swamp, for example, which Bethlehem built with government money, were used by Bethlehem to build thirty-five destroyers, on which they made a guaranteed profit. "What did we earn on that investment? You could make it a million percent, if you wanted to. We did not have any money in it," Mr. Shick explained. The \$32,000,000 "was put in by the government for the benefit of getting Bethlehem's 'know-how!'"

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Fighting for its immense imperialist stake in the war, the government could not leave the vital question of shipping in the hands of private management, with all its inefficient, disorderly anarchy. But, by its capitalist nature, it had to assure private industry of huge private profits from government operations, and it had to guarantee to return, at the conclusion of the emergency, the U.S. merchant marine to private ownership. This is precisely the role of capitalist government in these matters.

3: 1920-1935: Shipowners' Gravy-Boat

TOWARD INDUSTRIES, other than maritime, the government during the roaring twenties followed a hands-off policy. U.S. capitalism was able to live off its World War I profits. Abroad, surplus capital found investment in Europe and Latin America via government and private loans; at home, new industries depending on a mass market, such as autos, radios, etc., expanded production, boomed along by an expansion taking the form of "installment-plan" credit for the working people, of Wall Street speculation for the financier—producing the artificial "prosperity" which crashed in 1929.

But in maritime, it was different: the government did not at first see further immediate need for its emergency-built fleet, at least not on a scale adequate to handle the burden of its foreign commerce. It had "solved" the critical lack of ships by embarking on an improvisation as mammoth as it was expensive. But it did not immediately draw the full logical conclusions from that crisis. It abandoned, true, its notion that a merchant marine can be self-supporting, and developed the system of indirect subsidies. But it did not carry its thought through to the realization that in an epoch of sharpened imperialist commercial rivalries, of inevitable imperialist wars, an imperialism has to plan an uneconomic merchant marine on a consciously imperialist scale in order to keep its trade routes open in peace, and to act as a naval auxiliary in war. In the 1920 Merchant Marine Act it was interested principally in quickly retiring from maritime operation and turning the industry back to the shipowners.

The war had made the U.S. a creditor nation, with a favorable balance of trade, and enormous war-debts owed to it. When to this, the U.S. added the erection of impossibly high tariff barriers, the debtor nations had to pay either in gold, of which they had little, or in "services," among which shipping services

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are not the least important. To accept them struck U.S. capitalism, momentarily fearing no immediate inter-imperialist explosion, as the easiest and cheapest way.

But there were all the war-built ships, like white elephants. The policy of indirect subsidies adopted by the government flowed from a hodge-podge of mixed motivations. It was willing to let the fleet decline, but not disappear. A sense of national prestige combined with a desire to have its mails carried under its own flag. And if those ships were to be kept going, its own costly experiences and the knowledge that all foreign fleets were subsidized made it realize that some sort of subsidization would be necessary. Furthermore, in a groping and tentative way, it was confusedly sensing the imperialist need of its own merchant marine, though that did not fully crystallize till 1936.

Thus, though the industry dropped to one of second-rate importance again in the eyes of the government because it was not lucrative enough to attract private capital, and U.S. goods could be more cheaply transported in foreign bottoms, a skeleton of the industry was kept together through government mail contracts and subsidies. During the boom years between 1923 and 1929 a handful of increasingly parasitical shipping magnates, in an orgy of graft and gravy, grew fat on these subsidies, siphoning off colossal sums, while the ships themselves, and the conditions on the ships, deteriorated till the U.S. lagged far behind the other wrangling imperialisms.

THE IMMEDIATELY post-war situation is thus summarized in *Our Ships*.*

**Our Ships, an Analysis of the United States Merchant Marine*, by the editors of *Fortune*, New York, Oxford University Press, 1938. This volume, rich in documentation and revelation, is notable as showing that even important sectors of the ruling class itself were disgusted with the shenanigans of the shipowning buccaneers. Not that *Fortune* raises any objections to the exploitation of maritime labor, or to the pouring of public funds into an important capitalist industry; no, what exacerbates this inefficient spokesman of capitalism is the sheer bungling inefficiency of the thing, the fact that not all the billions produced anything remotely resembling an imperialist merchant marine. In this present chapter we are going to quote extensively from this work, using its words where possible rather than our own investigations, for this reason: the shipowners might make a plausible case in accusing us of a richly deserved prejudice against them; but they will find it more difficult to make such an accusation against the most brilliant spokesmen of their own class.

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Late in 1916, the U.S. Shipping Board was created with authority to do almost anything it pleased with the merchant marine. . . . The Board's program was hardly launched when . . . the War ended . . . the number of ships on order was cut to 2,316.

The contract cost of these ships at inflated wartime prices was \$2,900,000,000; and miscellaneous expenses brought the whole cost of that building programme to more than \$3,000,000,000. Some of the ships were little better than junk. . . .

The Shipping Board's chief object since the war has been to get rid of its 2,316 ships. . . .

From the 25 per cent cash demanded in 1919, the down payment eventually fell to a nominal 2.5 per cent. And on such terms as these the Board *did* finally manage to dispose of 1,976 of its vessels. [They] brought in almost \$340,000,000.

In a word, the capitalist government turned the fleet over to private industry at approximately ten percent of its cost; and then subsidized the private shipowners to run it. The necessary legislation was provided by the Merchant Marine Act of 1920.

This Act described itself as "An Act to provide for the promotion and maintenance of the American Merchant Marine, to repeal certain emergency legislation, and provide for the disposition, regulation and use of property acquired thereunder, and for other purposes." Its chief provisions were: a reorganized Shipping Board, its membership increased from five to seven, their salaries raised from \$7,500 to \$12,000; the Board was empowered to sell or dispose of, as soon as practicable, government vessels to U.S. citizens so that all ships might ultimately be "owned and operated privately by citizens of the U.S."—sales to aliens being permitted only by a vote of at least five of the Board's members; the Board was authorized to establish "adequate and regular" steamship services, set up a marine insurance fund for government vessels, and put aside out of revenues from sales and operations for a period of five years a construction loan fund of \$25,000,000 (later increased to \$125,000,000) to encourage modern ship construction by paying two-thirds of the cost thereof. Other provisions of the Act were: exemption of American shipowners from excess-profits tax for a period of ten years; encouragement to U.S. vessels for carrying mail; preferential railroad rates on goods imported or exported in U.S. ships; exclusion of marine insurance companies from the provisions of the Sherman and Clayton Anti-Trust laws; and repeal of certain hindering treaties, etc.

By the supplementary Merchant Marine Act of 1924, mail subsidies were handsomely increased. For the next six years, the payments totaled some \$1,800,000, or an average of \$800,000 a year.

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Despite these more than generous provisions, "from 1921 to 1926 the percentage of total imports and exports of the United States carried in American ships fell steadily—1921: 39.8%; 1926: 32%." But shipowners had cause to be happy. It was the period of Harding-Coolidge "normalcy," and the graft and corruption which on shore blew up in such scandals as Teapot Dome had their less-known maritime counterpart. There were lashings of thick rich gravy, and the capitalist government laddled it out with a hospitable hand to private capital. In his authoritative volume, *America's 60 Families*, Ferdinand Lundberg provides some detailed examples:

The Shipping Board after the war, under Albert D. Lasker, Chicago advertising man of potent connections, especially with R. R. McCormick of the *Chicago Tribune*, provided an opportunity for a favored few to add to their hoards. The steamship *City of Los Angeles*, formerly the German ship *Acolus*, was sold to Harry Chandler, publisher of the *Los Angeles Times* and leading stockholder of the Los Angeles Steamship Company, for \$100,000, after prearrangement between Lasker and Chandler to have bids advertised for ten days while the ship was out of port and not available for inspection by outsiders. This was learned in the Senate's investigation of the United States Shipping Board. A year earlier Chandler had offered \$250,000 for the vessel, and after the war the International Mercantile Marine had offered \$660,000; both offers were refused. Subsequent to the latter offer the government spent \$2,816,000 on reconditioning, and according to experts the ship was worth \$100,000 for scrap alone when it was released to Chandler.

The Shipping Board also sold seventeen vessels at bargain prices to the Dollar family of California for the Dollar Line. The Dollars themselves had constructed four cargo ships in China at a cost of \$2,250,000 each to the government; they later acquired title to them from the government for \$300,000 each. Another ship, the *Callao*, which had cost the government \$1,619,502.27, was sold to the Dollars for \$375,000 although an earlier bid of \$825,000 from the International Mercantile Marine was rejected. In October, 1923, the Dollar Line bought seven of its "President" type ships for \$550,000 apiece; each had cost the government \$4,128,000 to construct. . . .

In 1933 a Senate committee investigating ocean-mail contracts brought out that enormous bonuses and commissions had been voted to Dollar by his stockholders. For purchasing seventeen ships from the government for \$13,975,000, Dollar received commissions of \$635,493.75 and interest of \$73,014.69. From 1924 to 1929 the Dollar Line made a net profit of \$6,746,759.33 on the "President" ships, defaulted on its payments to the government in 1933, but went on making payments of commission to Dollar. Although it had liens on the vessels, the government did not reacquire them.

Lasker, while head of the Shipping Board, introduced a merchant-marine bill which a Senate committee found would have substi-

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dized the shipping enterprises of companies like the Standard Oil Company and the United States Steel Corporation in the carrying of their own products. Standard Oil would have received \$1,500,000 annually and U.S. Steel \$500,000. Enterprises like the Cudahy Packing Company and International Harvester Company were even then protesting that ocean freight rates were higher after the merchant marine had been subsidized than before. . . .

Lasker on May 12, 1922, wrote to Robert R. McCormick, of the *Chicago Tribune*, who had suggested that the Paris edition of the newspaper be given more Shipping Board advertising. Lasker said that the *Chicago Tribune* under a new schedule was slated for fourteen hundred lines of advertising a week and that he was sending under separate cover copies of the ship subsidy bill and the Board's study of subsidies. He suggested that McCormick might want to assign a writer to compose a series on the American merchant marine, and offered to cooperate. The *Chicago Tribune* soon afterward syndicated a series of propaganda articles signed by Lasker himself under the title: "Why the United States Should Have a Merchant Marine." The Shipping Board then gave the *Tribune* the contract for the news service on board its vessels; under this contract the Shipplag Board paid deficits and the *Tribune* shared profits.

(So much for the "objectivity" of the capitalist press in treating maritime problems.) Of graft and collusion between the Shipping Board and the shipowners, examples could be multiplied indefinitely, but the above will suffice.

But "appetite grows with eating": the shipowners wanted even larger helpings and richer gravy, and the Merchant Marine Act of 1928 was passed to give it to them. In essence it reaffirmed the general policy of the 1920 and 1924 Acts, but made the mail subsidies even juicier. Title III of the Act increased the construction loan fund to \$250,000,000. Title IV established mail contract rates as follows:

Class	Tonnage	Speed (knots)	Mail Subsidy per Nautical Mile
7	2,500	10	\$ 1.50
6	4,000	10	2.50
5	8,000	13	4.00
4	10,000	16	6.00
3	12,000	18	8.00
2	16,000	20	10.00

Interest provisions were, to say the least, generous. The government loan fund was raised to \$250,000,000 in the 1928 Jones-White Act, and the Postmaster General was authorized to negotiate new mail contracts on a ten-year basis. What the new mail scales meant in practice is made clear in *Our Ships*:

As they were presently signed, the new contracts called for mail payments to operators of a total of \$272,000,000 by 1938. Taking this bounty by the year, it meant an average expenditure of

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\$27,000,000—almost *thirty times* the average annual cost of the old mail subsidy during the past thirty-eight years. . . . Within the next three years the government approved more than \$116,600,000 in construction loans for forty-one passenger and cargo vessels. . . . In addition there were nineteen vessels of more than 155,000 tons that were to be rebuilt or converted to foreign trade at a cost of \$10,000,000 or more.

These loans, added to the subsidy, made a total of almost \$400,000,000 that the government was prepared to lay on the line to put U.S. shipping industry back on its feet. But it wasn't enough.

It certainly wasn't. The shipowners' greed was a bottomless well in which millions disappeared without leaving a trace. The same *Our Ships* sums it up as follows:

Study most of the U.S. lines engaged in the North Atlantic freight trade and you will find that they were born at about the same time, with about the same amount of confusion, after the War; that their early years were bad and their later ones not much better; that they got away with homicide in all its degrees; that the more they were pampered by the U.S. Shipping Board the more irresponsible they became. . . .

It was a real "dance of the millions." Prior to World War I, the government had given private operators less than \$15,000,000 all told. But between 1914 and 1937, the U.S. government paid close to three and a half *billion* dollars: \$211,000,000 in operating subsidies, and \$3,200,000,000 to build and operate its ships.

But, in contrast to these astronomic figures, consider the investment of the shipowners. When he was Maritime Commission Chairman, Joseph P. Kennedy estimated the amount of private capital in the lines eligible for subsidy as only \$56,000,000—and in all U.S. lines in foreign trade as only \$125,000,000.

Our Ships adds elsewhere that "a company can lose \$7,000,000 in seven years and still make a net [profit] of \$1,200,000." It adduces as a striking but not unusual example: ". . . the Dollar Steamship Company . . . which made what the Black Committee figured to be a \$6,700,000 profit on a \$500 investment with government aid. . . ."

Finally, in summary, *Our Ships* contrasts ship-subsidies with subsidies to new and struggling industries like air-transport:

This kind of subsidization, indeed, is like adding vitamins to an otherwise insufficient diet. But maritime subsidization, as defined by the present law, undertakes to provide its charges with free daily meals, from soup to peppermints.

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The 1928 Act showed certain results. According to the carefully documented *Merchant Marine Policy of the U.S.** by 1933 forty-two new vessels of the modern type, aggregating 468,000 gross tons, had been built; and forty vessels had been reconditioned to operate at a higher rate of speed and carry a greater number of passengers; there had been established and maintained regular steamship services for the transportation of mails between the U.S. and foreign ports— at a cost that by 1932 had totaled \$125,509,341.48, and by March 1933, \$147,734,794.66. In one fiscal year alone, that ending June 30, 1934, ocean mail carrying was estimated to have cost the government \$29,611,481.99.

In the general reshuffling of bureaus attendant on the return of the Democratic Party to power in 1933, the U.S.S.B. and its Merchant Fleet Corporation were transferred to the Department of Commerce, the new organization being known as the United States Shipping Board Bureau of the Department of Commerce. This paper shift made no change whatsoever in either the Board's functions or its behavior.

By 1935, however, the situation had grown so scandalous that some intervention was imperative. Discussing the incredible costliness of the government program of indirect subsidies, *Our Ships* notes:

Also you can deduct a considerable sum that has been pocketed by private shipping interests since the War. But when a special Senate Committee began to investigate the \$26,000,000 a year subsidy that the U.S. was then paying in the form of mail contracts, it found such a turgid record of fraud and extravagance that Chairman Hugo L. Black advised the government to abrogate all mail contracts and to operate its own merchant marine.

But that, as we shall see, is precisely the opposite of the functions of a capitalist government, which exists, among other reasons, to guarantee private ownership of the means of production, including shipping. The nine closely printed volumes of the Black Committee's report reveal one long mess of piratical looting of public funds. On them, *Our Ships* comments:

Some of the disclosures of the way in which government officials worked hand in hand with private interests are reminiscent of the scandals of the Harding Administration. It was demonstrated, for instance, that lucrative mail contracts had been parceled out among the operators themselves, then passed on to the Post Office Department for endorsement—which they invariably got. On forty con-

*Doctoral thesis by Hsin Ssutu, University of Pennsylvania, 1935. This curious document, though loaded with bourgeois prejudices, is a mine of factual revelation—certainly far more than its author ever intended that seamen should know.

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tractors bidding had been in name only: they had been awarded by personal conference, usually at the highest rate the law allowed. The performance of vessels at sea (on which the rate of payment depended) had been falsified, and ships' masters had been forced to connive at the falsification. Contracts had been given, against the spirit of the law if not its letter, to coastwise lines that had no foreign competition, even to lines with foreign subsidiaries.

Through intricate networks of subsidiaries and affiliates, the Black Committee tracked down mail payments that had been withdrawn secretly in the form of profits. There was the case of the Pacific Lighterage Corporation with only \$10,000 in physical assets that was owned by Stanley Dollar, his wife, Esther Dollar, Harold Dollar, and A. F. Haines—who also controlled the Dollar Line, which was drawing a government subsidy. In five years the tiny lighterage company paid its owners more than \$1,000,000 in profits. . . . And while all this was going on, lobbyists and publicity men employed by the steamship companies (out of money that they got from the government) were in Washington, trying to influence public opinion in favor of bigger subsidies.

For all this sorry mess the Black Committee held three errors to blame: The Merchant Marine Act itself, the conduct of the officials who had administered it, and the greed of the shipowners and operators who had profited by it. . . .

[Postmaster-General] Farley was able to report . . . that practically all the existing contracts had been signed in open defiance of the law. . . .

A few specific examples will further illuminate the state of affairs. The Matson Line started building the *Mariposa* and *Monterey* in 1930. They cost \$3,300,000 each, a total of \$16,600,000. Matson put up \$5,000,000: the government "lent" the rest. On the basis of these ships the government boosted the mail bounty to \$10 a mile, which comes to about \$74,800 a voyage, or nearly \$937,000 a year. Matson picked up in the process two additional mail bounties coming to approximately \$380,000 a year. On this situation, *Our Ships* is frank and detailed:

Wherefore the question arises: could the *Mariposa* and *Monterey* earn their way in the South Pacific without a subsidy?

The answer is a flat—No! An examination of Oceanic's [Matson subsidiary] income statements, heretofore denied outside observers and involving sums not reflected in the published balance sheets of the parent Matson Navigation Co., will quickly document the denial. During the five years 1932 to 1936 inclusive, the *Mariposa* and *Monterey* made a total of \$1,066,800, or about \$213,000 a year. But the U.S. mail bounty, meanwhile, totaled some \$5,120,000 (including poundage payments and payments for interport mail), or over \$1,000,000 a year. Therefore without this chunk of subvention the two ships would have lost Oceanic some \$3,900,000 in all, or around \$787,000 a year, since they first stood down for Sydney.

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Or take the curious history of American Export Lines. In 1920, still according to *Our Ships*:

At that time the Shipping Board . . . had started a highly unsatisfactory experiment of assigning its excess ships to private operators and paying them to maintain various services. Export Steamship, with seven vessels, C. D. Mallory & Co., with eight, and A. H. Bull & Co., with six, were all going to various parts of the Mediterranean and the Black Sea, and all losing money for the government. Their combined losses amounted to \$1,572,000 in the fiscal year ending June 30, 1923, and to somewhat more in the following year.

The Shipping Board tried consolidating the services and gave the contract to Export, which promptly lost \$750,000—better, but hardly brilliant. In 1925 the government offered to sell these ships, built at a cost of \$29,000,000 and having at that time a market value of \$3,582,000—and Export's president, one Henry Herbermann, picked them up for \$1,062,000. Though the company showed steady deficits on the books, Herbermann "paid himself lavish salaries and expenses." With the Jones-White Act of 1928, Export got a mail-subsidy guarantee of \$2.50 per nautical mile. In 1929, a total subsidy of over \$1,000,000 miraculously converted its half-million-dollar operating loss into a cozy profit of \$587,000. Export then proceeded to expand, planning the construction of four sixteen-knot modern freight-passenger ships.

The total cost of the Four Aces [*Exeter, Excambion, Excalibur* and *Exochorda*], as Export began to call them, was \$9,442,000, and to pay for them the company borrowed \$6,900,000 from the Shipping Board, which thereby acquired a first mortgage on the line. The remaining \$2,500,000 was to be paid by the line itself. The government loan . . . with interest varying from three-eighths of 1 per cent to 1.5 per cent . . . was to be paid back over a twenty-year period. Still outstanding in 1929 was more than \$500,000, which Export owed the Shipping Board for the purchase of its eighteen original ships. . . .

The four ships rated as Class 4, received \$6 per mile for mail, and in 1931 they brought the line a subsidy of \$1,620,000. But the world crisis caught the firm: by 1931 Herbermann had defaulted in construction payments; the N.Y. Ship, the Philadelphia National Bank and the Central Hanover Bank and Trust Co. of New York moved in as second mortgagees. By 1939 the Black Committee moved in too, and revelations commenced:

Was it true, [Senator Black] wanted to know, that Mr. Herbermann had in 1924 paid out of his company's funds a \$510 tallor bill for his good friend T. V. O'Connor, former Chairman of the Shipping Board? Had he not in the same year given twenty-four head of blooded cattle worth \$4,000 in all to one A. W. Pattiani of Pope

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Valley, California, Mr. Pattiani being the father-in-law of H. D. Gatewood, then head of the Shipping Board's Maintenance and Repairs Division? Could Mr. Herbermann justify or explain his expense accounts, which were studded with such items as "meals, \$75 per day; waiters, \$100; entertainment, \$120"?

It was an uncomfortable time, and when it was over Herbermann had been thoroughly smeared with allegations of extravagance, mismanagement of the company, and shady dealings with the Shipping Board. There was the matter of the questionable advancing by the Board of \$457,000 for insurance premiums on Export Ships; the payment of mail subsidy on vessels that Herbermann had merely chartered for use in the Black Sea trade; the singular history of the *Storm King*, a freighter that had been wrecked on the treacherous north coast of Africa during her first voyage under Export ownership and had been declared a total loss. The full amount of the \$200,000 insurance (less \$2,000 broker's fee) was collected, and Export replaced the *Storm King* with another cheap ship, the *Hal' Moon*. When both ships had been paid for in full a balance of \$55,000 remained out of the insurance, and this the Shipping Board had permitted Export to keep. . . . And so on.

But nothing that the committee unearthed was so damaging to Export as the fact that in spite of mail payments amounting to over \$8,000,000 between 1928 and the middle of 1934, the line was \$747,000 in arrears on its government-loan installments. Unhappily this amount was almost precisely what Mr. Herbermann had drawn in salaries and expenses during the same period. In addition, he had collected \$86,000 in dividends and had personally borrowed from the company over \$200,000. . . .

Far from going to jail, Herbermann turned over his stock to the second-mortgageholders to settle his debts, resigned the presidency and—became a vice-president at a salary of \$15,000 a year. Lehman Brothers took over, and the merry dance of the millions went on. In 1936 Export lost \$836,000 in operations; received \$1,479,000 subsidy from the government; and thus had a profit of \$643,000 (plus a non-recurring profit of \$227,000 from the sale of ships), or 32% on its \$2,000,000 invested capital as of the end of 1936. Breaking the figures down to average voyages, *Our Ships* wryly comments:

In 1935-36, the average ship on an average voyage lost \$9,765. Through the courtesy of the U.S. taxpayers, of course, American Export was able to show sizable profits . . . the \$2.50 per mile east-bound rate for Hog Islanders and \$6 for the Aces that the Post Office paid meant an allowance in the past two years of \$19,882 on an average Export voyage, and turned the vessel's actual loss of \$9,765 into a gift-horse profit of \$10,117.

To show that American Export is no exception, let us examine the Gulf firm of Lykes Brothers, owners and operators of numerous shipping subsidiaries, of which the more important are Lykes Bros.

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Ripley Steamship Co., the Tampa Intercoastal Steamship Company, the Dixie Steamship Co., the American Gulf Orient and the Southern States. The big expansion of Lykes came with the 1928 Merchant Marine Act. It is to be noted, however, that all its expansion has been in unprofitable lines rendered profitable by government subsidies. Take the Gulf Orient Line, for example: without the government subsidy, Lykes would have lost \$60 per voyage day on the average. For the Dixie Mediterranean Line the figure would have been \$118. This firm has also caught the interest of *Fortune's* editors, who write very frankly about it:

But . . . Lykes has done very handsomely indeed. As a matter of fact, the parent company has never lost money for a single year since it was founded. And the steamship side of the company has built up its original capital of \$700,000 into an existing net worth of around \$5,000,000, after disbursing in the neighborhood of \$2,000,000 in dividends. Total assets for the shipping company as of June 30, 1936, came to \$10,950,000. Cash on hand was \$1,750,000, etc.

This brilliant position is based entirely on one factor—the \$11,300,000 that Lykes had received in mail pay up to that time. (Through December 31, 1936, it received \$12,900,000.) Indeed, mail pay converted what would have been a voyage operations loss of \$3,955,000 or a net loss (counting administrative and other expenses) of \$7,083,000 into a net profit of \$4,204,000. . . .

The government's charitableness, judging by the Postmaster General's report, is scarcely so marked as Lykes's intemperate willingness to take alms. Consider first the case . . . of Foreign Ocean Mail Route No. 23. . . . When the Post Office took a look, it discovered that between 1928 and the middle of 1934, Lykes, for carrying mail that would have given it around \$2,000 on a poundage basis, received well over \$2,000,000. During all this period there were faster mail deliveries than Lykes's to the ports in question. Further, there was almost no mail carried except what Lykes itself had addressed.

It would thus appear that Lykes was getting some \$2,000,000 a year for hauling its office mail to its foreign agents. But there is more:

All this may be called the government's munificence towards Lykes. But Lykes didn't simply show a modest gratitude for what it got; it went out of its way to get more. Rate of mail pay is based on a ship's tonnage and rate of speed. On Route No. 23 Lykes had a Class 6 ship, the *Mashico*, of some 3,500 gross tons and a speed of ten and one-half knots. Lykes spent \$143,000 reconditioning her, named her the *Margaret Lykes*, claimed she could now make thirteen and a half knots, asked the government to promote her to Class 5, paying \$1.50 per sea mile more. This the government did, waiving the inadequate tonnage because speed was said to be "essentially important" on the route. Between 1929 and 1934 she received \$460,000 as a Class 5 vessel where she would have received \$290,000

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as a Class 6. But the government, questioning her speed, ordered a trial run over a measured mile, and the *Margaret Lykes* did not make the grade. In fact, the Postmaster General's report concluded that the *Margaret Lykes* appeared to belong, not merely in Class 6, but in Class 7 (see p. 11).

Now consider the case where Lykes stood in most need of help. Between April, 1933, and April, 1936, Lykes-Bros.-Ripley, holder of Foreign Ocean Mail Contract Route No. 57, sustained, on its voyage operations, a loss of \$3,682,000. Of the four services enjoying mail pay under this contract, two heavy losers were the two Dixie lines, which Lykes took over when the contract was obtained. That these lines were bound to lose money—a lot of money—was obvious. Lykes could have no possible interest in such dead cats by themselves. But certainly Lykes might be interested if along with the dead cats came a guaranteed artificial respirator from Washington.

Here, then, was an instance, not of Lykes trying to stay in business with the help of mail pay, but of Lykes going into business mainly for the sake of it.

But enough. It must be stressed, however, that the foregoing examples are not exceptional, but typical. While the government helped the shipowners provoke and smash the 1921 strike, to establish an open shop and hold it, while wages were driven lower and lower and the two-watch system reintroduced, that same government with its other hand was ladling out gravy to the shipowners in a rich steaming flood. While repression and want stalked the waterfront, graft and collusion were rampant between the government and shipowners, as was clearly revealed when the whole nauseous mess was finally aired by the Black Committee.

But the graft, rich as it was, is only a side-issue to the main point. Graft can be periodically and momentarily cleaned up (though, under capitalism, it cannot fail to break out again). But what is basically wrong in the situation just exposed continues to exist. What is historically significant in all this mess is the increasingly parasitical and essentially meaningless role of the shipowners themselves. For the billions which the government rained into the apparently bottomless pit of the maritime industry, and which went pouring off into the pockets of Bethlehem Shipbuilding, ship-"owners," operators and the accompanying grafters, it could have built itself an efficient fleet.

Whenever there is an argument about capitalism, one of the main arguments of the capitalists is that they risk their precious capital in new adventurous construction on which they can only gradually recoup, and thus deserve a profit. Quite apart from the general falsity of this argument, it is particularly noteworthy that in the post-war

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shipping industry it doesn't even *apply*. For the few millions (often only "paper" of dubious value) which private capital put in, the government poured in *billions* drawn from the general wealth of the nation. But it was the private operators who drew the profits, based, not on their own relatively small investment, but on those government billions. The figures for the period just prior to 1937, as collated in *Our Ships*, reveal the whole swindle: the equity of private capital in the U.S. merchant marine was a mere \$125,000,000; yet their gross was \$200,000,000.

What happened was that, instead of building and running an efficient merchant marine itself, the government first turned its war-built fleet over to the buccaneering private operators for a song, then poured in at one end subsidies that, offsetting operating losses, came out the other end as private profits. In sum, the government forced an industry that cried out for expropriation back into the morass of private ownership. That was not merely bad judgment, or party politics, or a mistaken policy, or anything accidental or temporary: *that flowed automatically from the nature of the capitalist state as the guarantor of private ownership of the means of production.*

1: 1935 to Pearl Harbor: Government Rationalization

THE ROOSEVELT administration had tried to bolster U.S. capitalism internally by the New Deal "pump-priming" measures. But no extemporizing with price-fixing, limitation of production, and public works, on the home front, could offset the decline of capitalism toward collapse on a world scale. U.S. capitalism under Roosevelt by 1935 had to give careful consideration to the reorganization of its foreign markets.

Though agricultural production was restricted by government pressure and subsidization (AAA) to conform more nearly with the home market's depression limits, this did not help idle Wall Street capital or surplus industrial production to find foreign markets. These markets the government undertook to organize just as it had tried to organize and expand the consumer market at home.

Knowing that for imperialist expansion a merchant marine is an absolute essential, the government carefully studied the maritime industry, and worked out a program that finally rationalized all its previous gropings. Its legal formulation was the

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1936 Merchant Marine Act. The new and definitive program recognized two fundamental facts: 1) organization of foreign markets, in this epoch of sharpened imperialist competition, demands peace-time mercantile supremacy; 2) economic competition inevitably leads to military operations. Hence U.S. imperialism planned a merchant fleet to carry its foreign commerce in peace time, and to serve as an auxiliary to the Navy in war.

The old system of mail subsidies was in its nature hypocritical and had become so graft-riddled that a more forthright approach was obviously necessary. The new program frankly provided for direct subsidies. This was neither a reversal of the old policy, nor its simple continuation: it was its final rationalization. The government had finally thought the problem through and taken the appropriate measures.

Though the mail-subsidy system had relieved shipowners of all financial risk, it had failed to build a merchant fleet. After pouring millions into the industry for 15 years. U.S. imperialism found itself with a third-rate merchant marine. The anarchy of "private enterprise" had dissipated the public funds. The new program introduced government "planning." Thus, having previously relieved private operators of financial risk, the government now took the next step: to relieve them of the responsibility of organizing the industry. One important item, however, it was careful to leave in private hands—profit. Thus, though the 1936 Act introduced important changes in government financing of maritime and increased government control over it, these changes in method only served to accentuate the increasingly parasitical role of private capital in the industry.

PRIOR TO 1935 there was a developing interest shown by various government agencies in the maritime industry. As we shall see in a later chapter, this interest was stimulated somewhat by the great Pacific Coast maritime strike of 1934. The Nye Committee and the Black Committee proved that the old mail subsidies represented a colossal waste of public funds. These congressional investigations indicated that some sections of the employing class were beginning to recognize the need for a well-planned merchant service, and were dissatisfied with the results of government expenditures.

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In a letter to Judge Bland, Chairman of the Committee on Merchant Marine and Fisheries, the Secretary of Commerce on March 13, 1934, set forth the following recommendations made by the Shipping Board Bureau:

- 1) The present system of linking subsidies with the carrying of mail should be abandoned, and in its place specific subsidies granted for the maintenance of essential services should be given. Such subsidies should be extended to lines in the protected trade.
- 2) Subsidies contracts should be based on the differentials in building and operating costs, should be sufficiently flexible to permit their equitable readjustment as changes in conditions occur, and should provide for necessary replacement.
- 3) Subsidies should be divided into four classifications: (a) construction differential subsidy; (b) operating differential subsidy; (c) trade penetration subsidy; (d) other conditions bearing on the issue, such as foreign subsidies, etc.
- 4) Money for subsidies should be appropriated from General Treasury fund, and not, as at present, provided indirectly through some other Department of the Government.
- 5) Subsidies should *not* be granted to more than one (1) line competing in the same trade route without the business volume justifying it.
- 6) The preceding proposals contemplate uniform cost information at all times available to the Government and regulatory power over subsidized lines and construction companies.
- 7) Subsidies to be recommended through a joint committee of experts, representing Government departments, having a direct interest in the development of the merchant marine.

This letter indicates the general nature of the program which at that time was being considered. So far as the government attitude toward the shipowners is here defined, it anticipates in all essential respects the Copeland Bill, now on the statute books as the Merchant Marine Act of 1936, the key recommendation and main policy change being provision for direct subsidies. This Act, the legislative basis of all subsequent developments, deserves—and will receive—long and careful treatment.

On March 4, 1935, President Roosevelt gave his executive encouragement. According to the *New York Times* report, he recommended direct subsidies instead of the then operative mail contracts to avoid such abuses as:

the improper operating of subsidiary companies, the payment of excessive salaries, the engaging in business not directly part of shipping and other abuses which would have made for poor management, improper use of profits and scattered effort.

By the time Senator Copeland introduced H.R. 8555, smooth spade-work had already assured its speedy passage. The whole plan,

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as it developed, showed itself to be an integral part of the government's general war program. In working it out, the Roosevelt administration drew heavily on U.S. capitalism's World War I experiences in this field. It also borrowed many ideas from the British, but these had rather to do with the question of "discipline," with which we shall deal later.

The 1936 Merchant Marine Act called for the building of a merchant fleet second to none in the world, and for a trained and disciplined personnel to man it. The Maritime Commission was established to do the job.

The Maritime Commission stems directly from the old United States Shipping Board, crossed with the British strain to temper it. Everything the Commission has done during the past five years testifies to its heritage. It is the granddaddy of all other present-day government agencies dealing with shipping, and casts its shadow over all the activities of the various boards it creates. Such agencies as the War Shipping Administration and the Maritime War Emergency Board are creatures of the Maritime Commission. They were set up to handle specific problems in the industry, and to juggle these problems back and forth when they become too hot.

In planning its tasks the Commission took into consideration all aspects of the industry and attempted to correlate these with the needs of American industry as a whole. The government realized even then that its most urgent need was a war machine. The fleet that the Maritime Commission was instructed to build was designed for the coming war. Its task was thus described in the Merchant Marine Act of 1936:

the creation of an adequate and well balanced merchant fleet . . . to provide shipping services on all routes essential for maintaining the flow of foreign commerce of the United States, the vessels to be so designed as to be readily and quickly convertible into transport and supply vessels in a time of national emergency. In planning the development of such a fleet the Commission is directed to cooperate closely with the Navy Department as to national defense needs and the possible speedy adaptation of the merchant fleet to the national defense requirements.

This meant regimentation of the entire industry from top to bottom. It was essentially an extension of the government's 1918 war-time program.

The Maritime Commission drew a balance sheet of the industry after 15 years of "private management" in order to clear the ground for the job ahead of it. It found the merchant fleet in so deplorable a condition that its first assignment was obviously the

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construction of a new fleet. Few new ships had been built since the days of World War I. The old ships were slow, incapable of more than ten or twelve knots. They had passed the twelve-year mark, many of them, and were ready for the scrap heap. How far the deterioration had gone was not recognized until the Commission made its survey. It learned that:

while ranking third among maritime nations of the world in the point of number of ships in aggregate tonnage, the U.S. now stands fifth in the matter of ships ten years of age and under, it being outranked by Great Britain, Germany, Japan, France and Italy. It is in an equally unfavorable position with respect to the speed of the vessels in its merchant marine.*

Joseph P. Kennedy, first chairman of the Maritime Commission, reporting to a meeting of ship operators at a National Maritime Day celebration on the 15th anniversary of the Propeller Club, May 21, 1937, gave the following round-up of the development of the industry as of that date:

In 1928, Congress finally decided that only through a comprehensive plan of subsidies could the job be done. Aid was extended through the mail contracts. The government contracted to pay out over thirty million dollars per annum to shipowners in this way. Upon the announcement of its program, shipowners and their lawyers scurried to share the "Treasury's largesse." But once again the program as a whole was a failure. Despite large grants and liberal loans, relatively few ships were constructed to replace our aging fleet.

There is no value in arguing how far American shipping operators were to blame. Certainly the world wide economic collapse had a lot to do with it. And I agree that the sins of the few should not be saddled upon a whole industry. Nevertheless, public confidence in the shipping business was justifiably shaken as testimony before the Senate Investigating Committee revealed improper salaries, "milking" devices, and other abuses which showed that "subsidies" had been abused.

... As the President recommended, the new act under which the Maritime Commission is functioning, abolishes the subterfuge of mail contracts. In its place, the government is to pay two kinds of direct subsidies. One is the payment to the shipowners of the difference between American and foreign operating costs. The other is payment to the shipbuilders of the difference between the American and foreign costs of construction. The keynote this time is competitive equality, not favoritism. . . .

... For the third time Congress has rejected government ownership as a way of securing an appropriate merchant marine. Perhaps it wouldn't be untimely to suggest that in view of such

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an intense purpose to have an adequate merchant marine, the failure of private enterprise *this time* may bring about a different method of achieving the goal. If the government has to pull the whole load again, the people may want to own the tow as well as the tug.

This was a warning to the "private operators" that a scandal at that time would have disrupted the whole program of further subsidies for private management. Seamen acquainted with the fact might demand workers' management of the industry. One thing is certain: whatever shipowners' stooges may allege against workers' management, it *could* not have been less efficient than the management of the past period had been; indeed any active seaman knows that it would have been infinitely more efficient.

In February 1940, William L. Standard, attorney for the National Maritime Union, wrote a little pamphlet called *The Coming Subsidy Scandal*. Hastily prepared, the pamphlet contains little factual information, but in it Standard revealed that the Maritime Commission had much more information about the industry than it ever made public. Joseph P. Kennedy made an economic report to Congress in November 1937. Standard claims:

Shortly after his [Kennedy's] report was submitted to Congress, it came to my attention that Dr. Theodore J. Kreps, associate professor of business economics at Stanford University, in his economic study of the American shipping industry, offered as his opinion that every American shipping company investigated by him was insolvent as of that day, with the exception of the United Fruit fleet and some of the Grace properties. The importance of this report immediately becomes apparent, because if it is a fact that in 1937 the prospective applicants for direct subsidies were insolvent, why subsidize a privately-owned and privately operated fleet? (*Pilot*, Feb. 9, 1940.)

The Maritime Commission suppressed the Kreps report, utilizing some of the facts it contained for making subsidy adjustments with some of the shipping outfits, but drawing exactly opposite conclusions from those implicit in the report.

Far from refusing to subsidize insolvent companies, the government launched its new shipbuilding program by pouring funds into the hands of the mismanagers of the industry. Testifying before the House Appropriations Committee in August 1937, Kennedy revealed that contracts for construction of 95 new ships had been let. The shipping companies contracting for the new ships with the prospect of operating them after they were built were required to pay

25% of the American costs (exclusive of national defense features).
... The remaining 75% is paid by the government to the ship-

*Maritime Commission press release of January 18, 1937; see also Press Release No. 60 of May 11, 1937.

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builder, the applicant obliging itself to repay with interest the foreign cost of the vessel less the down payment within twenty years. The only part of the construction costs of these ships if the government doesn't recover, therefore, is the difference, if any, between the foreign and the actual American cost.

Asked whether the government enterprise in shipping would discourage private ownership, Kennedy hastened to point out very clearly that the Commission

... seeks to advance private ownership. In effect we say, "We will give you a subsidy for six months, at the end of six months we will be in a position to judge whether you, the operator, can qualify under the statute for a permanent subsidy." In some instances this raises the question whether the operator can raise new capital required for qualification.

Thus with touching confidence in the promoters who in the immediately preceding period had carefully nursed their own swollen salaries and profits but had put the industry on the rocks, the government now pegged its new program to the "honest dealing" of these leeches. All that Kennedy is here doing is restating certain formal provisions of the 1936 Merchant Marine Act; he is explaining to the Appropriations Committee how the shipbuilding program was *supposed* to be conducted. Now we shall see how in fact it *was* conducted. It is a long and dirty exhibition, which would be tedious were it not so incredible. It is, in one sense, the same spectacle of greed and gravity; but it is now a modern-tempo greed, a "vitamin-enriched" gravity—grafting has become positively aerodynamic.

The Maritime Commission itself swung into its work under very dubious auspices. Joseph P. Kennedy was himself a stockholder in Todd Shipbuilding Corporation as well as a big-time Wall Street speculator. The Merchant Marine Act forbids an owner in the industry to be in any way connected with the National Maritime Commission. But Roosevelt simply disregarded the provisions of the law and pushed Kennedy into the Commission chairmanship.

One of the first things Kennedy did was boost the ante for ship-construction subsidies from one-third to one-half. In a press release, August 30, 1937, this was explained as follows:

Under the Merchant Marine Act, the Maritime Commission may subsidize the cost of vessels for operation in foreign trade by paying the difference between the domestic and foreign cost of construction, providing the subsidy does not exceed 33½%, or in special cases, 50%, of the domestic cost of the ship. In building a ship under this subsidy plan, the commission handles the whole transaction and pays the shipbuilder direct for the vessel.

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[Our emphasis.] The shipowner is required to make a payment of 25% of the down cost through the Commission during the course of the construction of the vessel, and upon its completion to repay the balance of the purchase price in regular installments spread over a period of twenty years with interest of 3½%. Kennedy was making sure his shipbuilding interests did not suffer as a result of the well-known shipowner duplicity in financial commitments. The Maritime Commission itself guaranteed full payment to the builder.

Construction subsidies were only the beginning. The government also guaranteed profitable operation of the new ships. On termination of the old ocean mail contracts, June 30, 1937, Kennedy announced the Commission's program for granting operating-differential subsidies which were a substitute for them. He explained that:

An eligible American ship operator of an essential service in the foreign commerce of the U.S. may be paid an amount not to exceed the excess of the fair and reasonable cost of certain items of expense in which the ship operator is at a substantial disadvantage with foreign flag ships. In the main, these disadvantages are a consequence of the higher operating costs of American flag ships necessitated by the higher American wage and standard of living.

It did not take Kennedy long to forget about the "improper salaries," "milking" devices, and other shenanigans which showed that the "subsidies" had been "abused." But Kennedy's reference here to "the higher American wage and standard of living" was purely for popular consumption. Note that when he had been talking more or less privately to the shipping fraternity before the Propeller Club (pp. 32-33), this was not mentioned. Seamen will do well to remember that these people always reserve a more candid tone for conversations among themselves.

The operating differentials were based not only upon a comparison between American and foreign costs in the matter of wages and subsistence, but also such items as insurance rates and maintenance and repair costs.

But how little of government subsidy differentials were actually based upon wages and maintenance of crew under the much-touted "American standard of living" became clear when the Commission adjusted the old mail contracts. This involved 32 companies operating 43 routes. Many of them duplicated one another. In some instances—as we have seen—they gave such poor service that actually no mail except their own office communications was carried by these subsidized ships. Yet these operators made claims of \$52,000,

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000 for balance of payments had the contracts been continued until their expiration dates. They also wanted \$21,000,000 for damages arising from reduction in mail pay, reclassification of vessels, substitution of ships, construction and reconstruction of ships, and other minor items. Thus these people, sensing the advent of a new gravy train, wanted the government to give them an advance hand-out in the amount of about \$73,000,000. And this came right after Kennedy's tip to them to take it easy, the industry would not stand a scandal at that time. Nevertheless, the financial report of the Maritime Commission for the period October 26, 1936 to October 31, 1937, shows that it paid the operators \$25,456,360.83. This figure does not include any shipbuilding subsidies: that is merely what it took during that one-year period, under the methods of private management, just to keep the old junk afloat.

When the Commission prepared its first annual report in 1937 it began to check up on its assets. After pouring millions into the industry the government ought, by that time, to have had a sizable stake in it. But all the assets it could find were 278 over-age ships, most of them in the laid-up fleet. It found that the government also held title to a few terminals. But besides this the Maritime Commission discovered that some of its principal assets "are the construction-loan notes and ship-sold notes." In other words, the ship operators had built and bought ships at government expense, simply giving their notes for payment. For money paid out under the Merchant Marine Act of 1928 there was a "small" amount given to the operators, and still outstanding: \$76,293,147.48. And this is only the part that the government expected to collect: most of the money given away was in the form of outright grant. But when the ship-"owners" get in a hole and can't make up the difference which they are supposed to pay as their share, the government "lends" this to them. The 76 million just represents these "loans." Sometimes the ship-"owners" become indebted to the government in another manner. They "buy" ships—with notes. As of October 1, 1937, the Maritime Commission had a bale of these notes representing \$10,985,075.87.

So completely mismanaged was the industry under the old mail subsidies that many companies who had received money upon promise to meet speed standards, maintain schedules and undertake construction of new ships, had simply ignored the terms of their contracts with the government. All they did was take in the shekels. The irregularities and open violations of contract were so flagrant that the Commission charged that some of the companies owed

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money to the government and should be making payments instead of demanding adjustment compensation. Actually this was true of every company that operated under benefit of mail subsidy. But some were outstanding, among them the American-Diamond Line, Export Steamship Co., and Lykes Brothers-Ripley. The curious coincidence here is that although these companies were made to refund money to the Maritime Commission for failure to fulfil former contracts, the Commission turned around and gave them more money under the new plan of direct subsidies in the form of an operating subsidy than they were forced to refund. Thus, American-Diamond refunded to the government \$70,367.59 and received an operating subsidy of \$179,763; Export returned \$113,000 and was given \$166,000; Lykes had to give back \$325,000 and took \$914,910. It sounds like a game of "put and take"—with the shipowners getting the "take." After having proved that these three companies had swindled the government, the Maritime Commission actually gave them the tidy little sum of \$922,310.11 to stay in business. This is typical of the entire industry, and demonstrates how much the Maritime Commission's new program has altered the old state of affairs. The only difference here is that 900-odd thousand represents a slight reduction from the old gravy-boat days of mail subsidies. The government was beginning to exercise a little more control, cut out some of the "irregularities," but management was left in the hands of the ship-"owners."

If the operators were good boys for a while the Maritime Commission promised better days to come. When it submitted its 1937 report it estimated the operating differential subsidies it would give out for the coming year, 1938, as follows: Grace—\$1,083,000; Lykes-Ripley—\$2,290,000; New York and Cuban Mail Steamship Co.—\$393,000; Oceanic (Matson Co.)—\$650,000; South Atlantic—\$266,000; Mississippi—\$106,000; U.S. Lines—\$2,266,000. This was pretty good bait: \$7,359,000 just for the operation of old ships during one year. But the shipbuilding program promised much more, especially when it is considered in the light of increase in the companies' capital equipment at almost no cost to themselves. Let us now look into some cases of new-ship construction.

During the first year of the Maritime Commission's existence it contracted with Standard Oil of New Jersey to build twelve new high-speed tankers capable of 16½ knots. These represented equipment needed by Standard for transportation of its own products. The Commission assumed 28% of the construction cost of these ships: an outright grant, given under the pretext of the ships'

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"national defense features." This is the final realization of the scheme which Lasker, when he was head of the U.S. Shipping Board in its most corrupt days, failed to put over (see p. 20). Cost to the government of these twelve Standard Oil tankers stood at \$10,563,000.

One of the highly publicized projects undertaken by the Maritime Commission was the construction of a new luxury liner, finally named the *America*. As we learn from Kennedy's 1937 report, this had been mulled over for a long time:

The replacement of the *Leviathan* has been the subject for discussion and negotiation for several years. One of the provisions in the agreement of March 18, 1935, whereby the U.S. Lines Co. was permitted to lay up the *Leviathan* provided that a firm bid for construction of its successor should be made within six months. On different occasions bids were obtained for the construction of a vessel of the *Washington-Manhattan* class. As no firm contract for construction was submitted, the time for fulfillment of the U.S. Lines Co. construction agreement was repeatedly postponed until passage of the Merchant Marine Act of 1936 prohibited all new construction loans. In the Spring of this year the design for a vessel similar to the steamships *Washington* and *Manhattan* was perfected by the technical staff of the Commission (with full cooperation of the Navy and private interests) and on August 1, an invitation for bids was issued. Bids were received from Newport News Shipbuilding and Dry Dock Co., in the amount of \$15,750,000 on an adjusted price basis; that is, the invitation provided for the adjustment of the final price on the basis of any changes in material and labor costs during the construction period, but in no event more than 14%. The contract for the construction of this vessel, which was signed on October 21, 1937, calls for its completion within 852 days. This new liner is expected to enter the transatlantic service in 1940 and will cost the U.S. Lines Co. \$10,500,000 which is the Commission estimate of the foreign construction cost of this vessel.

Now the U.S. Lines is owned by International Mercantile Marine, a holding company. IMM is truly international. As of December 21, 1941, all voting power in this holding company was owned by the following subsidiaries: International Mercantile Marine Co., Ltd. (Canada); Roosevelt Steamship Co., now inactive (U.S.); Atlantic Transportation Co., Ltd. (Great Britain); Societe Anonyme de Navigation Belge-Americaine, now in liquidation (Belgium); U.S. Lines Co. (U.S.); U.S. Lines Operations, Inc. (U.S.); Rosskai G.m.b.H. (Germany); North Atlantic Transport Co., Inc. (Panama); No. 1 Broadway Corporation (U.S.); Baltimore Mail Steamship Corporation, in liquidation (U.S.); Panama-Pacific Lines, operated by U.S.

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Lines. This one company alone demonstrates the international character of capital.

Through U.S. Lines the IMM has been doing business with the American government for as many years as there has been an abundance of government gravy for the shipping industry. Its representatives know their way about Washington. From Kennedy's report it appears as if the U.S. Lines paid ten and a half million dollars for the *America*. Nothing of the sort!

The *America* was finally delivered to U.S. Lines in July 1940. Its total construction cost was approximately \$17,000,000. Of this amount U.S. Lines paid 25%. The remaining 75% was paid by the Maritime Commission. \$5,667,000 was given outright in the form of a construction-differential. Another \$7,083,000 paid by the Maritime Commission was guaranteed by U.S. Lines notes to be paid back over a twenty-year period. Thus it would appear that into the construction of the *America* the Maritime Commission put over five and a half million, U.S. Lines another four million, and the balance of the seven and a half million was loaned by the Maritime Commission to U.S. Lines to make up the difference. This too is deceptive.

Under the golden rain of the Maritime Commission subsidies, U.S. Lines has annually sprouted a profit in excess of 10% return on its capital investment, each season since 1938. In figuring the capital investment here, it is always taken as the figure originally invested plus the proportion of the company's capital operations, in the case of the *America*, four million plus. . . . But besides the original construction subsidy, the Maritime Commission continues to pour funds into the company through the operating-differential scheme. So much came through this sluice-box that in June 1941 the company voluntarily agreed to a reduction in subsidy rates to a comparatively normal figure. What is considered a "comparatively normal figure" is indicated by the fact that for that year it reported \$2,313,510 received from the Maritime Commission.

The *America* was not the only new ship constructed under contract to U.S. Lines. The ship construction program of the government gave U.S. Lines a fleet of ships consisting of—apart from the *Manhattan*, *Washington* and *America* of the big passenger liner class—four of the Commission's C3 type; fourteen C2's; and five C1 freighters.

Old ships operated by the company before the government began building new ones were disposed of at a handsome price in the early days of World War II. From ships sold alone the company showed a profit at the close of 1940 (*exclusive* of \$406,973 deferred)

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of \$3,170,300. Nearly a million more was collected from insurance indemnities on chartered vessels lost at sea.

This was during the period of the Neutrality Act when American vessels were legally forbidden to sail in the war zone. It was a simple matter for such an outfit as the IMM to shift its vessels from one flag to another. But not so easy for the companies holding title to the ships to get reasonable insurance rates. The Maritime Commission fixed that up. Section 10 of the Merchant Marine Act of 1920 authorizes the Maritime Commission, as successor to the old U.S. Shipping Board, to insure any vessel to which the U.S. has claim. Many of the ships had been turned over to private operators for a song by the old Shipping Board and the government no longer held any legal claim on them. But the Maritime Commission explained in its 1940 report to Congress how such small matters are circumvented:

Passage of the Neutrality Act in November 1939 eliminated the necessity of sufficient war risk insurance on American vessels proceeding to Europe and the United Kingdom but the Commission was faced with the problem of providing protection on passenger vessels which made several voyages for the purpose of repatriating American citizens. The operators of such vessels were unwilling to maintain European sailings without war risk protection, and as commercial rates were deemed excessive, the Commission determined that the interest of the U.S. in those vessels engaged in repatriation as a service to the national government equaled the full commercial value of the vessels. War risk insurance was provided by it at a rate below the commercial rate for the voyages necessary to bring thousands of Americans then in Europe back to the United States.

Whether these cut-rates were given to freighters transferred to foreign flags, is not specifically indicated in the annual report of the U.S. Lines Co., but the report shows an income from insurance indemnities during the year of \$902,706. This represents money collected on ships lost at sea. No ships carrying refugees from Europe were sunk during that period.

During especially fat years these shipping companies are permitted to lay aside certain funds which ordinarily would go back to the government. Not content with underwriting the cost of building ships, underwriting operating losses, and guaranteeing profits, the law also exempts these shipping companies from income-tax payments. Moody's Index reports that U.S. Lines made no provision for income tax for the year 1941, although it showed an earned surplus of \$4,813,462 for that year:

... preliminary computation indicates no tax liability. As provided

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in the Merchant Marine Act of 1936, U.S. Lines claimed reductions for Federal income taxes for prior years, the estimated amount deposited as required to be deposited in the capital and special reserve funds which were established pursuant to provisions of said Act.

In other words, if the company makes a little too much one year it is permitted and encouraged to put an amount aside for less lush times. Meanwhile the Maritime Commission continues paying operating-differential subsidies.

There were worse companies than the U.S. Lines. In the days of the old Shipping Board it had at least made some pretense of keeping a fleet together. To be sure, this was done at government expense. But there were other previous companies that operated at government expense too. And as we saw in the previous chapter, government money was drained off into subsidiary companies, high salaries and bonuses. One of the most flagrant outfits in this respect was the old Dollar Line. The Robert Dollar Co. represents the investments of the Dollar family. It pays dividends. But the Dollar Steamship Lines, Inc., Ltd. was always tottering on the brink of bankruptcy. Senate investigations proved that it was nothing but a net for catching government mail subsidies. Despite the vast amounts of money given to this company, its indebtedness grew until private capital was in danger of losing investments in worthless mortgages against the company. The Dollar interests had guaranteed these mortgages against the fleet, but it would be asking too much to expect any of the other Dollar companies to stand the losses of the Dollar Steamship Lines. The Maritime Commission stepped into the breach.

On August 19, 1938, an agreement was signed between the U.S. Maritime Commission and certain financial interests which gave the Commission 90% of the voting stock in the decrepit Dollar Steamship Co. In this manner R. Stanley Dollar and certain of the Dollar companies along with the Anglo-California National Bank got out from under their obligations. According to the agreement with the Maritime Commission, Dollar was released from liability under various guarantees that had previously been given upon [interest] rates received by ship mortgages upon the fleet. These matters were straightened out by the Maritime Commission very simply: the name of the company was changed to "American President Lines"; 90% of the voting stock in the new company was held by the Commission; management of the company was left to private operators; and the Commission came out with mortgages against the former Dollar fleet in the amount of \$9,279,707. Even though it held

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some 9¼ million dollars worth of mortgages, the Commission found that these scraps of paper would not transport cargo and passengers in the round-the-world trade. Neither would the old Dollar fleet. The Commission had to advance \$2,000,000 for repair of the vessels, and the Reconstruction Finance Corporation put in another \$2,500,000 for working capital. But that was not all. Under the agreement the new company received a government operating-differential subsidy of approximately three million dollars a year.

Beneficiary of the agreement was the Anglo-California National Bank. This firm, which in 1938 was *heavily obligated* to the government for the indebtedness of the old Dollar Steamship Lines, had by December 31, 1941, become a *creditor* to the American President Lines to the extent of \$1,337,449.

During the life of the Maritime Commission it has been kind to all ship operators. According to the Commission's annual financial reports it distributed money, during the period July 1, 1937 to October 25, 1941, in excess of \$176,927,231.69. This figure represents only money disbursed for operating and construction differentials; it does not include what the Commission calls "managing agents' compensation"—in the amount of \$684,849.21, for example, for the period July 1, 1937 to June 30, 1938. This is what the Commission paid to the managing agents for running the government-owned fleet at a loss. For the next fiscal period, July 1, 1938 to June 30, 1939, the total cost to the Commission for operating its own ships through the services of such managing agents as Moore-McCormack, Inc., C. H. Sprague & Sons., Inc., and Pacific Northwest Oriental Lines, Inc., etc. was \$1,537,374.85. Only people handling public funds can continue to operate on the basis of a one and a half million dollar annual loss.

While the Maritime Commission was hiring private managers to operate government-owned ships to the tune of a one and a half million dollar annual expense account, it was also building and financing the operation of "privately owned" vessels at an average cost of approximately forty-five million dollars annually for the first four years. This is a rising average. More than twice this sum was spent in the single year July 1, 1940 to June 30, 1941. The construction-differential subsidies for this period were \$73,963,760; operating differentials, another \$13,056,134. Total government gift to "private owners" for this one year was \$87,019,894. After that the Maritime Commission prudently stopped issuing financial reports.

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Now for results. Compare the state of the U.S. merchant fleet of June 30, 1941 with that of 1937 when the Commission settled down to its rebuilding job. It had spent approximately 200 million dollars in those four years. In 1937 the U.S. merchant fleet consisted of 1,444 vessels totaling 8,461,000 gross tons. By June 30, 1941, the total tonnage of the merchant fleet had *decreased* to 6,841,561. The Maritime Commission gives a breakdown of this, showing types of ships, trade in which they were employed, and percentage "privately" owned.

U.S. Maritime Commission Figures—June 30, 1941

PRIVATELY OWNED	Comb. Pass. & Freight	Freighters	Tankers	Total
		In Gross Tons		
Nearby Foreign	105,028	400,505	391,130	896,603
Overseas Foreign	223,637	1,226,894	82,819	1,523,350
Coastwise	320,866	1,512,160	2,110,866	3,853,892
Laid up	22,035	20,585	8,573	51,193
GOVERNMENT OWNED				
Nearby Foreign	20,042			20,042
Overseas Foreign	61,411	304,675		366,086
Coastwise				
Gov't Service	21,329	11,807		33,136
Laid up		87,199		87,199
TOTAL AMERICAN FLEET				
	684,348	3,563,825	2,563,388	6,841,561

This table does not reveal the *state* of the merchant fleet. Actually it was much improved over the 1937 condition. Much of the old junk had been "scrapped"—sold at handsome prices to the British or other Allies, or transferred by American interests to foreign flags, and sunk by Nazi submarines. This accounts for the decline in tonnage. New ships had been built to replace some of the old ones. After a brief four years and at an expense of about 200 million dollars the Maritime Commission had managed to keep the old fleet running, weed out some of the worst junk, and launch nearly 100 new vessels. By the time another year had passed it had brought the total tonnage up to the 1937 figure, and some 22,000,000 gross tons of merchant vessels were under construction or contracted for. But this spurt was caused by the formal entry of U.S. into World War II. The cost has not yet been announced—nor is it very soon likely to be.

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With the exception of the *America*, the total construction cost of all ships launched under the Commission's building program up to June 30, 1941, ought not to have exceeded 100 million dollars. During World War I the Hog Island yard built 122 freighters at a total cost of 235 million dollars, at inflated war-time prices, and on rush order which created exorbitant waste. These ships were built entirely at government expense under the old U.S. Shipping Board, notorious for graft. But the Maritime Commission from 1937 to 1941 was contracting for ships under peace-time conditions. The new ships were supposed to be privately owned with the government granting a 25% construction differential of the cost. Yet this construction differential alone came to \$131,856,531.16. If this figure actually represents only one-quarter of the cost of all ships built during the four years, the total on less than 100 vessels would come to something over 527 million dollars. That is expensive ship-building—if the so-called "private" owners actually put in their three-quarters share of the construction cost.

For operating the merchant fleet the Commission spent in excess of \$17,276,969.69—this in the form of managing agents' expenses, subsidies, and operating losses to keep government and "privately owned" ships running. Where did these enormous sums of public money go? Perhaps if we take a look at the stockholders' dividends paid by some of the steamship companies, we shall begin to see.

Let us start with the American-Hawaiian Steamship Company which operates under peace-time conditions in the intercoastal trade. It had 33 ships under its house-flag, was protected from foreign competition by U.S. law, and carried cargo at profit-bearing rates set by the government's Interstate Commerce Commission. (With the outbreak of war in Europe in September 1939, it chartered most of its fleet for foreign runs.) As a result it shared in governmental operating subsidies and managing agents' fees. The extent to which it shared is reflected in the dividends paid to stockholders for the four-year period 1938-41 inclusive: 1938, \$433,800; 1939, \$650,700; 1940, \$1,566,350; 1941, \$2,177,000. This company alone had a "take" totalling \$4,787,850 for the four-year period. Note in particular how the steepness in rise of dividends parallels U.S. capitalism's preparations for and entry into the imperialist war, of which the government's 1936 maritime program was an integral part. Note also that these dividends—four and three-quarter millions tossed out to stockholders who have nothing to do with running the industry—are quite exclusive of salaries and bonuses paid

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to its board of directors and top administrators. The *New York Times* reports that, "after providing for 'depreciation' [a notorious racket], Federal income taxes, and \$700,000 for 'contingencies' [another, equally notorious], the consolidated net profit for last year was \$2,817,947." In a word, there was left for special inside slicing a little pie containing \$610,947.

Another example. The American Export Lines got in on the ground floor. In the early days of World War II its passenger ships were shuttling back and forth across the Atlantic repatriating U.S. citizens from Europe, packing them in like sardines on cots in public-rooms at rates higher than first-class fares on luxury liners. It is one of the Maritime Commission's favorites. Dividends paid stockholders indicate as much. In 1938, they got \$264,000; 1939, \$312,000; 1940, \$198,000; 1941, \$770,000—a total of \$1,844,687, with the rate of climb rising sharply, and rising in rough correspondence with Maritime Commission expenditures. From 1938 to 1941 Export's dividends per share of stock jumped from 55 cents to \$1.50 and in 1942, after the second quarter, seemed headed for \$3. This is apart from a 300% stock dividend in 1939.

The Matson Navigation Company shows a similar boom paralleling war preparations. From 1938 to 1941 dividends per share climbed solidly from \$1 to \$1.50 annually, with 1942 shaping up for \$1.80. Here is the record: 1938, \$1,659,950; 1939, \$2,157,389; 1940, \$1,986,424; 1941, \$2,176,921; 1942, for the first half-year only, \$1,485,000, or an estimated \$2,970,000 for all 1942. Tidy total for the coupon-clippers up to mid-1942, \$9,280,674. But the coupon-clippers are not the whole story. According to the *New York Times*, Matson's net profit was \$1,752,288, equal to \$2.16 each on 1,650,000 capital shares. But the actual dividend disbursement was \$1.50 a share, or, as noted above, \$2,476,921. Hence we may justifiably assume that in 1941, \$2,275,367 balance from the net was available for special bonuses to the big shots, and for those mysterious categories, "reserves," "special reserves," and similar not very publicized purposes.

Moore-McCormack Lines stockholders have had to be more patient: they had no dividends in 1939. But though the company owes promissory notes to the Maritime Commission in the amount of \$11,440,924, it was able to pay its preferred stockholders \$534,375 in 1940; and in 1941, after splitting its common shares 50 for 1, it paid \$500,000 in dividends to that common, besides \$270,000 to the preferred. Thus we see that even companies with creaky financial structures began to flourish under the beneficent appli-

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cation of Maritime Commission oil as the war boom picked up momentum.

U.S. Lines too has a long-term debt to the government in the amount of \$23,219,564. It too continues to show profits and pay dividends as long as government money is coming in. On preferred stock it paid \$2,437,690 from 1938 to 1940. For the single year 1941 the holders of preferred stock got \$1,450,075. Most of this is held by the big shots of IMM.

What the "directors" of these companies get is no small item when counted in everyday terms. The officials of American-Hawaiian, its chairman Edward P. Farley, president Roger D. Lapham, vice-president John E. Cushing, along with three others who make more than \$12,000 a year, pull in an aggregate of well over a hundred thousand a year to be divided among them. IMM officials do even better. Philip A. S. Franklin, chairman of the company, got \$74,628 salary in 1938. The salaries of president John M. Franklin and vice-presidents Basil Harris, Kermit Roosevelt and A. J. McCarthy totalled another \$124,700. This was back in the days when the Commission was just beginning to put these companies on their feet. If salaries have increased in proportion to profits and dividends, they should by this time be at least three times the 1938 figure. Salaries are no longer listed for the public.

These five companies are typical of the shipping industry. In 1937 there were 36 such companies, most of them smaller, but most of them also holding ocean mail contracts with the government. Under the old system they were raking in about 30 million a year. Since that time the government's annual donation has averaged more than 40 million up to 1941, and that year alone it was in excess of 87 million. For the five companies listed, the money drained out of the industry and into the pockets of stockholders during the four years from 1938 to 1941 totals \$18,850,901. These five companies represent, roughly, only about one-fifth of the industry. The old days of the mail-subsidy "gravy-boat" were slow compared to modern times. Instead of hand-ladling the gravy, the government is now pressure-pumping it.

It would be very interesting to be able to give figures also on the "captive" lines, such as the shipping subsidiaries of Alcoa, U.S. Steel, and Standard Oil, which lug exclusively the parent company's cargoes. But these figures are so prudently buried among those of the parent companies that they are practically unextractable. From the companies' viewpoint, it is probably better so. We can, however, gain some idea by examining the statements of the United Fruit

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Company, whose operations are more evenly balanced between its fruit and its transport business. This company, which in 1938 picked up a cool \$3,814,449 from the government in settlement of its suit for cancelation of mail contracts, was able to increase its dividends from 1938's approximately \$8,689,800 to about \$11,586,400 in 1939, which it repeated in 1940 and 1941; and looks like not only maintaining but increasing in 1942—when, we are told, the banana business is shot to hell. Such are the merry miracles of maritime management.

Detailed facts of all this "legal" swindling are known to the House Committee on Merchant Marine and Fisheries, headed by Representative Bland of West Virginia. For example, according to an Associated Press dispatch dated October 26, 1942:

Details of a transaction by which the Coast Guard cutter *Seneca* was sold in 1936 by the Coast Guard for \$6,605 and repurchased in 1941 by the Maritime Commission for \$45,000 were laid before Congress today by Representative Bland of Virginia.

The vessel, now the *Keystone State*, is in the service as the training vessel of the Pennsylvania State Nautical School.

After the transaction was criticized in Congress early this year by Representative Jones of Ohio, Mr. Bland, chairman of the House Merchant Marine Committee, investigated the circumstances and today submitted for the record copies of his correspondence with Rear Admiral Emory S. Land, chairman of the Maritime Commission. Mr. Bland said that the transaction would be subject to further investigation.

Beneficiary of this "transaction" was the Boston Iron and Metal Company of Baltimore, Maryland. Further details may never be made public. The extent, however, to which the Maritime Commission is in league with the ship-"owners" is indicated by an Associated Press dispatch of October 29, 1942, quoting the following letter from Senator Aiken to his colleague Senator David I. Walsh, chairman of the Senate Naval Committee:

From a review of material which has come before me, it appears that:

- 1) The United States Maritime Commission has paid exorbitant and outrageous prices for old and obsolete ships.
- 2) It has paid unwarranted subsidies for construction based on foreign costs long after foreign competition ceased to exist.
- 3) It has paid operating subsidies after foreign competition virtually ceased and even increased the amount of operating subsidies while foreign competition was rapidly decreasing.
- 4) It has spent millions of dollars in subsidizing ships for private corporations, particularly the Alcoa Steamship Company owned by the Aluminum Company of America, when these ships were intended primarily to carry the goods of the corporation itself.

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5) It has failed to collect the statutory 3½% interest charge from shipping corporations on secured and miscellaneous accounts (other than new construction) constituting an estimated indebtedness of \$45,139,824. (The amount collected for the fiscal year 1942 was \$805,000 while 3½% interest on \$45,139,824 would amount to \$1,579,893.)

6) It has failed to recover excess profits from shipbuilding corporations.

7) It has failed to collect 25% down payment on all ships sold; although required by law to do so.

8) It has repurchased ships for sale to the Navy, paying the owners for the full amount they have invested without deducting for use of the ships or depreciation, as required by law.

9) It has been a party to transactions whereby it has sold ships, both completed and under construction, to private corporations, which have thereupon, in accordance with understandings had with the Commission before it transferred title, resold the same ships to the Navy at higher prices which were not justified by increases in value.

10) It has permitted wilful extravagance, incompetent management and looting to prevail at shipyards holding contracts with the Commission for the construction of vessels on a cost-plus-fixed-fee basis.

As a result of the Maritime Commission's extravagant and incompetent handling of the Merchant Marine, American taxpayers have been virtually robbed of untold millions.

It would be difficult for anyone to draw up a more sweeping indictment. And it is not we, admittedly partisan, who draw it up, but one sector of the capitalist government, against another.

It is a tedious task to assemble such material as the foregoing; it is, perhaps, tedious to wade through it. But it unanswerably documents our charge. With 1935, rationalization began. But leopards do not change their spots so easily: through the wonderland of graft and gravy, incompetence and rackets, the operator-leeches rode merrily on. We have learned, from the Commission's own reports, about the disposal—or rather, dispersal—of the first 200 millions. As we shall immediately see, that was only the beginning. But in the midst of this process, the long-expected explosion between American and Japanese imperialisms burst out at Pearl Harbor. Maritime problems which were important enough in the war-preparedness period became, with open military hostilities, critically urgent.

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5: Pearl Harbor to Date: Regimented Integration

THE EXECUTIVE committee of the capitalist class asserts its authority in time of war as at no other. Since military campaigns depend for success on a well-functioning industrial machine at home, the government assumes control of the nation's entire industrial life, in order to limit as far as possible the anarchy and waste of normal capitalist enterprise. But it is one of the insoluble contradictions of capitalism that even in such emergencies all individual bosses want their particular profits guaranteed, war or no war. Hence the government cannot move without first consulting various sectors of the employing class, balancing individual objections by capitalists in particular fields against the general interests of the capitalist class as a whole, in order to work out finally, in agreement with that class's leading representatives, a general over-all program.

Immediately following Pearl Harbor, the government moved to rationalize every phase of U.S. industrial life. For maritime, that meant transformation of the merchant fleet into a conveyor belt for military supplies. But at first, till shipowners had been consulted, the war program continued to be carried out through the private shipping companies. The government must foster the pretense of "private ownership," though the fleet had been constructed at government expense. It proved totally inadequate for the needs of modern war. The shipbuilding program, launched back in 1937 as a measure of the employing class to prepare itself for World War II, even if it had the years it allowed itself, would have been totally insufficient.

War wiped out all the companies' hypocritical self-justification for their existence. Not only did it reveal that under private management, even "rationalized" by the government, the U.S. maritime industry was essentially unprepared for war; it also eliminated the old trade routes, since the merchant ships now followed the Army and Navy. It posed the imperative necessity of a full-scale imperialist merchant marine under modern war conditions.

The government had to take the next step in regimentation, central control, by setting up the War Shipping Administration, which requisitioned the merchant fleet. "Requisitioning" meant in effect the government's chartering back from the "owners" the ships that it had itself given them in the first place, and

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guaranteeing them charter-fees and insurance. Naturally the shipping pirates agreed; but further, at their demand, they were integrated into this new government apparatus. The change is thus seen to be one of degree only and not of kind. Within the W.S.A., the "management" of the "private operators" is a continuation, under the new war conditions, of the same old plunder methods of peace time. But their role has now reached such a pitch of pure parasitism that it begins to become not only economically indefensible, but just plain ridiculous.

WHEREAS PRIVATE operators, up to Pearl Harbor, had used the new ships in established runs, keeping up a front as "independent business men," the war stopped this overnight. War required new and more serious methods. Yet two months were spent merely extemporizing with emergency measures, attempting to adjust pre-war preparedness methods to the conditions of actual warfare, and to keep bolstering the old myth of private ownership. These measures were threefold: shipbuilding plans were expanded; cargo rates were raised; revolving insurance was provided.

Haphazard as they were, these measures were far-reaching. Two weeks after America's formal entry into the war, for example, the Maritime Commission issued a comprehensive report on the status of its shipbuilding program. The following facts were given:

1) Private shipyards capable of building 400 foot or larger ocean-going merchant vessels have been expanded from 10 with 40 ways in 1937 to 40 with 275 ways, an increase of approximately 600 percent in production capacity, not including that on the Great Lakes.

2) Authorization and approximations had been made covering construction and delivery into service of more than 1,400 ocean-going cargo vessels, in addition to about 150 accessory ships of other types, by the end of 1943, involving an estimated total investment of approximately three billion dollars.

3) Approximately 1,000 of these ships are under construction or contract, the remainder to be ordered as rapidly as propulsion equipment becomes available.

4) As an auxiliary to the armed forces, the Maritime Commission to date has acquired and turned over to the Navy and the Army approximately 175 major ships aggregating about 1,250,000 gross tons, in addition to many smaller craft.

5) All the 198 ships remaining in the first World War laid-up fleet and turned over to the Commission in 1937 have been utilized and most of them have been returned to service, either through sale or charter after reconditioning.

6) Approximately 80 merchant ships of foreign registry, laid up in United States ports, have been requisitioned and placed in

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service, many having been reconditioned.

7) In cooperation with the Commission, shipyards on all coasts of the nation have established training schools for shipbuilders to meet the peak requirement of 600,000 to 700,000 men by late in 1942. Ordinarily there have been less than 100,000 skilled men thus employed.

This report indicates the extent of the government's program to prepare the maritime industry for the war. At this point it had become a three-billion dollar program. And this figure is an estimate based only upon the cost of ships that were to be turned out in the two years thereafter. The cost of shipyard construction far exceeds this three-billion dollar estimate. The so-called shipowners must have glowed with satisfaction upon reading this report. By the end of 1943 they were promised ships representing a three-billion dollar capital investment. That is a handsome gift for the government to pass out to any group in society. And the shipowners are numerically a very small one.

War meant not only rapid expansion of the shipbuilding program, it meant also carrying the rationalization of the shipping industry to its logical completion. In the first weeks of the war the government began reorganization of its maritime management. A conference in Washington, called by the Maritime Commission and the Department of Labor, in the first weeks of December, ostensibly took up the question of seamen's bonus rates. Out of the conference came the Maritime War Emergency Board. True, this Board did establish bonus rates for seamen sailing in submarine-infested waters. But no sooner had it fixed these bonus rates than it moved to lift the "burden" off the back of the operators by fixing a surcharge on cargo rates. The rates were increased 26% for ships serving the west coast of Central America and the Pacific Coast of the U.S., 22% for those operating in the Caribbean, reports the *Seafarers' Log* for Jan. 19, 1942. Six months later these rates were again doubled and trebled. *The Journal of Commerce*, over a Washington dateline on July 26, reports the second raise:

Reflecting the gravity of current shipping situations, the War Shipping Administration today issued a new war risk schedule which in most cases doubles, and in some cases triples, previous rates on export cargoes destined for foreign ports.

During the same period bonus rates paid seamen for sailing through dangerous waters actually decreased, according to the *Log* of July 30, 1942.

Since all ships are now carrying war materials and the government is the principal shipper, this simply means that the govern-

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ment has assumed operating costs for the shipowner, guaranteeing him a profit on the capital investment originally given him by the government.

But there is still more! In the midst of all the big problems of the war, Congress took time out to provide especially for the shipowner. A law was passed hardly more than a month after the U.S. declaration of war which gave the Maritime Commission authority to insure the shipowners directly in case the private insurance rates became "exorbitant." Accordingly, as reported in the *New York Times* of January 2, 1942:

The Maritime Commission established today a \$40,000,000 fund to provide war risk insurance and reinsurance on American ships the owners of which are unable to obtain adequate protection at "reasonable terms and conditions" from commercial underwriters.

This was really protection for both the insurance companies and the shipowners. At the then rate of sinkings, no "private" insurance company could afford to insure ships and cargo and lives, no matter how high the premiums. They were a cinch to lose. But the shipowners had nothing to lose because they had nothing invested. What really happens here is government insurance on its own investment paid to some "private operator" who has been granted claim to profits accruing from government operation of government-built ships carrying government war materials.

These first moves in the two months following Pearl Harbor were mere extemporizing. But war made the problems of shipping so urgent that this cumbersome system had to be given up. After a series of conferences with the big shipping magnates, a way was found to centralize completely the control of the industry.

Two months almost to the day after the formal declaration of war, the War Shipping Administration was created by presidential order, on February 9, 1942. On the same date Congress was asked to appropriate \$3,852,000,000 for construction of new ships in 1942 and 1943. This was in accordance with the rush-order building plan previously announced by the Maritime Commission.

From the day this board was established it was clear that this was no ordinary run-of-the-mill war board. When Admiral Land, chairman of the Maritime Commission, was made the new administrator, press announcements were accurate when they described him as a "czar over shipping." The presidential order described the Board's functions in general terms: operation, purchase, charter, requisition, allocation of ships; provision of insurance; representation of U.S. interests and endeavor to coordinate American and

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British shipping; maintenance of current data; and keeping the President informed.

By this time it had become obvious that the government would have to "eliminate" the private operator in the old sense that he was the manager of a fleet of ships carrying cargo to all corners of the world in competition with other shipping companies, both American and foreign. The war wiped out established runs; all cargo carriers were routed to the war fronts. The government was preparing to requisition and allocate the merchant fleet for war duty. That was the special task for which the War Shipping Administration was created.

When Admiral Land began collecting his staff together it became clear who was going to exercise the powers of this "czar over shipping." The ship-owners, "thrown" out the window, simply marched back through the front door. Lewis W. Douglas, president of the Mutual Life Insurance Co. of New York, was given the post of adviser to Land. From the staff of the Maritime Commission came S. D. Schell, David E. Scoll and W. Creighton Peet Jr. Schell was appointed executive officer of the War Shipping Administration. Scoll was to assist and represent Land on a combined Anglo-American shipping board, and Peet Jr. was named secretary of the War Shipping Administration.

Within the War Shipping Administration there was formed "a committee to advise and consult with Admiral Land on problems of general policy." The personnel of this committee would in effect comprise the board of directors for the entire shipping industry. They would lay down the *general policy*. Appointments to this top committee were announced February 22: H. Harris Robson, former vice-president of United Fruit Company; D. F. Houlihan, member of the public accountant firm of Price, Waterhouse & Co.; William Radner, formerly representing the Matson Navigation Company. They were given titles in the War Shipping Administration as follows: Robson, Director of the Division of Emergency Shipping; Houlihan, Director of Fiscal Affairs; Radner, General Counsel.

As the War Shipping Administration dug into its work, the influence of the old "private operators" began to show more and more, especially in the appointment of personnel. John E. Cushing, president of the American-Hawaiian Steamship Co., was made Pacific Coast Director and later replaced Robson on the top committee of the Administration. Captain Granvill Conway, shipping master for the open-shop operators in the days of the old U.S.

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Shipping Board, turned up as the Atlantic Coast Director. Chester H. Marshall became Gulf Representative, and M. H. McCann, Boston Port Agent.

A minor shake-up in the top committee of Land's War Shipping Administration retained Lewis W. Douglas in the leading advisory capacity with Cushing and Houlihan as his subordinates. A third name appeared among the top group, Frank Schneider, World War I major general. In the leading circles of the War Shipping Administration last April sat such other company officials as Wilcox of United Fruit, Knight of the Isthmian Line, and Bradley of Matson. These are the \$1-a-year men who speak for the government in the shipping industry. This explains in part why the government is so generous to the "private operators." Each new shift in personnel brings with it more names of the presidents or vice-presidents or agents of some shipping outfit. Charles H. C. Pearsall, vice-president of the Atlantic Gulf and West Indies Steamship Lines, Inc., was named manager of the Caribbean area. AGWI vessels ply the Caribbean. Charles M. Colgan while on leave from the American Export Lines service cropped up as WSA administrator in the Canal Zone. He was at one time Matson Line agent in South America.

This exchange of personnel between government agencies and leading industrial concerns supposedly operating under control of the government is nothing new. It is an old practice in the maritime industry. The U.S. Shipping Board was packed with shipping company agents and their stooges. Finally, as we have seen, the graft became so flagrant that the Shipping Board was discontinued as a separate agency and its functions transferred to the Department of Commerce. But that in no way ended the close interrelationship between the government and shipping companies. The Maritime Commission raised it to a new height. Back in 1939, Mr. Ben Geaslin, for example, was general counsel for the Maritime Commission. He resigned June 22, and on December 29, 1939 appeared before the Commission as counsel for the Waterman Steamship Corp. It was revealed on October 23, 1942 in the daily *PM* that the Maritime Commission

sold five ships to the Waterman Steamship Corp. of Mobile, in 1940, for a total of \$596,000 and in 1941 paid the same company \$3,374,000 or six times as much, for five older ships, instead of exercising an option to get the first ships back at a saving of almost \$2,000,000.

Extraordinary coincidence. But when coincidences get very frequent, they are no longer coincidences, but policy. Take another

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example, a deal carried out, not behind the Maritime Commission's back, but with its full cooperation, according to *PM*. Here the Commission made "fictional sales" of ships to a Florida shipbuilding company which resold them to the Navy at "pyramided prices." *PM*'s report:

The charges of "fictional sales" of ships arose out of a contract between the Maritime Commission and the Tampa Shipbuilding and Engineering Co. for the construction of four cargo vessels. The company ran into financial trouble and the contract was modified, the Comptroller General said, in such a way that the surety companies were released of their obligation to guarantee the work, and the Commission, without lawful authority, guaranteed company debts of \$300,000.

Land (Chairman of the Commission) was personally involved, the Comptroller General found, in awarding the contract to the company although "the company was, at the time, practically insolvent and would need at least \$1,000,000 operating capital" to fill the contract.

As a condition precedent to awarding the contract, the Commission and the RFC required the company's property to be reappraised. It was reappraised and valued at \$3,092,090, or \$35,000 an acre, although it had been carried on the company's books at \$1,261,000. Four years earlier the company had informed the Secretary of State of Florida that the land was not worth back taxes of \$57,000.

Within a few months the company was in such serious financial condition that the Commission's director of finance recommended cancelling the contract. But a year later the company was given another contract for four additional ships, although the Comptroller General reported, "the files are replete with data tending to show that the company could not perform its contracts, and that it was insolvent and would sustain heavy losses."

The first contract was awarded in 1938, the second in 1939. In 1940, the Commission's general counsel prepared a charter for a new company, the Tampa Shipbuilding Co., Inc., with George B. Howell, one of the bankers for the original company, as president. Howell got all the stock in the new company for \$500.

One week after this new company was organized, the Comptroller General charged, the Commission indulged in the "fictional sale" to it of three of the first four ships under construction by the previous company, and a few months later sold the company the other four.

The company, in turn, sold the eight ships to the Navy for almost \$2,000,000 above their contract value, and used the money to pay off the obligations of the previous company to Howell's bank and others.

This is a typical example of government attempts to foster "private ownership." The necessity of centralizing control of the maritime industry under war-time conditions brought an influx of

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these "private owners" into the government apparatus.

Every expedient had now been resorted to in order to keep alive the "private ownership" myth. The results were distinctly unsatisfactory, and, with the way the war was going, it was no time for fooling around. The obvious next step was to requisition the entire maritime industry for war duty: ships and seamen alike. But, unlike requisitioned seamen, the about-to-be "requisitioned" shipowners had to be carefully consulted in advance. The seamen stood to lose only their lives; the shipowners, a much more sacred thing—property. They held out for guarantees. Thus it was April 1942 before the stage was sufficiently set for the WSA to "requisition" the merchant fleet.

The fact was, the ship construction program of the Maritime Commission had been stepped up till it was all out of proportion to the ability of these "private owners" to meet their obligations under the provisions of the 1936 Merchant Marine Act. And they were not interested in any such investments even if they had idle capital in search of a market; it was so much easier to let these war-time projects be financed by the sale of war bonds to the public. In any case, they figured to fall heir, as after the last war, to what was left of maritime capital equipment after this war was over.

The plan of requisitioning the merchant fleet, and the emergency need of it, cast a revealing light on the whole "planning" of both naval and shipowner administration. Some seamen may doubt the practicality of workers' control, and think it only natural that the shipowners and naval men are used as administrators, since "who else has the technical knowledge?" etc. Let us take a short look at the record and see just what the experts' "knowledge" and "planning" have amounted to in practice.

The original war-preparedness shipbuilding plan announced in 1937 was to build 500 ships over a ten-year period.* With an impe-

*Admiral Land, chairman of the Maritime Commission, said on January 25, 1939: "This long range program of 500 ships was, and is, based on the Navy's needs. . . . The merchant fleet is the lifeline of the Navy. It feeds it, fuels it and repairs it at sea. In addition, it transports troops when necessary." These words make it clear that the 500 ship program was a plan for war. Yet as early as August 29, the number of vessels sunk in the Western Atlantic area since Pearl Harbor was already 447, according to an unofficial tabulation by the Associated Press. By then, some 2,938 seamen had lost their lives, 1,700 were missing, and 13,858 had been rescued. This does not take into account vessels sunk in other areas such as the Pacific or Arctic; we can assume that the total number was in excess of 500 ships lost. The number has long since passed 500.

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rialist war imminent, this quantity and this time-schedule were, from the imperialists' own viewpoint, ridiculous. But at least the ships built before the war were well designed and constructed compared with the hurry-up jobs of today. Those were the Maritime Commission's C1, C2, and C3 types, capable of 15 to 22 knots, most of them speedy enough to outrun submarines. On the other hand, the present mass-production Liberty ship is a jerry-built job, made to be sunk. They are thrown together with thin plates, and can make only 11 knots under favorable conditions. In a word, the 1937 "planning" was so unrealistic that it had to be totally junked, and a brand-new "plan" adopted: the "Liberty ship" program. That, assured such experts as Navy Secretary Colonel Knox and Maritime Commission Chairman Admiral Land, would solve everything.

The construction of these sea-cows reflected Secretary Knox's brilliant idea, "We can build 'em faster than they can sink 'em." Quite apart from the callous disregard for seamen's lives revealed in this statement, the soundness of Knox's curious notion is indicated by the fact that in less than ten months of open warfare the Nazis not only sank more ships than the Maritime Commission originally planned to build over a ten-year period, but even more than the Liberty ship program could keep up with. On November 15, Land, War Shipping Administrator and Chairman of the Maritime Commission, announced new "plans":

When the Liberty Ship was first designed, it was not contemplated that it would be required to carry the amount of guns, gun foundations and several other forms of protective devices that are now being installed. As a consequence of this added top hamper, it has been found necessary to carry a moderate amount of ballast. The Commission, therefore, is designing a vessel to replace the present Liberty Ship type which will have greater length, slightly more beam and somewhat greater carrying capacity.

It is planned also to increase the power to a volume which, together with a better hull form, will result in higher speed. The increased speed should be sufficient to render the Liberty Ship less vulnerable to submarine attack in wartime and greatly improve its competitive value commercially in the post-war era.

Six months prior to this announcement the Maritime Commission had did not "contemplate" that the Liberty ship "would be required to carry the amount of guns, gun foundations and several other forms of protective devices that are now being installed." But at that time the war had been on for two and a half years, and the U.S. openly involved in it for four months; its lessons were plainly evident. And Admiral Land—like all admirals—is supposed to be

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a naval expert and know about these things. Such are these "experts" and their "plans."

Yet as late as April 3, the Maritime Commission was announcing that it had contracted for the construction of six shipyards and 33 of the old type Liberty ships. Their cost was announced at about \$2,000,000 for each ship, making the expenditure of the government \$60 to \$70 million, according to the *New York Times*. This was part of the \$3,852,000,000 Congress appropriated for the construction of new ships.

The government apparatus is so well rigged by the so-called shipowners that when President Roosevelt submitted his budget for the new fiscal year (1942-43) to Congress (*New York Times*, June 2) it contained a little item in the amount of \$1,100,000,000 for "compensation" for these "shipowners" for vessels taken over for the duration of the war by the War Shipping Administration. The government announced at that time its intention to keep the merchant fleet in a state of "good repair" so that it could be returned to the "shipowners" at the end of the war in good repair. (No mention was made of any plan to keep the seamen in "good repair.")

Even after the requisitioning of the fleet and establishment of complete government control over the maritime industry, the idea of private ownership is still kept alive.

It is pretty hard today for the private operator to keep up the pretense of "independence." He would in fact be a government employee—if he did any work. But all that is needed for this work in the actual operation of the merchant fleet is a competent office staff. So the "shipowner"—that is, the private operator and the stockholders in his firm—is nothing more than a government parasite. The *New York Times* on June 20, 1942, carried an announcement that the government had worked out a policy to

make it possible for the "unemployed" operators to return to work.

... A policy of spreading the operation of ships among as many responsible operators as possible was announced today by the War Shipping Administration.

"Unemployed"! And the WPA just abolished!

Provision was of course made to pay these "unemployed" operators by means of fees and charter revenues for the duration. That is why we find the Maritime Commission fixing higher carrying rates on its own material after it had requisitioned the fleet and was operating it under the War Shipping Administration.

The benefits to be derived by the capitalists interested in the shipping industry are summarized on September 11, 1942 in Stan-

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dard and Poor's *Industrial Surveys*. This publication issued for the benefit of big investors gives the following optimistic picture for shipping and shipbuilding during the war. It notes:

Good Shipping Profits Indicated

The entire fleet of the United States ocean-going merchant vessels, including those formerly operated in both foreign and coastwise services, has now been chartered to the War Shipping Administration. For the duration of the war, revenues of shipowners will consist of the charter hire paid for these ships and the management fees paid for the operation of ships under the direction of the War Shipping Administration. The latter should rise gradually as newly completed merchant ships are added to the domestic fleet. . . . Except for foreign operators and companies which chartered a large part of their fleets during the major portion of 1941, most shipping companies will report a gain in net before taxes this year.

Charter revenues, of course, will be reduced as ships are sunk, and these declines will not be offset by the growth in management fees incident to the operation of additional new ships. In most cases, however, the insurance payments on ships are substantially above book value of these vessels. Substantial book profits are thus being created and funds are being built up for the restoration of fleets after the end of the war.

Standard and Poor's also gave a "Basic Survey" of the maritime industry in May 1942, in which it commented on the post-war prospects of the shipowners, relating them to present conditions:

However, the lessons learned after the last war will not be forgotten. Operators will be reluctant to invest in high-cost vessels which will eventually face a period of low-traffic and unprofitable rates. The Maritime Commission may solve the problem by selling its vessels to private operators at a sacrifice.

Barring changes in charter rates paid by the Maritime Commission, loss of vessels, and the possible inclusion in earnings of profits realized from insurance settlements, earnings of shipping companies, before taxes, should exhibit unusual stability for the duration of the war. While high taxes and lower charter rates will doubtless hold profits under the 1941 level, earnings of most concerns should be fairly satisfactory.

Note that this is from one of the dope sheets of the capitalist class. It comes out like the *Racing Form*, only it is more reliable. It predicts that the private operators will be in the money this season. For American Export Lines, a good bet, it foresees that "maintenance of the indicated \$2 common dividend rate, which affords an 11% yield, is possible." But the whole field is a winner, in this race. The government pays money to all entries.

That the dope sheet gives the right steer is indicated by some

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of the pay-offs listed below, chosen at random from the *New York Times* financial pages:

American Mail Lines Ltd. For 1941: Net profit \$1,636,281 equal to \$15.83 each on 103,337 common shares, compared with 1940 net of \$369,769.

American Export Lines, Inc. reported yesterday for the year ended with December a net profit of \$13,699,498. . . . Net profit report for 1940 was \$7,680,901.

Net profit of U.S. Lines for 1941, excluding that of these three vessels (*America*, *Washington*, and *Manhattan*) was \$4,739,090, compared with a profit of \$3,801,180 for 1940.

American-Hawaiian S.S. Co. March quarter [1942]: consolidated net profit before Federal income and excess profit taxes, \$1,894,034, compared with \$1,569,518 in [first quarter of] 1941.

The American President Lines, Ltd. had a net profit in 1941 of \$8,170,265 after charges, or almost double the net profit of \$4,602,048 reported the year before. . . .

The figures are listed not merely because they are big (though it will be observed that this is not exactly hay), but because of the sharp upward trend they reveal. In the demagogic program of "equality of sacrifice" shouted for by the government, this is a fair picture of the sacrifices of the ship-owners."

In the face of such results, the shipowners have overcome all their doubts. At first they were a little distrustful of the New Deal career-men and apprehensive of government regimentation of the industry, even though they sensed in the war an opportunity to smash their way through all tough labor problems under a cloak of "patriotism." But it has all come out all right: the government program is their program, end-product of more than a century of groping, now rationalized and streamlined. New, practically free ships coming down the ways with a "disciplined" personnel to man them—it is the realization of their age-long dream. Item by item, the government has lifted from their shoulders one problem after another: finding capital with which to be capitalists, the bother of management, the handling of militant unions, and finally the cares of "ownership" itself, leaving them nothing but—their property and their profits. All their problems are solved.

It is somewhat different with the problems of the average rank-and-file seaman. He too has been patriotic. But, as we are now about to see in tracing his relations with the government up to the present day, his patriotism has not been worth so much to him; today, for example, patriotism will not keep a man afloat when a torpedo hits his ship.

• III •

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1: *Up to the 1915 Seamen's Act*

IN SHARP contradistinction to the shipowners, who from the very beginning were favored and coddled by their government, maritime labor had to make its own way, first in the face of a government policy which locked it into a semi-serf strait-jacket of Admiralty Law and then indifferently left it to its fate, and later in the face of a constantly increasing governmental repression and regimentation. The position of seamen was one of involuntary servitude, not only in the early days of U.S. independence, but, by an extraordinary anachronism, right up to 1915. The civil code which freed men from chattel slavery was legally held not to apply to seamen. Because they were so completely stymied in their economic struggles by their uniquely unfavorable legal situation, the seamen in this early period had to wage their struggle first in the political field, even to gain the liberty to begin their economic struggles. (This situation has particular interest at the present moment because, by a special conjuncture of events, seamen today are again in the position, on a higher historical plane, of having to concentrate their principal struggle in the political field.) Finally, as we shall later show, the government had to revise its entire hands-off policy. As the executive committee of the ruling class, which, as we have already seen, is often more farsighted than the bosses of any particular industry, it had to intervene to free seamen from their special disadvantages (not unlike the way it had long before manumitted the Negroes), in order to create the neces-

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sary preconditions for the expansion of the U.S. merchant marine. Once it had been forced by its own imperialist needs to "free" the seamen, however, it found that it had sown dragon's teeth: it had, very shortly after, to intervene again on the opposite tack, to crush into control the powerful labor forces it had released.

DURING THE immediately post-colonial period, England was the dominant sea-power of the world. And the American shipowners prompted their government to attempt no legal or political innovations in the maritime field: the legal code for the shipping industry was patterned after British customs and practices and is known as the Admiralty Law. It treated all problems in the industry, including employer-employee relations.

The attitude prevalent in those earliest days was well summed up many years later by the Dean of American Admiralty Law, Robert Benedict, in 1889:

It was solemnly laid down as a principle in the old law books that those who have gone to sea "were reckoned neither among the living nor among the dead." The Admiralty looks after the interests of these poor souls. The Chief Justice of the United States described the Admiralty as follows: "The Admiralty may be styled not improperly the human Providence, which watches over the rights and interests of those 'who go down to the sea in ships, and do business in great waters'."

In recognition of the peculiar status of seamen, modern maritime nations have regarded them as "wards of Admiralty," incapable of making a freeman's contract, and deserving special care from their guardian, the state. This care comprises: government hospital service; care and return of seamen stranded abroad; supervision of terms of seamen's contract—of signing on or jumping off under it; regulations of most of the details of the seaman's relations with the master of the vessel.

In his richly documented book, *The Sailors Union of the Pacific*, Paul S. Taylor, writing of the period after 1830, notes:

In fact, with the exception of the rate of wages, the life of the sailor from the moment of signing articles to the time of paying off has always been regulated by law to the minutest detail. Only the power to self-help and self-protection has been denied. Workmen ashore have long been free to quit work, thereby incurring the liability of a civil suit for damages for breach of contract, but no criminal action, for that would smack of involuntary servitude. On the other hand, the very word "deserter" applied to the sailor who quits his ship implies a different status.

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Conditions of the period were especially barbarous. And just as American owners and shipbuilders in competition with the British often outdid them in construction and operation of fast ships, so the Americans were able to find ways to get more work out of their sailors. Not only were rations no better than the miserable standard of other nationalities, but American ships carried fewer men. Furthermore, American shipowners thought up special Yankee-shrewd quirks: U.S. vessels were often, for instance, "temperance ships." What this pious phrase in reality covered was that the shipowners simply took advantage of the American temperance movement of that time to cut out the grog ration and with it—what was much more important—the corresponding rest-period, with its chance to get warm. This meant far more than the grog itself to a sailor on six-hour watch in driving rain and snow.* It was a pretty hungry beach where a sailor would ship in a Yankee ship. Crews were usually shanghaied.

How backward maritime conditions remained can be gathered from the fact that only as late as 1872 was some slight beginning made in legislation protecting sailors from superexploitation, and even then on a very small scale. The Shipping Commissioner's Act of that year, which established shipping commission offices and codified existing laws, struck at shanghaiing by requiring that only sober men could sign articles before a U.S. Shipping Commissioner. Crimping was so rampant that even the shipowners protested. In 1879 they published in the *San Francisco Bulletin* a resolution against paying "blood money" to crimps, those blood-sucking boarding-house keepers who, by getting sailors in debt to them, were able in large measure to control the maritime labor supply, and who not only robbed sailors but collected tribute from the shipowners:

It is extremely difficult to procure convictions for the offenses committed by these runners as they do not only swear each other clear but oftentimes so manipulate the officers of ships, by the use of money or by threats, that they will not prosecute. . . . The commerce of the port is at their mercy. A crew cannot be shipped without their consent, and ships are frequently compelled to lay in the stream for days and weeks without crews on account of the captain's having in some manner incurred the displeasure of these pests.

*In this connection, see Dana: *Two Years before the Mast*. Dana got his experience in a tough school, the Yankee hide-carrying trade from California in the 1830's.

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Half-hearted attempts were made to control these evils: the Dingley Act of 1884, for example, abolished advance wages, prohibited allotments to anyone except wife, mother, or other relative. But the law was violated and ships held up. And in 1886 the shipowners and the crimps united to have an act passed authorizing payment of allotment not exceeding ten dollars for each month of the contemplated voyage to an "original creditor for any just debt for board or clothing."

The conditions of seamen are attested by the demands made by the early organizations which they attempted to set up. One of the sorest grievances was the conditions in the focsles of American ships. Often the shipowners were so hungry for profits that cargo was stowed into every available space, and such a thing as a bunk for a man to sleep in was unheard of. If he could find a space to put his sea-chest he might be able to sleep there too. It was only after a long and bitter struggle that the Coast Seamen's Union on the Pacific Coast forced the operators of coastal vessels to build mess rooms for sailors to eat in.

Though many short-lived attempts had been made earlier, the first maritime union that was able to last was the Coast Seamen's Union, founded in 1885 by a group of Utopian Socialists, principally Haskell and von Hoffmeyer. When Andrew Furuseth became secretary in 1887, the union launched a serious legislative struggle. He issued the first number of the *Coast Seamen's Journal*, and under his guidance the sailors began to learn how to take advantage of the laws of 1874. Furuseth, whose trade-union vision was as broad as his methods were practical, envisaged a world-wide seamen's union transcending national boundaries, and tried to implement his ideas when, with Waterhouse and Crayle, he was sent as a delegate to the Convention of the British Seamen's Union at Glasgow, and visited also Atlantic, Lake, and Gulf ports.

In 1891, under Furuseth's guidance, the Coast Seamen's Union was amalgamated with the recently formed Steamshipmen's Union to found the Sailors Union of the Pacific; and in 1892, the process was completed by the formation of the National Seamen's Union.

Though the unions were originally formed primarily to push for wage increases, they soon found that the special legislation discriminating against seamen blocked all successful action on the economic field, and had to turn their principal fire against the laws themselves. Thus, though a law of 1874 amended the Shipping Commissioner's Act to exempt coastwise and lake-going trade from its provisions—the net effect of which was to abolish the

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penalty for desertion in these maritime branches—new legislation of 1890 reversed this exemption. It provided that if a seaman in the coastwise trade shipped in the presence of a shipping commissioner, he was subject to the punitive clauses of the act of 1872, and yet was denied the privileges and advantages secured to him under that same act. Further penalties were slapped on: 1) one day's pay docked for each hour's tardiness; 2) arrest by master without warrant; 3) imprisonment for desertion; 4) \$10 a day fine for harboring a deserter. It was hard uphill work for the new unions fighting against the laws themselves. Momentary gains were constantly being offset by savage counter-attacks.

The Maguire Bill of 1895, called "the seamen's own bill," in effect repealed the Act of 1890, abolishing imprisonment for desertion in the coastwise trade and the allotment to relatives or an "original creditor"; and the Dingley Amendment exempted seamen's clothes from attachment under penalty of fine. But in a notoriously reactionary decision of 1897, the Supreme Court ransacked history to try to force seamen back into their condition of involuntary servitude: it dug into its dusty legal attic to cite the laws of the Rhodians, the *Consolato del Mare*, the Judgments of Oleron, and the Laws of Wisbury—all to prove that

from the oldest historical period, the contract of the sailor has been treated as an exceptional one, involving to a certain extent the surrender of his personal liberty during the life of the contract.

But the unions hammered on. In 1898, they obtained the passage of the White Act. Its principal features were: 1) the abolition of imprisonment for desertion in a U.S. port; 2) the reduction from three to one month imprisonment for desertion in foreign ports, and that not mandatory but at the discretion of the judge; 3) one month's pay allotment to "original creditor"; 4) abolition of corporal punishment; 5) provision whereby a majority of a crew, with the concurrence of an officer, might demand a survey of an unseaworthy vessel; 6) an improved scale of rations. Nothing could show so baldly how horribly backward were seamen's conditions than the fact that it was not until the threshold of the present century that flogging was abolished by law.

These were, however, usually only paper gains, since the government itself made no effort to enforce the law. It was only under the unremitting mass pressure of the unions themselves—while men continued to be jailed and flogged with impunity—that these theoretical gains gradually became fact, in a long series of bitter struggles.

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But even so, all these were only half-measures. The government's indifferent hands-off policy had produced an anachronism whereby the maritime industry was historically way out of line with all industry ashore. Pushed on the one hand by the increasingly powerful and militant unions, and on the other by the historic need of raising its merchant marine to the level demanded by its imperialist expansion, the government was finally faced with the inescapable necessity of undertaking a thorough overhauling of its entire policy toward maritime labor.

2: 1915-1921: *Paternalism (Fake)*

THE 1915 *Seamen's Act*, adopted only after 30 years' struggle by organized seamen to emerge from involuntary servitude into the status of free men, marked the culmination of a series of half-hearted liberative measures in a conscious turn of government policy toward a comprehensive program. This policy was based still on a false hope that its merchant marine could self-supportingly compete with foreign rivals. The government's main attention was elsewhere: on the inland home-front. European war had boomed U.S. industry; a growing labor movement was demanding concessions. Men preferred shore-side work to the much worse conditions aboard ships. Under labor pressure, it was possible to pass liberal legislation. Furuseth was pounding away in Washington. The whole conjuncture—a general labor upsurge, a maritime labor shortage, Furuseth's patient persistent persuasions—combined to convince the U.S. capitalist government that Furuseth's way was best—and cheapest. It hoped, through the *Seamen's Act*, both to create an international labor market and to satisfy the demands of Furuseth's sailors. Furuseth, dreaming of a genuinely international union of all seamen with equal conditions under all flags, thought that the seamen's ambitions and the government's imperialist aims could find a common ground. The succeeding 25 years have tragically proved that nothing could have been farther from the truth.

U.S. imperialism's policy had all the appearance of paternalism. Its desire to create a free maritime labor market was actually of great benefit to all seamen, in that it freed them to fight for greater gains. But the entry of the U.S. into the first imperialist war prevented realization of the union's program and exposed the falsity of the theory on which the Act was

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based. Furuseth, taken in by the government's "paternalism," supported the imperialist war (as did the labor leaders of every country except the Russian Bolsheviks and scattered little groups elsewhere). It was a high price the seamen paid for this show of government friendship. Because at the war's end, when the conditions which had necessitated the seamen's support no longer existed, the "paternalistic" U.S. government rewarded the unions for their war-time service by using its full power, through its agency, the U.S. Shipping Board, to smash them in the tragic 1921 strike.

BY 1915 the seamen's movement had grown so strong and so much attention had been centered on the intolerable conditions of seamen that some action was plainly on the order of the day. War in Europe having produced a general upswing in U.S. shoreside industry, a revived labor movement was driving for concessions. Thus with increased shoreside employment, it was hard to get native-born workers into coastal and inter-coastal ships under the much worse conditions there prevailing. Because of the restrictive laws up to that time, seamen were forced to direct their attention to Washington—the more hopefully inasmuch as, under pressure of the general labor upsurge, it was proving possible to pass liberal legislation: the anti-monopoly Clayton Act; an act exempting labor unions from all anti-trust laws; the eight-hour day for railwaymen. Andrew Furuseth kept hammering away in Washington on the specific idea that the U.S. maritime industry could afford higher wages than its foreign competitors.

The time was ripe, for at any given period, the government's attitude to maritime industry in general and maritime labor in particular is only a reflection of its general situation and perspective, a specific application of its general national and international aims to this specific key industry. In particular, the American employing class, though it had protected its coastal commerce from foreign competition, could no longer find adequate labor supply therefor.

And the man was there. Andrew Furuseth, pleading the case for seamen's rights in the corridors of Congress, became a popular figure. He was a man who impressed even the most cynical politicians with his sincerity. He drew inspiration from the cause of seamen's freedom and did not lose contact with the daily struggles that were being fought in the ships and courts and jails of every port in the world. He fired the cause of the seamen with an

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imagination that lifted it from the level of the picket lines and the law courts to the higher plane of an international movement for seamen's independence. A mind of such vision was rare in Washington. Furuseth's persistence and the force of his arguments for free and independent seamen, backed by the organized strength of the International Seamen's Union of America, were responsible for all the special beneficial features of the 1915 Seamen's Act. Because of the peculiar problems presented to American capitalism at that time by the need for a merchant marine and a free labor market to draw from for its personnel, Furuseth was able to suggest a plan which had some appeal to the more far-sighted representatives of the capitalist class.

American capital's real purpose behind the Seamen's Act is clear in the provisions relating to other governments and seamen under foreign flags. The Act abrogated all treaties with other countries. As we have seen (pp. 12-13), these provisions were designed to create the abundant labor supply and an open market which U.S. imperialism wanted for its merchant marine. Welfare provisions specified conditions that would make American vessels more attractive to seamen. Minimum foecle space was increased from 72 to 120 cubic feet for each man, with an additional proviso for hospital space and washrooms. Taylor, in his *History of the Sailors Union of the Pacific*, tells how Furuseth had to bring a model of the cramped quarters in which seamen lived before a Congressional committee in order to get just a little breathing space and somewhere for a sailor to hang his clothes and wash his face. The daily food ration was also increased. Instead of one ounce of butter a day, sailors were entitled to two under the new law. And they were allowed five quarts of water a day instead of the four previously due them. In port, work was limited to nine hours. At sea, sailors on deck had to be divided into two watches. The black-gang in the engine room was divided into three watches. The three watches at sea meant a big gain because it limited the day to eight hours in a spread of twenty-four. But this only legalized an established practice, and after the law was passed the firemen and coal-passers had to dump ashes on their watch below, the same as before. The other gains seem small today but they were important in the lives of seamen then. Allotments to an "original creditor" were abolished completely, thus dealing another blow to the crimps, who by this time, with the rise of the seamen's union, were losing their hold on the industry.

The greatest gain which the new law finally granted was aboli-

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tion of imprisonment for desertion. And teeth were put in the older law against corporal punishment. The vessel or owner, as well as the master, was made liable for failure to surrender an officer guilty of flogging members of the crew. If the guilty officer escaped, the ship and owners were similarly held liable.

In the form of safety regulations Furuseth managed to get a few measures into the Act which benefited seamen and facilitated the union organizing drive. The manning scale was fixed on passenger vessels: it was based upon the number of passengers and life-boats carried. Passenger ships in ocean routes more than twenty miles off-shore were prohibited from carrying more passengers than life-saving equipment was adequate for. Also under the new law seamen got the right to demand a survey in foreign ports to determine the unseaworthiness of a vessel, and to present their demand independent of the ship's officers. Such provisions of the law are a commentary on the state of the U.S. merchant service at that time. Officers afraid for their jobs could not be trusted even to complain about unseaworthiness of the ships on which they were sailing. (They still cannot be trusted. Their experiences with U.S. steamboat inspectors have had something to do with this. The local inspectors in most instances are simply creatures of the shipowners, hence do not enforce the law even when complaints are made.)

In order to increase safety at sea, 65% of the deck department had to be able seamen. This serves as an argument on the side of the unions when scabs are run on to the ships during strikes. But it has never been much real protection. The government has freely issued able seamen's papers to scabs who had never seen a ship before.

Seamen of course could not hope to get wage increases through legislation. But they did manage to get free from the last vestiges of serfdom. Legally the sailor became a free man. But he is still considered a special ward of the government even to this day. Under the U.S. Public Health Service, marine hospitals are provided for the care and treatment of sailors. But the seamen long ago began paying for this "service" out of the small wages they got. In 1870 a law regulating the amount sailors had to pay to help build these hospitals was passed:

The customs officers of the several ports of the United States shall assess and collect from the masters or owners of every vessel of the U.S. engaging in the foreign or coasting trade, the sum of 40c per month for each and every officer and seaman who has

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been employed on said vessel since last return of hospital dues, which sum the master or owner is authorized to collect or retain out of the wages of said officers and seamen.

This sum was later increased. Thus, in every instance the seaman has always had to pay for whatever "favors" he gets, and on top of this he is always being reminded of his obligations. Only after seamen had already begun to free themselves from the grip of crimping agencies, were laws passed against the loan-sharks and landlords. A sailor's clothes cannot be held for rent if he gets a job and is ready to sail.

For every "favor" seamen were granted under the government's 1915 policy, a penalty for misconduct was specified. It was made illegal to throw a sailor in jail for deserting his ship. But he was penalized "by forfeiture of all or any part of the clothes or effects he leaves on board and of all or any part of the wages or emoluments which he has then earned." This penalty is in effect to the present day. What other industrial worker has to forfeit the wages he has earned for leaving a job he doesn't like? For slight disobedience at sea—and the degree of "slightness" was left to the discretion of the master—a seaman could be placed in irons and four days' pay was taken from him. But for "continued wilful disobedience": bread and water with full rations every five days; logged twelve days' pay for every twelve hours of disobedience; imprisonment for not more than three months. And if a sailor actually had the audacity to defend himself against a provocative mate or skipper: two years' imprisonment. Anxious as the government was to enact legislation which would create a free labor market, it was also careful to take precautions against labor's independent strength.

But the Seamen's Act of 1915 was a far cry from the Supreme Court decision rendered in 1879 which declared that in U.S. law the "provision against involuntary servitude was never meant to apply to their [seamen's] contracts." By casting the seaman in the role of a helpless person, incapable of looking after his own welfare, the main provisions of the Act gave the government an aspect of paternalism. For a few years most seamen actually got the impression that they were special charges of the government and that the fatherly old man with the whiskers was standing just behind them to see that no harm befell them.

Andrew Furuseth described the passage of the Seamen's Act as the "Dawn of a New Day." But he well understood that the New Day itself would have to be made by the union. The legislative

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fight had succeeded in removing the most restrictive legal weapons that the shipowners had used for so many years against seamen. The Seamen's Act made conditions for further struggle on the economic field more favorable. That was all. Furuseth explained this very carefully and even appeared a little worried that seamen would place too much confidence in the legislation. The seamen's union had managed to crawl out from under the burden of the old laws. Having accomplished that, Furuseth urged the movement to begin its march forward into the New Day:

The seamen's law, Section 7, gives all seamen in American ports the right to quit work at will. You will lose what money you have coming to you, that is true. What are you willing to do to get rid of the shipowners' office here and elsewhere ["here and elsewhere" applies to America and all other maritime nations]? If you are not willing to do that much you will never get rid of those shipping offices.

Furuseth spoke to and for all the seamen of the world. He knew every angle of the Seamen's Act and how to use it for organizational purposes. He told the seamen that he had been careful to insert certain sections, so that—

You need not lose the money, however, because Section 2 of the Seamen's Act provides that you shall be divided into at least two watches, to be on deck alternately or successively. It further says that when this is not done (where men on day work are carried) the contract is broken, and you are entitled to your discharge and the money you have earned. . . . When they begin to keep the law about the watches and you cannot get your money in that way, we have another section in the Seamen's Act which gives you one half the wages due to you in any port (not oftener than after each 5th day). This section is section 4. Of course you will lose some of your wages now and then in this fight, but, if you are not willing to do this, then you prefer serfdom to freedom, then for you there is no help.*

All these plans for extending the organizational gains of the union were directed against the shipowners. Furuseth did not learn until much later that the government is "an instrument in the hands of predatory interests." His plans were interrupted by the entry of American imperialism into World War I. The problems presented by the war forced the government to improvise hastily a new policy for its merchant service. It had no time to work out a long-term program. It was forced to deal quickly with the problems of the maritime industry in all their aspects.

Only on the eve of American entry into World War I did the employing class in this country wake up to the realization of the

*Taylor: *History of the Sailors Union of the Pacific*.

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fact that its place in the world scheme of things could not be insured except through careful organization of its own merchant marine with a powerful navy to guard the sea routes over which its traffic with foreign markets flows. And even then it understood this only as an exceptional principle applicable to the special conditions of "war-time emergency." But it abandoned for all time any idea of building its own merchant service at the expense of its competitors by fostering favorable conditions for a free labor market in the international arena.

The war-time agency entrusted with the organization of a U.S. merchant service was the United States Shipping Board. The emergency fleet which the government constructed, it manned through its own hiring halls. By this method, after the war, when a large part of the fleet was tied up, the government was able to smash the seamen's union.

In July 1917 the Shipping Board established the Sea Service Bureau, which operated hiring halls in 21 American ports. While the war rush was on, with shipping booming and sailors at a premium, the International Seamen's Union operated in cooperation with the Shipping Board. But this "cooperation" was a one-sided affair. The Shipping Board made various rulings concerning wages, hours, and conditions of work, for men employed on Shipping Board vessels. While the war lasted, the effect of these rulings was to keep wages up, though they never reached a figure comparable to those of workers in other industries. The basic wage for able seamen was fixed at \$85 per month under the three-watch system. Marine firemen received \$90. In some instances the union was able to get a bit more.

In dealing with the question of personnel for its emergency fleet the government took what was ready at hand. The success Furuseth had had in the corridors of Congress impressed him with the kindly features of the government. The struggle for improvement of seamen's conditions seemed to him now primarily one for economic concessions to be wrested from the shipowners. He thought the government, by giving seamen a little freedom to conduct that struggle, had proved that it favored the sailor. At least the government had just given the sailor a break. Furuseth was completely taken in by the "paternalism" of the Seamen's Act. This had been his great contribution to the seamen's movement. And had it not been for the war, he believed, a great new day would be dawning for the sailor throughout the world. But the war presented problems Furuseth could not have foreseen and the consequences of

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which he could not anticipate. The government demanded the cooperation of the union. Although he had not favored American entry into the war, Furuseth thought these dark war days would pass, and for the period of crisis it was best to cooperate with the government in its war effort. Everything was sacrificed for the government's plans: the right to strike; even the right to collective bargaining. "During the entire period there was not a single strike on either vessel or harbor craft," gloats the Shipping Board's *Third Annual Report*. The only agreements the union asked for were "rulings" handed down by the U.S. Shipping Board. These were "various rulings concerning wages, hours, and conditions of labor for men employed on Shipping Board vessels."

Within the confines of its emergency program there were two basic considerations which the U.S. Shipping Board's personnel plan took into account. First was the need for new recruits, and these were supplied by its Sea Service Bureaus. Second, it had to get the close cooperation of the union to supply quickly the personnel already in the industry without danger of strikes. And this it got on the basis of the government's attitude of "paternalism" fostered in the period immediately preceding American entry into World War I.

Soon after the war was over, the Shipping Board showed the union-busting power of its war-time "rulings." Its Sea Service Bureaus had shipped approximately 50,000 new recruits into the industry. But as the shipping industry was among the first to suffer the general post-war depression, thousands of seamen were thrown on the beach. The government taught these seamen the real meaning of its "paternalism" by smashing the International Seamen's Union for the shipowners in the 1921 strike.

3: 1921-1934:

Union Defeat and Open Shop

THE U.S. merchant fleet, in wartime an absolute necessity to American capitalism, with peace began to appear an unnecessary adjunct, an uneconomical luxury. It being cheaper to accept the services of debtor nations. U.S. capitalism, which elsewhere was living off its World War I profits, saw in maritime the one field in which large-scale savings were possible. Its resultant policy can be summed up in one word: Retrenchment. As an inevitable corollary its labor policy became: the Open Shop. Andrew Furuseth's reformist dreams went glimmering.

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With mass unemployment rampant and growing, U.S. bosses' pre-war worries about labor shortages vanished: a vast labor market guaranteed the principal pre-condition for the government's open-shop drive. The other pre-condition had been created by the unions themselves: by having given full support to the war, and implemented it by relinquishing to government agencies their control over hiring, they had rendered themselves helpless to fight back.

In 1921, the government's U.S. Shipping Board, acting as the spearhead of the shipowners' attack, deliberately provoked and ruthlessly smashed a defensive strike called to hold the seamen's few previous gains.

After that, despite an occasional successful rear-guard action, the maritime labor movement on the whole broke into full retreat. With the ISU in decline, other new and more militant unions attempted to rise and revivify the seamen's militancy. But the seamen could not rebuild a powerful union movement by themselves. They had to await a new broad upsurge of the U.S. working class, which came in 1934.

THE SEVERE crisis precipitated in its maritime industry by the withdrawal of foreign shipping in World War I, U.S. capitalism surmounted by a colossal improvisation. But, as explained above,* it failed for some time to deduce the full logical conclusion: the historic necessity of a planned, deliberately uneconomic, frankly imperialist merchant marine. "Retrenchment" became the government's maritime watchword. Ships tied up. New vessels just off the ways went straight to the bone-yard without ever making a trip. Thousands of sailors who had been recruited through the U.S. Sea Service Bureaus were thrown on the beach with no ships to sail. Maritime unemployment started a dizzy upward spiral. Foreign seamen, encouraged to jump ship in America by conditions obtaining after passage of the Seamen's Act, found themselves stuck. Used to sailing under all flags, they suddenly found it hard to get a job on any but ships of their own nationality; they were marooned on U.S. beaches, without papers, with no ship to go to, and hounded by the immigration authorities.

Events outside maritime itself accentuated the trend. The First World War marked the final passing of the American frontier. Expansion of industry for war-time purposes had built great new

*See pp. 16-17.

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plants in every section of the country—plants for which, at the war's end, there was no use in the capitalist system of economy. As the plants closed down, the workers who had built and operated them were thrown off the job and into the ranks of the unemployed, further swelled by the demobilization of the American Expeditionary Force. Hastily the government raised immigration restrictions to prevent refugees, trying to escape Europe's post-war industrial paralysis, from adding their numbers to the American unemployed.

For Andrew Furuseth's dream of an international seamen's union that would link the sailors of all nations and fight for uniform working conditions under all flags, was only one casualty of a wave of nationalism that closed frontiers and threw up barriers. The reconstruction period in Europe brought with it new attempts to nationalize labor. Whereas earlier periods had seen the boss in every country try to restrict the emigration of labor so as to keep an adequate supply at home, his restrictions now were against the immigration of foreign workers. The post-war depression not only gave the capitalist class in every country a more than abundant labor market for its industries to draw from, but armies of unemployed to feed. America was less affected than other countries: mass unemployment was not accompanied by famine. But any worry that the American boss had had before the war about a shortage in the labor market was entirely dissipated. In 1921 the stage was set, the conditions were ripe, for the government to attack.

The first problem tackled by the boss and his government when they begin to cut corners to insure profits is always wage reductions. The post-war U.S. was no exception. The U.S. Shipping Board opened fire by decreeing, in conjunction with the private ship-owners, that the union must sign a new agreement. The proposed formula called first of all for a 15 percent wage cut. It furthermore abolished the three-watch system, thus increasing the work week from 56 hours to 84 hours. With this increase in hours, the wage cut actually amounted to over 40 percent. In addition, all overtime pay was abolished, and subsistence allowances were lowered. But this was not all. The Shipping Board denied seamen the right to have union representatives present when they signed articles for a trip or were paid off after a voyage was completed. And, with prospects of the depression deepening, the proposed contract was limited to six months, subject to termination on short notice.

Such an edict left no alternative to the International Seamen's Union except to call a strike. But what was the union's position? It had given full political support to the war. It had backed that sup-

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port up in practice by making concessions all along the line, as we have seen, to the government's demand for war-time "cooperation." It had relinquished all control over labor in the industry to government agencies such as the old U.S. Shipping Board's Sea Service Bureaus and Recruiting Service. It had relied on the paternalism of precisely the organization that was now spearheading the attack against it. And it had abandoned the only arms with which it could have waged a successful fight.

The Shipping Board, on the contrary, was prepared for the 1921 strike: as we have seen, it deliberately provoked it. Its Sea Service Bureaus shipped 15,029 officers and men to break it. "Temporary agencies were reopened on the Great Lakes on May 1 and continued to the middle of June in order to help supply engineers to the coast ports during the national marine strike," the U.S.S.B.'s *Fifth Annual Report* for the period ending June 30, 1921, frankly states. The *Seaman's Journal* of May 25, 1921, reports an incident that many men who were in that strike remember:

Admiral Benson, who will surrender the Chairmanship of the Shipping Board on July 1 to James H. Farrell, President of the **United States Steel Corporation**, has dropped his pretense of sympathy for the union. . . . He declares that he will take away from the operators all ships owned by the Board where the operators make terms with the union that do not provide for the 15 percent cut in wages which he has ordered.

As almost every steamship company in the United States is now operating one or more ships to which the Board holds title, this order by Benson is an ultimatum to shipping companies to join the fight to smash the unions or get out of the business.

Even those seamen with the blindest faith that the capitalist government was somehow being paternalistically "neutral" in the struggle between the capitalists and themselves could not fail now to see clearly the role of the government as the executive committee of the capitalist class. As if to underline the point, the Shipping Board in its *Sixth Annual Report* described itself with accuracy and frankness: "The division . . . corresponded to the industrial relations department of any of the larger private industries of the country." The report further opined that "due regard should be given to the principles adopted by the conservative employers." Andrew Furuseth was bitter. For a union policy of collaboration in support of the war, the government paid off by smashing the union. At the 1921 International Seamen's Union Convention, Furuseth charged: "The government, with its power and money, is to create, foster, and perpetuate the non-union ship, proscribing the union man." And at an-

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other time, with equal clarity: "The United States Shipping Board has become the most potent weapon in the hands of predatory interests."

In this bitter school, maritime labor learned—at least partially—two lessons of terrible importance. First, that a union in the ultimate analysis can rely only on its own strength. Whenever it gives up its independence, it becomes an easy target. It lost the 1921 strike, not because it struck, but because, before it struck, it had surrendered its arms to the enemy. Second, it learned the real nature of the capitalist state: that though that state may demagogically appear impartial, or even, in exceptional circumstances, friendly, it must and does, as the organizer of the interests of the employing class, reveal itself in moments of crisis as the spearhead of the anti-labor attack.

How these lessons are deliberately concealed by the Stalinist misleaders and applied only in a deformed, confused, and false way by the "anti-politicals," we shall examine at length in the section on the union leaderships and their policies (pp. 119ff.). But with the facts of labor's fatal policies in World War I here freshly before us, it must be insisted that these lessons are today more timely than ever before, because the union-smashing task which the U.S.S.B. began under the trying conditions of the last war, and succeeded in accomplishing only after the war was over, was precisely the same job handed the Maritime Commission 15 years later, and which it is carrying out as before—but at a much faster pace. The basic lesson has been forgotten: no sooner had the government made formal declaration of entry into World War II than the union leaderships rushed to the support of the war program. This was a political action which led very quickly to the next step. By renouncing in advance their political independence, the unions were in no position to retain their right to strike. They sacrificed their strongest weapon by pledging no strikes "for the duration." And, though the government is again intervening as the spearhead of private capital, the union misleaders are disregarding the second lesson by calling once more upon the ranks to trust the government and "cooperate with it." *These are precisely the policies that led to the disaster of 1921.* A defeat from which lessons are learned is only a temporary setback; but refusal to learn and reapply those lessons can lead only to disaster.

The 1921 strike, under this government attack, went down to bitter defeat. When the seamen returned to work it was through the open shop. For thirteen years following that strike, open-shop conditions were maintained in the maritime industry by the United

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States Shipping Board, governing as the super-personnel department of Big Business. But, having "solved" the personnel problem in the 1921 strike, the government left most remaining questions largely in the hands of the private operators. The government did not enter directly into the shipping industry during this whole period, except that it kept intact its machinery for shipping: the Sea Service Bureaus continued to operate. But even here the employers kept their own black-list, and began gradually to do their own shipping from their offices or from the docks.

The long years after the 1921 strikes were tough ones for seamen. The "paternalism" of the government wore pretty thin. Conditions on the ships steadily deteriorated. In many ships the two-watch system was the style. Often instead of having the watches stand six hours on and six off, the day was divided into three four-hour watches and two sixes, to get more work out of the crew. But however they arranged the watches, it meant that a man had to work about 90 hours a week. The quarters were cramped, often damp. It was hard to get a change of linen. And bed-bugs were common. Rations were short—eggs for breakfast once a week—and served off tin plates. For these hours of work and under these conditions the Shipping Board scale was \$62.50. But in those instances where the scale was not paid, the government did nothing to enforce it. U.S.S.B. ships became fewer and fewer as title to them was given over to the operators; companies that held title paid as low as \$50 a month. And after the 1929 depression set in, the basic wage was driven down to \$35 in some outfits.

Seamen learned in this bitter school that they would have to depend upon themselves to win any improvement in their conditions. They could expect nothing from the government. New attempts at organization were made.

The ISU, after the 1921 strike, managed to hang together, living on the funds and property and reputation it had built up before the war. Its once great leader Furuseth became a puzzled and defeated old man, spent most of his time in Washington as a lobbyist, fighting rear-guard actions against attacks by shipowners and insurance companies on certain provisions of the Jones Act which the union had succeeded in having passed by Congress in 1920. This had amended the Seamen's Act of 1915, granting seamen the right to sue at common law, with trial by jury, for injuries sustained in the course of employment. During the reaction of the post-war period the bosses were repeatedly endeavoring to take even this right away again. Furuseth, unable to understand and explain the government's

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new maritime policy, led a lone and losing fight. Because he no longer had behind his persuasions the suggestive power of a strong and rising union movement, he found sympathy, when he found it at all, only in the patronizing attitude of "practical" politicians for a kind but harmless visionary.

Yet the ISU, as an established organization, affiliated with the AFL, managed to hang on through the tough years, partly through the organizational loyalty many old-time seamen felt for it because of the early struggles. As bad as conditions were, they couldn't help comparing them with the infinitely worse conditions prior to the Seamen's Act, for which the ISU deserved full credit. Furthermore, solidarity helped: the longshoremen in Australia, for example, would not work ships coming into port with non-union crews; so the Matson Line ships running down there always called the ISU for crew replacements. But under these conditions, with a small membership and fewer jobs, the ISU gradually and inevitably fell into the hands of a bunch of conservative labor-skates, interested primarily in keeping their jobs and drawing their weekly union salary. They showed no imagination or understanding of the seamen's new problems. They lived on the pre-war speeches of Furuseth.

Among the more advanced seamen, new developments occurred. In 1923 the Industrial Workers of the World organized the Pacific Coast seamen and led a strike that tied up the coastal trade. But largely because of their principled opposition against signing contracts with the boss, and partly through an ill-advised political strike for the freedom of Tom Mooney, plus the arrest and imprisonment of many of the leaders under the California Criminal Syndicalism Law, the gains they made were lost and the organization declined.

About 1929 the Stalinists began to make their force felt in the industry. Seamen, by virtue of their intolerable working conditions, the nature of their calling (which isolates them from the "respectable" sections of society), and their knowledge of other peoples, plus their experience with the U.S. government as represented by the U.S. Shipping Board, were not unsympathetic to revolutionary philosophies. The Communist Party gave them a method of organization, pointed out the betrayals of the ISU labor-skates and the futility of the IWW methods, and appealed to all class-conscious militants to join the Marine Workers Industrial Union. This was the maritime section of the CP's Trade Union Unity League during the crazy "Third Period"* when they characterized the AFL as a

*For fuller explanation of this term, see p. 133.

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"fascist" union. They assured all their sympathizers that the revolution was just around the corner, and would be here now were it not for the "social-fascist" betrayers in the conservative and syndicalist and socialist sections of the labor movement. They kicked up quite a noise in the marine industry, managed to tie up a few ships for a few days in different ports. In Philadelphia they even succeeded in establishing a seamen's hiring hall for the port, which worked for a while until the shipowners cooked up a scheme to hire replacements at some other port whenever possible by firing any sailor they thought might be quitting in the port of Philadelphia.

These, then, were the organizations that sought the loyalty and support of all seamen: the International Seamen's Union (AFL), the Marine Transport Workers 510 (IWW), and the Marine Workers Industrial Union (TUUL). There was plenty of room for all of them in the field because the majority of seamen were, prior to the 1934 strike, not organized at all.

4: 1934-1937: Union Counter-Attack

THE CRISIS of American capitalism beginning in 1929 set off a great movement of mass revolt. By 1932 it was impossible for the government longer to ignore labor. The Roosevelt government attempted to head off a general labor revolt by such reformist measures as carefully fostering organized unions to aid in establishing wages at a slightly higher level. This broad governmental labor policy proposed simultaneously to check the mass discontent with concessions, and to restore capitalist profits by restoring consumer purchasing power. There was no specific program for maritime: the general over-all problem was more urgent. But the culmination of the maritime labor upsurge in the 1934 West Coast strikes dramatically brought the whole question of maritime policy to the attention of the nation. Even then the government could not spare the necessary full attention for the special complexities of the subject, but could only try palliatives and temporary expedients: labor mediators mixed with denunciations. But the strike broke through all mediatory bounds, scoffed at denunciations. Militant job action, federation of unions in allied trades, and organization of the nearby unorganized, plus a spread of the entire process from the Pacific to the Gulf and Atlantic ports, seriously alarmed the government. By 1935 it really tackled the maritime problem in its totality. American imperialism had

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finally had driven home to it the necessity of building its own merchant fleet on a deliberate, planned, imperialist basis. Starting from this broad perspective, with an eye on the inevitable coming imperialist war, it realized that its labor policy could necessarily be only a part of the over-all program. By 1936 that program had been formulated: in its labor aspect, it demanded a completely docile and "disciplined" personnel.

But the far-sighted government program stimulated the more immediate-minded shipowners to a counter-attack on the union which provoked the 1936-37 strike. The shipowners, however, were a bit previous: the unions were still driving ahead with such militancy, as part of the whole 1936-37 labor upsurge, that they could not be stopped by either the shipowners' frontal attack or the government's flanking movement. The Roosevelt administration's smoothly reformist labor policy had sown real dragon's teeth. It was necessary for it to retreat momentarily, and return later with a more devious and gradualistic policy.

THE CRISIS in U.S. capitalism provoked by the 1929 crash of fake prosperity had brought it to the brink of the abyss. All Hoover's prattle about "rugged individualism" was rendered not only meaningless but savagely ironic by the idle factories, overstocked granaries, and growing millions of hungry unemployed. The masses, spontaneous and leaderless, were instinctively moving and the ground trembled under the capitalists' feet. Working conditions in industry were no longer tolerable under the open-shop policy demanded by the employers and fostered by the Hoover government. Strikes against wage-cuts, increasing demands by labor for unemployment relief, farmers' rebellions against foreclosure sales by the banks, the overtly hostile Bonus Army march on Washington—all combined to strike terror into the hearts of America's rulers. And not only fear, but doubt. Though the Hoover administration clung to the old concept of a general hands-off policy in industrial management, intervening in strikes only to maintain the open shop, the capitalist class was shaken even in its own self-confidence by the continued economic decline, and by 1932 was beginning to doubt all the old concepts of free competition, individual initiative, and national self-sufficiency. Their profits were declining, and they saw no immediate answer to all the questions that overwhelmed them the morning after their post-war debauch. They began to look for someone to blame. And whom else but their own leading com-

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mittee, the Government? The capitalist class itself pleaded that the government "do something."

Roosevelt was elected in 1932 precisely on the vague but determined promise that "something" would be done. He introduced a nebulous program of "planned economy," and, turning for facts and advice to some reliable students of history and economics instead of to the know-nothing "practical" businessmen, most of whom were still trying to live on their pre-1929 boasts, he worked out the National Industrial Recovery Act, with its famous section 7A. Previous governments had chosen to ignore labor during the entire post-war period right up to the depression year 1932. Roosevelt, wiser than his predecessors, realized the gravity of the spirit of revolt that was bursting out sporadically in every section of the country in the form of strikes, farm-"holidays," and demonstrations by the unemployed, etc. He realized it was necessary to head off a general labor revolt by reformist concessions. Hence his broad labor policy was designed to lift the country out of the depression by increasing purchasing power, thus restoring the consumer market, and thus, as its end-product, restoring capitalist profits. In a sense, this is the essence of "pro-labor" reformism for the maintenance of capitalism.

Now these emergency measures were necessarily general in character. There was no time to work out a specific program for maritime. Maritime was only one part of U.S. industry, and the government hoped that its general measures would roughly apply. To a limited extent, they did. But there were also, as always, special circumstances.

Conditions, bad as they were, seemed certain to grow worse. As everywhere, there was widespread unemployment, deepened by the 1929 depression. But the seamen, having less to lose than other industrial workers, were all the more desperate. The U.S. Shipping Board, mainstay of the open shop, still existed, but its power had so gravitated into the hands of the private operators that even as a strike-breaking agency it had lost the punch it packed in 1921. The New Deal, more far-sighted, knew better than to employ such a discredited agency, and there had not been time to invent a palatable substitute. By a special combination of historic circumstances, and by the fact that the government was too preoccupied elsewhere, maritime labor got the green light. The volcanic pressure built up by the increasingly intolerable conditions after 1929 jibed with the favorable conjuncture of rising militancy in the U.S. labor movement, to permit maritime workers to carry their 1934 counter-

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attack against the 1921-created open shop to real heights, far beyond anything intended by the "New Deal." Yet it must not be forgotten that the 1934 strikes were not purely maritime, were not in any historical sense exceptional: they were essentially only part of the great wave of strikes that swept the U.S. that year, and they stemmed from the same historico-economic causes.

But seamen may be justifiably proud that, along with the strike of the Minneapolis truckers, their 1934 strike was the most militant in the country. Maritime labor today may look to the outside observer partly tricked, partly crushed, and incapable of resurgence; but the tens of thousands of seamen who went through that baptism of fire know better, know that those reserves of heroic militancy remain, ready for the new upsurge.

It started with the Pacific Coast longshoremen. Their original demands, of March 5, 1934, were: 1) coastwise agreement; 2) closed shop; 3) union hiring halls. On May 9, between ten and fifteen thousand of them went on strike, calling for: 1) \$1.00 an hour instead of \$.85; 2) 30-hour week instead of 48; 3) \$1.50 instead of \$1.25 overtime.

Now the maritime unions, by the nature of the seaman's occupation, are at a disadvantage in solidarity, atomized as the seamen are over the world's sea-lanes in small groups as ships' crews; during a long trip they tend to lose contact with what is going on ashore. But when the longshoremen started the ball rolling, the sailors, in solidarity, began walking off ships as fast as they hit port. Whole crews came off, organized and unorganized together: it didn't matter what union a man belonged to, or even whether he belonged to any union, so long as he left the job to help the stevedores win—and to win something for himself in the process. Differences, complications?—they could all be straightened out on the picket line. That was the spirit. It was unbeatable.

The MWIU was the first marine union formally to call a strike. Rank-and-file pressure on the ISU pie-card artists forced them to follow suit. The IWW, though reduced to a mere handful of members, had with characteristic militancy jumped in at the very beginning, and joined with the ISU in picketing.

The strike spread like wildfire to all Pacific Coast ports. It was a real rank-and-file strike, with the "leaders" swept along in the flood. It encountered every weapon then in the arsenal of the employers. The shipowners hired their own thugs who tried to work the docks and man the ships. The city police of every port on the Coast were mobilized on the waterfront to hunt down the strikers.

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The newspapers, launching a slander campaign against the strikers, called on the citizenry to form vigilante committees to raid the strike headquarters, the actual organization of this dirty work being entrusted to the American Legion and other "patriotic" societies.

Under this direct attack, the workers stood up unflinchingly. Nor were they to be fobbed off with fake settlements by labor-skates. On June 16, ILA President Joseph P. Ryan, rushed from the East Coast, presented a compromise agreement, involving: 1) recognition of the union; 2) provisions for collective bargaining; 3) arbitration of wage-scales; 4) joint operation of the hiring halls (but with no provision for rotary shipping). Shipowners' spokesman Thomas G. Plant explained:

Messrs. Casey, McLaughlin, and Beck volunteered to underwrite and guarantee the performance by the longshoremen of any agreement so reached. Their specific promise as to the means they would use to guarantee observance was that trucking operations would be resumed if the longshoremen refused to return to work should an agreement be reached. The International President of the Waterfront Employers' Union of San Francisco secured the necessary authority, and these two representatives then proceeded to negotiate and on June 16th, reached an agreement which was reduced to writing.

It was signed in the office of Angelo Rossi, Mayor of San Francisco.

With the exception of San Pedro, the ILA locals of the whole Pacific Coast contemptuously rejected the compromise. Mr. Plant was indignant. He alleged that the vote on the Ryan agreement was not sufficiently "secret," that workers tending to accept it were "intimidated" by the fact that voting was public and their mates could see what they were up to. And Mr. Plant was also scared. Later, on July 11, in a statement to the National Longshoremen's (arbitration) Board, he complained:

Commencing with the calling of the strike on May 9, and continuously thereafter, the waterfronts of all the Pacific Coast ports have been continuously picketed by longshoremen, sailors and communists.

There have been hundreds and at times more than a thousand pickets at the waterfront.

Sure enough. The workers were at last taking independent, militant, direct action. And that was the only language that Plant & Co. really understood and feared.

The situation had got beyond the control of the shipowners, of the municipal police. On July 5, in the "Battle of Rincon Hill," they fired on the strikers, killing Howard Sperry and Nick Bordoise, and wounding 109 other workers. The same day Governor Merriam ordered the National Guard to San Francisco to break the strike.

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Uncowed, the strikers stood firm, and the working class of San Francisco showed its solidarity by calling a general strike in support of the maritime workers and in protest against the use of troops. The federal government also entered the picture—on the side of the shipowners, naturally—in the person of General Hugh S. Johnson of NRA fame. Coming to San Francisco, he characterized the strike as a "civil war," thus giving official endorsement to the newspaper campaign for vigilantism. Federal mediators and conciliators went scurrying between the strike committee and the shipowners' association. Nor were the labor fakers idle, denouncing the strike and piously averring that surely some "peaceful settlement" could be found.

Finally, after eleven weeks, under the weight of pressure from the shipowners, the government (city, state and federal), and the "public," the maritime strike was called off in San Francisco. The longshoremen went back on July 31, and the maritime workers up and down the Coast returned to work pending settlement of their demands by an arbitration committee. But they went back to work as an organized body of men.

The strike had succeeded in two very important respects: it had built a spirit of solidarity and it had discredited the old-line officials who were constantly trying to direct the strike into "safe" channels. The seamen went back to the ships with their demands for wages and conditions still in the hands of an arbitration committee which they did not trust. But they were in a position to finish a job they had waited a long time for. They soon drove the finks off the ships, and the labor fakers out of the leadership of the ISU. But the greatest gain of all, the real key to future improvements in wages and conditions: they went back to work determined to establish the union hiring hall. All this was accomplished in a short time.

Against the finks who had tried to run the ships during the strike, the fight went on in every port of the world, and on every ship that left the Pacific Coast with strike-breakers foolish enough to stay aboard after the strike's end.

The government unwittingly helped by eliminating all the pre-strike organizational rivalries. When the NLRB elections went overwhelmingly in favor of the ISU, the Stalinists were forced to disband their MWIU, abandoning the bankrupt policy of isolating militants in "revolutionary unions"; the MTW also dissolved into the ISU. With this infusion of extremely militant elements, the rank and file began to drive against the reactionary ISU leadership. By 1935 they were able to rid themselves of the notorious Scharren-

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berg. The rank-and-file control that brushed aside the old officialdom in the Sailors', the Firemen's, and the Cooks' West Coast ISU unions is an outstanding example of how a union can be transformed from a slow hide-bound outfit dominated by a bunch of fakers into a strong militant organization run by its members.

By 1935 the union hiring hall was operating up and down the Pacific Coast from Seattle to San Pedro. This was the result of direct action. Seamen refused to ship except through the union hall. If a man came aboard ship from any other source, the rest of the crew formed a welcoming committee for him. Every man who quit a ship went to the union hall and registered. He received a card with the date of his registration. When he was ready to go to work again, he went to the union hall and saw on the blackboard what jobs were needing his skill and experience. If he saw a job he liked he bid for it. If other members of the union were bidding for the same job, the one with the oldest shipping date to prove that he had been out of work longest was given the job. Thus was established the union system of rotary shipping.

Following the 1934 strike, seamen initiated a program of job action to improve conditions on the ships and strengthen their organizational structure. "Job action" during this period was largely led by the "anti-politicals" of the Sailors Union of the Pacific. In essence it meant that every ship's crew selected its own delegate and decided what changes in conditions were necessary on that particular ship. When the ship came to port, if the demands of the crew were not granted, all hands quit; and the union was somehow never able to find replacements until some adjustment of the grievances was made. In this way, for example, overtime pay was won for all work after 5:00 p.m. and before 8:00 a.m., various types of work were classified as overtime, better food came aboard, crew quarters were altered and improved. Job action is a valuable tactical device, but it is no substitute for trade-union strategy, as will be seen in later examination of this question in the following section, "The Development of Leadership."

The longshoremen also launched a campaign to consolidate their position and extend the gains of the 1934 strike to other workers. Intensive organization work was begun among the warehousemen in all coastal industry to bring them into the ILA. Especially active in this campaign to organize all Bay Area warehousemen around San Francisco were the Stalinists. They had won a place in the leadership of the ILA during the 1934 strike, which they gradually consolidated by operating as an organized fraction against a disorganized oppo-

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sition. Conditions prior to that time had precluded them from attempting a dual "red" union for longshoremen. Of necessity, they operated primarily within the Pacific Coast ILA. During the strike, Harry Bridges rose to power on sheer activism and a program which was coincidentally what the longshoremen were fighting for. But with the full flowering of "Popular Frontism," with its concomitant class collaboration, the Stalinists fought against job action and what they called the "super-militants," allying themselves for the purpose with the ISU bureaucrats who were still entrenched on the East Coast, and who in January 1936 expelled the Sailors Union of the Pacific from the International.

On the Atlantic Coast, in an apparent paradox, the CP seamen's fraction organized the rank-and-file seamen against the ISU bureaucracy, battenning on the militancy of the West Coast seamen and Bridges' earlier reputation. In less than two years the impetus of the seamen's struggle on the Pacific Coast would begin to find organized expression on the Gulf and Atlantic Coasts. Maritime labor was on the march.

But the organizational gains of the strike found their highest expression in the Maritime Federation of the Pacific. With but two exceptions, all the original unions that banded together to form it were affiliated to the American Federation of Labor. They all breathed the new spirit of industrial unionism that was sweeping nationally through the ranks of the AFL. The Maritime Federation was originally confined to waterfront unions: 1) The International Longshoremen's Association; 2) The Sailors Union of the Pacific; 3) The Marine Firemen, Oilers, Watertenders & Wipers Association; 4) The Marine Cooks & Stewards Association; 5) The Masters, Mates & Pilots Association; 6) The Marine Engineers Beneficial Association; 7) The American Radio Telegraphists Association (these latter two being independent organizations unable to get a charter from the AFL). A bid was made to bring the International Brotherhood of Teamsters' waterfront locals into the Federation, but they were kept out by their old-line officials who looked upon the new Federation as a bunch of waterfront outlaws dual to the AFL Central Labor Councils. The Maritime Federation of the Pacific took as its slogan "An injury to One Is an Injury to All." It was a long step forward on the road to genuine industrial unionism.

The government was really alarmed by the 1934 strike: by its militancy, by its solidarity, and above all by its tendency to spread. At first, the government was in no position to pay close attention to the special complexities of maritime. But to the impulsion given

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by the strike there was added the growing and tardy realization that it had to recast its whole policy toward the maritime industry in the light of its imperialist needs, especially since it had a weather-eye to the gathering war clouds. It settled down to restudy the whole maritime problem thoroughly. While the post-1934 seamen's upsurge ran its course, the government was preparing its long-term answer. By 1936 it was ready: the Merchant Marine Act, H-R 8555, commonly known as the Copeland Bill.

The ultimate long-range purposes of that Act, what it meant for U.S. imperialism in general and for the increasingly parasitical shipowners in particular, we have already examined.* Let us now examine what it meant for seamen.

The key and kernel was the "Continuous Discharge Book," more commonly—and more accurately—known as the Fink Book. This little device the international-minded Roosevelt advisers had quietly lifted from the experience of British imperialism. The British government had successfully regimented all seamen during World War I by means of the Continuous Discharge Book, issued to all seamen by the British Board of Trade. It contained a description of the man, his rating, and space for a continuous record of his sea service. According to U.S. law a seaman is given a discharge at the end of each voyage. Under open-shop conditions if he applies for a job he can produce these discharges to prove that he is an experienced man. However, since they are individual discharges and all separate, he can produce only a few of those he actually has. Thus, if he has made a number of short trips or has quit his ship before completion of a voyage, which is always true of a man who is marked in the industry for union activities, these facts are not readily apparent to the company shipping master. But with the Continuous Discharge Book, the entire sea record of a man is there. Anyone looking at the Book can tell at a glance whether it belongs to a "loyal employee" or an "agitator." The Book thus serves as a blacklist.

The Book was agreed to in England by the conservative union representatives. In exchange for this, the trade-union officials received joint control of the hiring halls. That is to say, a government board comprised of shipowners, union representatives, and government agents operates the hiring halls in England. Seamen are not shipped unless they are satisfactory to both the union and the operator. This arrangement has resulted in the shipowners collecting

*See pp. 30 ff.

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union dues from 90 percent of the seamen by means of the check-off system. Ships carry no union representatives, have no "shop committees"; in fact, the British union officials confessed that, to maintain discipline, they "would not allow such a thing."

In the light of these facts it is not surprising that the president of the Sailors' and Firemen's Union of Great Britain and Ireland could write to Andrew Furuseth during the 1921 strikes:

It seems strange to me that the owners in America are so strong on the "open shop," whereas the owners on this side are doing everything they can to make it the "closed shop." . . . As a matter of fact, the great majority of the owners have turned the entire shipping of men over to us and many of them have expressed the view that they do not know how they could do without us.

At first Roosevelt's maritime experts did not reveal that it was on the British model that they had prepared the Fink Book, but later, in 1938, when the maritime workers had defeated the attempt to force it on them, President Roosevelt sent a commission of inquiry to England to find out how the British bosses had got away with it where the American bosses couldn't. The commission verified the success of the so-called "closed shop" system, with every British seaman carrying his blacklist in his hip-pocket in the form of the Book. Says the report:

That this machinery works well is attested by the fact that in nearly 20 years of its existence there have been no official strikes, and only two unofficial stoppages, one, an unsuccessful strike among the caterers (who at that time had a separate organization) and the other a localized rank and file stoppage of seamen growing out of wage reductions which the Seamen's Union had agreed to. In the latter instance, the union supplied men to man the ships. But the report did not say how such a happy state of affairs could be achieved. Indeed, the bosses and their government are still trying to find out how to do it.

In order immediately to effect this plan the government needed a docile union leadership that would cooperate in the same manner that the ISU leadership had cooperated in the last war. But the 1934 strike on the Pacific had not given rise to that kind of a leadership. The International officials of the ISU, who were pledged in advance to support of the government's program, were held in contempt by the militants on the West Coast, and they were hardly more respected by seamen on the Atlantic and Gulf Coasts. The resurgent union movement on the Pacific Coast had to be smashed. The government could then effect its plan in the absence of any union, or it could, to save the face of democracy, use the decrepit ISU officials for a "union" front. The task of making the frontal attack on Coast

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unions was left largely to the shipowners, while the government brought flanking pressure with the Fink Book.

While the Copeland Bill was being debated in Congressional committee (Committee on Merchant Marine and Fisheries), the shipowners prepared for an all-out fight against the unions. Their aim was to smash the union hiring hall so as to clear the way for government introduction of the Continuous Discharge Book. The seamen were ready for strike action. A wage increase was due them. For two years following the 1934 strike, they had been working for the old Shipping Board scale of \$62.50 a month. And these two years marked a period of sharp rise in the cost of living. But the shipowners sat tight, refusing even to discuss the question of wages until first the seamen's unions agreed to give up the union hiring hall and the system of rotary shipping which the operators called "illegal." Every time the union negotiating committee met with the shipowners, they ran into this obstacle. Contracts expired September 30, 1936. But right up to that date employers stuck by their "preference of employment" formula, always with the reservation that "nothing herein shall prevent the employers from discharging or refusing to employ anyone who is not satisfactory to them." If seamen called a strike it would affect all maritime workers. And no seaman doubted that a strike would be called. The only question was *when*? But the problem of organizing support for the strike was not so simple as it might have appeared on the face of things.

Attempts were made to get endorsement of the strike by the Maritime Federation. Without such endorsement the strike would have been impossible. But the Maritime Federation was torn with factional warfare. Some political differences existed between the pro-Roosevelt Stalinists and the "anti-politicals" who wanted to be pure and simple trade unionists. These political differences were a distorted reflection of the relative economic conditions enjoyed by the longshoremen as contrasted with what the sailors had won in the '34 strike. Longshoremen stood to gain very little from a strike in 1936. But the rank and file understood that in order to insure their conditions they had to help defend the sailors' hiring hall.

The Stalinists at that time were trying to extend their influence inside the AFL. They found general political agreement with the labor bureaucracy on their "Popular Front" line which on the American electoral scene then meant support of Roosevelt. Whatever fights they had in various sections of the AFL with the old-line labor-skates were purely bureaucratic struggles for posts—policy was not involved. Bridges was trying to make peace with Ryan

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within the International Longshoremen's Association on the basis of territorial division and an understanding whereby Ryan would recognize the rank-and-file seamen's movement on the East Coast which was in the hands of a Stalinist leadership, and Bridges would prevent a strike in the industry, which neither of them wanted. A meeting took place in New York on September 16 and 17, 1936, between these two longshore leaders to iron out their difference. After the meeting Bridges told the press, "There is no commitments, but everything is going along satisfactorily. Nothing has been said about any strike anywhere."

The Pacific Coast shipowners, hoping to take advantage of the difference in conditions enjoyed by longshoremen as contrasted with what the seamen had won, offered to submit all questions in dispute to arbitration. At the same time they pressed their demand upon the seamen to give up the hiring hall. But the union hiring hall was not a question that could be arbitrated. This became the central issue for the 1936-37 strike.

Bridges had been angling for a separate agreement for the longshoremen. And when the shipowners refused to make any concessions he threatened them with a nation-wide strike. The Associated Press on September 20 quoted Bridges as saying that the longshoremen of the Atlantic Coast and Gulf of Mexico and Great Lakes would "support the West Coast in the event of a break with the employers." He said that he had received assurance from representatives of the three districts, indicating how far his understanding with Ryan had gone. Whatever the deal was, Ryan got out of it very nicely by signing a new agreement with East Coast operators and having them urge the West Coast operators to sign a contract so as to avert a strike. And Bridges would have snatched it up, but the West Coast operators wouldn't. That was the extent of Ryan's "support." It came just ahead of the West Coast strike, and during the strike Ryan ordered ships loaded on the Atlantic Coast when rank-and-file seamen walked off the ships in sympathy with the West Coast.

In spite of the growing factional issues inside the Maritime Federation the solidarity of maritime workers on the Pacific was so strong that every affiliated union voted to strike for the hiring hall demand. As the September 30 deadline approached, last-minute efforts were made by interested and disinterested parties to avert the strike. The longshoremen's negotiating committee, headed by Bridges, notified the shipowners that the ILA would continue negotiations. Joseph B. Weaver, director of the Commerce Department's

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Bureau of Navigation and Steamboat Inspection Service

stressed need for immediate appointment of the Maritime Commission created by legislation passed at the last Congress, pointing out that there was now nobody with authority to do more than attempt to arbitrate and conciliate disputes between seamen and shipowners,

according to the San Francisco press. Being high in government maritime circles, Weaver was familiar with the government's plan and wanted to see it begin operating immediately. The San Francisco Chamber of Commerce worked out its own peace plan and wired Roosevelt to intervene. Roosevelt intervened by naming a temporary maritime board, comprised of two brass-hats, Admirals Wiley and Hamlet, and an accountant, George Landick, Jr. Great hopes were placed on these three. Colonel J. Monroe Johnson, Assistant Secretary of Commerce, announced that "the Maritime Commission has full power and authority to cope with the situation and it probably will direct its earliest efforts toward that very difficult problem." But this committee, hastily set up to take over the first duty handed the Maritime Commission, needed a little time to get organized. Edward F. McGrady, crack federal mediator, flew to San Francisco with an offer of a fifteen-day truce. The waterfront employers carried off their part in the game quite well. They were adamant. They would consider an extension of the truce only if all questions in dispute were submitted to arbitration. They had previously announced that, after October 1, "All hiring will be direct at the piers, until such time as hiring halls can be re-established by agreement." In his formal reply to the demands for "peace," T. G. Plant whined that the employers were exhausted and could go no further:

While having the greatest deference to your request, employers are loath to grant any further delay in arriving at a definite and permanent settlement. For two years, they have been subjected to violations of awards, harassment, strikes, stoppages of work, strikes on the job, etc. . . . Three major companies on this coast are operating under section 77B of the Bankruptcy Act. One of these companies has just obtained permission from the courts to cease all operations. Two other substantial companies have retired from business and laid up their fleet.

Poor ship operators. That year they had received cash aid through the old ocean mail contracts in the amount of only \$20,000,000.

The maritime unions readily accepted the 15-day "truce" and federal mediators convinced the employers that they could hold out a little longer—Uncle Sam was on his way with more money bags, in the person of Admiral Hamlet. He also carried a club.

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As the 15-day truce period began to draw to a close, another extension was proposed. Admiral Hamlet was a little late. Another extension. Hamlet finally arrived on October 19. He looked around for three days, intimated to the press that he was anxious to lay the basis for an extensive "truce," and finally called a meeting. The unions demanded guarantees that the 1934 Award benefits would be maintained, notably union control of the hiring hall and the six-hour day for longshoremen. Hamlet's reply was flat: "I am in no position to give such guarantee."

Out of the councils of the Maritime Federation next day came a list of those demands that could not be submitted to arbitration:

- 1) Preference of employment for union skippers, mates and engineers.
- 2) All unlicensed personnel to be employed through the union hiring hall.
- 3) Seamen to be paid for overtime worked in cash, not in time off.
- 4) An eight-hour day in a spread of twelve hours for cooks and stewards.
- 5) The six-hour day and the hiring hall for the longshoremen.

The memo accompanying these demands specified that if points 1, 2 and 5 were agreed to by October 28, the expired agreements would be extended to September 30, 1937. This proposal amounted to an offer to continue for another year under the same conditions that prevailed during the two previous years. This was the proposal of the Stalinist faction inside the Maritime Federation who argued that it was best to postpone the strike for another month and avert it if possible "so as to insure the re-election of President Roosevelt." They had a big legislative scheme afoot at the time and hoped to be rewarded for their political support to the Roosevelt administration. Joseph Curran came to San Francisco to explain what was up. He denounced the Copeland Bill: "It is a deadly, anti-labor piece of legislation. There is no question it is aimed at regimentation of seamen, and the beginning of a movement to regiment all organized labor." (And these were the people who were supporting precisely that Roosevelt administration which had just pushed through this very Copeland Act.) But Curran had an answer. He explained that Copeland had suggested seamen themselves draft a bill. And the Stalinists thought this a good idea. Said Curran:

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The rank and file on all coasts should comply with the suggestion. We have a legislative committee working now. We intend to put the matter before West Coast seamen and create a National legislative committee to see it through.

But West Coast seamen did not take very kindly to the idea. They did not favor postponement of the strike "to insure the re-election of Roosevelt." And they did not propose to work for another year at \$62.50 a month and take their overtime in time off.

All efforts to avert the strike failed. The Merchant Marine Act, creating the Maritime Commission, did not become legally effective until October 26, 1936. Roosevelt jumped the gun a little to get the machinery moving before the 1936-37 strike overtook him. On the day the law became effective the Maritime Commission asserted its authority in a letter to both the unions and shipowners. The letter demanded:

Answer unequivocally and without qualification the question, are you going to respect the public and government interests to the extent that you will carry on under the latest agreements without stoppage of work by lockout or strike until the commission is completed [with its work] and facts announced.

The shipowners took the cue nicely, answering:

If your commission is unable or unwilling to cause the unions to comply with your demands that the agreement be observed and that strikes do not occur, we must be free to proceed as we see fit to protect our interests.

The unions were left very little choice. Inside the councils of the Maritime Federation rank-and-file pressure from the seamen was too great to permit further delay. The Maritime Commission received an answer from the unions which correctly characterized all the Commission's actions then and since: "The action of the commission appears to us to coincide with wishes of the shipowners, who apparently desire a tie-up regardless of ultimate results."

On October 30, 1936, the strike was called. Roosevelt went on a fishing trip, apparently confident that the Maritime Commission was well equipped to deal with the situation.

The strike faced many dangers. The shipowners were well prepared. They had a strong Employers' Association with a big slush-fund to tide them over a long drawn-out strike. The labor bureaucracy denounced the strike from the beginning. When rank-and-file seamen on the East Coast walked off in sympathy with the striking West Coast maritime workers, the old ISU fakers kept the ships running. And in addition to all this, the threat of the government Fink Book overshadowed everything else. It was a source of confidence for the shipowners. It became a controversial issue between

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contending factions inside the Maritime Federation of the Pacific. At the end of three months of strike, on the eve of the settlement, the Stalinists came out openly for acceptance of the Book.

While the ISU fakers were feebly agitating for acceptance of the Fink Book, the shrewder Stalinists had been distributing pledge cards against it. But they were simultaneously preparing to support the re-election of the Roosevelt administration that was behind the Copeland Bill. Once Roosevelt was safely in, the mask was dropped and the Stalinists urged the Book on seamen. Before the strike was over, faced with recalcitrant rank-and-file refusal to swallow the Book, the Stalinists attempted to divert the whole struggle. Their slogan was a lulu: "Take the Fink Book—and burn it on the Capitol steps May Day." How impractical and dishonest this tactic was is demonstrated at greater length later (p. 138).

As the strike stretched from weeks to months and it began to look as if the shipowners were going to be the first to crack, the government began injecting its influence more and more into the struggle. Mediators from Washington had been on the scene weeks before the strike was called. Their futile efforts to "mediate" served primarily to keep Washington informed as to the actual progress of the strike. With union control of hiring the central issue of the strike, J. B. Weaver, of the Bureau of Marine Inspection and Navigation, chose just this time to propose the government hiring hall.

The Maritime Federation of the Pacific showed signs of weakening before the strike ended. Bitter factional struggles were waged over every issue that arose during the strike. The Stalinists opened a fight for the control of the *Voice*, official organ of the Federation. One of their main charges was that a series of articles in the paper explaining the Continuous Discharge Book had been "incorrect." They succeeded in capturing the paper and using it for their own factional purpose. The councils of the Federation rocked with arguments over the question of "perishable cargo." The shipowners were demanding that the strikers discharge from strike-bound ships what was called "perishable cargo" before any settlement of the strike could be reached. The Stalinists were anxious to comply "to gain favorable publicity." But the seamen who had everything to lose in the strike wanted to hold a solid front against the operators until all demands were won. Such differences over policy where each organization was an autonomous unit in the Maritime Federation was too much of a strain for a loose body whose executive organs had no organizational authority or power to en-

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force its decision on any of the unions comprising it. The Federation was not recognized by the AFL. It was impossible for the Federation to appeal to an International to discipline one of its local affiliates in the same manner that the AFL Central Labor Councils do. The president of the Maritime Federation sat on the strike committee only as a figure-head. He represented no one. Yet the solidarity that still existed in the ranks of the West Coast maritime workers gave such moral authority to the Federation that it survived the strike and dragged out another two years' existence marked by bitter feuds.

When the shipowners finally were brought to their knees and signed agreements with all the West Coast maritime unions at the end of 99 days of strike, seamen had won a greater victory than they knew. Not only did they win a ten-dollar monthly wage increase; more important, the 1936-37 strike was especially successful because it forced the shipowners to recognize for the first time in signed agreements with the unions the principle of the union hiring halls. The Steamship Owners' Association of the Pacific Coast had to incorporate this provision in its agreements with all the West Coast unions: The Sailors Union of the Pacific, The Marine Firemen's Association, and The Marine Cooks & Stewards Association. Since that time every union contract on both coasts has embodied this provision, the cornerstone of union independence.

The resurgence of the maritime unions in 1934, establishing the union hiring hall and forcing formal recognition of it in the 1936-1937 strike settlement, brought direct pressure from the government. The entire pre-war period following the 1936-37 strike saw further consolidation of union gains—with increased government sniping at the basic foundations of the new union movement.

5: 1937 to Pearl Harbor: Government Intimidation

THE LABOR program which the government finally worked out was precisely stated in legal terminology in the 1936 Merchant Marine Act. All grievances by the unlicensed personnel were to be settled by the government, through the seaman's immediate superior. This is the Navy way of dealing with personnel problems, applied to the merchant marine. But Congress, when it passed this Act, underestimated the power of the still developing maritime unions. Thus, to effect its policy, the government had to adopt a dual tactic: smash the unions as in 1921,

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and/or absorb the union leadership into the government apparatus as the British ruling class has done. But 1937 was hardly the moment and the leaderships were hardly the people. The government could have made a deal with the Stalinists but would not; would have dealt with the "anti-politicals" but could not. It kept the unions busy in a windmill fight that had them striking out in all directions at once against the three main weapons on which the government staked the final success of its skillful anti-labor policy: government hiring hall, government discharge book, and government training schools. No hastily pieced-out plan, this was a comprehensive policy with all the instruments for effecting it. Government pressure sharpened the division in union policies and leaderships. These divisions, though weakening the unions, complicated the government's problem. It needed above all a united union movement dominated by a loyal and docile leadership. That was precisely what it could not find. Unity was impossible. The Stalinists were docile but untrustworthy. The "anti-politicals" were loyal but not very docile—their first duty being to the union as such. The government program was essentially a war-preparedness measure, with the long-term perspective of badgering the seamen till it wore them out. But there was not time for the process to work itself out: World War II cut across American imperialism's path before it could complete its maritime program. The U.S. declaration of war found the marine unions fighting a slow retreat, but still essentially intact.

THE GOVERNMENT'S new labor policy was summarized in the 1936 Merchant Marine Act in unmistakable terms:

Licensed officers and unlicensed members of the crew are entitled to make complaint or recommendations to the Commission, Coast Guard, Department of Labor, providing they file such complaint or recommendation with their immediate superior. He shall then forward such complaint or recommendation, with his remarks, to the Commission, Coast Guard, or Department of Labor.

Could such a policy have been effective, it would have replaced all collective union procedure in bargaining and grievances by the equivalent of Navy discipline. But Congress failed to realize that the unions were still driving forward. Following the 1936-37 strike, the organizational gains of seamen were extended to all coasts.

This period saw the complete breakdown of the old AFL international, the International Seamen's Union, which began when the reactionary officials of the ISU on January 16, 1936, expelled the

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Sailors Union of the Pacific for refusing to reinstate the notorious Scharrenberg. From that date on, the crafts on the Pacific Coast—sailors, firemen, and cooks—began their separate, independent existences. The Sailors Union of the Pacific was finally reinstated in the AFL in 1938 and given a charter to organize all American seamen. The Marine Firemen to this day are attempting to steer an independent course, not being affiliated to either the AFL or CIO. The Marine Cooks & Stewards are now formally affiliated to the CIO. This development on the Pacific had its counterpart on the Atlantic.

Real organization of East Coast seamen began to take form following the 1936-37 national maritime strike. Although the strike on the East Coast was called in "sympathy" with the striking West Coast seamen and longshoremen, it was really an organizational measure taken by the Stalinists, who set up the National Maritime Union (CIO). But on the East Coast there were still seamen who remained with the AFL. This body of seamen was brought under the wing of the Sailors Union of the Pacific in 1938 when the West Coast sailors got an AFL charter—the Seafarers International Union of North America, AFL—which today is in the field and competing with the National Maritime Union (CIO), for the sympathy and support and allegiance of all seamen on all coasts.

The conflict between AFL and CIO unions in the maritime industry did not occur over the issue of craft vs. industrial unionism as it did in the labor movement in the rest of the country. Nor has the CIO been distinguished from the AFL in maritime by more militant policies; just the contrary has been true. The Stalinists utilized the affiliation of the NMU to the CIO—by exploiting the latter's progressive reputation among the workers—in order to attempt to crush the SUP and the militant struggles the SUP was waging to preserve the seamen's unions. The SUP re-affiliated to the AFL when it appeared that without outside labor support they would be crushed by Stalinist attacks. It is to be noted that the SUP organized the SIU-AFL on the East and Gulf Coasts along industrial lines of the same order as in the NMU-CIO.

While these divisions among seamen weakened them and often prevented the leaderships from seeing the main enemy clearly, they also caused many a headache for the Maritime Commission. The government had a dual tactic, flexibly combining a 1921-style crack-down on rank-and-file militancy and a cajolment of the leadership into cooperation with and even integration into the government apparatus. This needed a single union under docile leadership.

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But both the time and the people were ill-suited for such a tactic. As a result of winning a three-month strike which forced recognition of the union hiring hall, mobilized seamen on the Atlantic and Gulf Coasts, and discredited forever the old-line labor-skates in the corrupt and impotent ISU, the seamen were at a high point of rank-and-file militancy. And the government could fully count on neither leadership. The Stalinists were willing enough, but, in view of the past zigzags in the party line, the government did not trust them to stay put. The "anti-politicals," on the other hand, who had developed during the 1934 strike struggle and had led the union counter-attack against the shipowners right through the successful 1936-37 strike, were perhaps loyal but not very docile—and their loyalty had limits because their first allegiance was to the union. So, though the government made alternate attempts to put over its labor policy behind the back of the new virile unions, and to cajole and intimidate the leadership into acceptance of its policy, neither method worked. Had the Commission had a docile union leadership of a single seamen's union, it might by this time have put over some sort of scheme which today would operate very like the shipping pool in England. But that wasn't in the cards.

Not that the government didn't try. The Maritime Commission swung into action under the direction of its first chairman, Joseph P. Kennedy, with vigor and determination. A vast training program was soon under way to supply a "disciplined" personnel for the new ships, long before a single keel was laid. How far this training program had gone was clearly stated in the Report of the Maritime Commission to Congress on "Training Merchant Personnel," published on January 1, 1939. Before its publication the Maritime Commission had established three "training ships" and was already looking around for a fourth. Two were on the East Coast. One of them had 15 buildings on Hoffman Island in lower New York harbor "to train approximately 2,500 of the present personnel of the merchant marine at this station annually." The other was in New London, Connecticut, and "planned to train annually at this station approximately 200 of the present licensed personnel of the merchant marine." The third training station was on the Pacific, at the U.S. Coast Guard base, Government Island, Oakland, California, "to train annually approximately 650 present unlicensed and 100 present licensed personnel of the merchant marine." Thus by the end of 1938 machinery was already moving to turn out more than 3,000 unlicensed seamen from government training schools. Union pressure

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forced the Maritime Commission to announce formally that it would restrict the schools to

unemployed licensed and unlicensed men of the merchant service. They must be citizens with at least two years' sea service in the American merchant marine, of which seven months must have been served within two years prior to application for enrolment.

But in this same report the Commission was quick to reassure Congress:

Regulations restricting enrolment are subject to change. The number of persons enrolled in said Service . . . shall be determined, fixed and prescribed by the Commission in such manner and form as may appear to be necessary to maintain a trained and efficient merchant marine personnel. . . . The Commission believes it most important to have at the disposal of the merchant marine a thorough system of training . . . licensed and unlicensed personnel and, in addition, *competent young Americans who have had no previous experience.* [Our italics.]

The Maritime Commission had three big guns which were brought into play in its drive for regimentation of seamen. One of them was the training ship. Another was the government hiring hall. Both of these had been used before. The third was the Continuous Discharge Book. This weapon had been used by private operators in America, on the Lakes and the Pacific Coast. But it was new in the government's arsenal. It was thought to be so valuable that it was incorporated in the body of the Merchant Marine Act of 1936, not even left to the discretion of an agency to use at the proper time. When the Act became effective in 1937 the Fink Book was supposed to be automatically compulsory upon all seamen.

Such was the government's union-smashing program. But to write and enact such a program into law is one thing. It is something else to enforce it. Nobody can say the government didn't try. But it ran into a stone wall—the stubborn resistance of the seamen.

The cornerstone of the government program was the abolition of the union hiring halls, replacing them with government hiring halls like the Sea Service Bureaus of the last war. But just as the hiring hall was the fundamental issue to the government, so was it to the seamen.

The first government assault on the union hiring hall was a flank attack: the attempt to enforce acceptance of the Continuous Discharge Book. As in England, it would have enabled the owners to weed out the militants from the industry and thus pave the way for smashing the union hiring hall altogether. The government was attempting to do by law for the shipowners what they failed to do for themselves in the 1936-37 strike.

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The government's scheme collapsed when the Pacific Coast seamen simply refused to take the Continuous Discharge Book. Who would enforce the law? The shipowners, just defeated in the three-month strike and with no stomach for another one, were scarcely ready to enforce it. Any attempt by the government itself to do so meant tying up the ships at a time when the employers wanted them running. The government retreated. A compromise was reached whereby the union agreed to a Government Certificate of Identification. It eliminated the worst feature of the Book—the space for the continuous record of a man's sea service. As amended in 1938, the Merchant Marine Act makes the Continuous Discharge Book optional. No union seaman carries the Continuous Discharge Book today. That does not mean that tomorrow the government will not again attempt to establish it.

The next government assault on the union hiring hall was to open a government hiring hall in New York on April 1, 1938, another one in Baltimore a little later, and to prepare for still others elsewhere. Captain Conway, the government spokesman, announced what the halls were for: "We are not concerned with the union views or affiliation of the men. We accept all applications whether or not they are union men. . . ."

The showdown on this issue did not come on the East Coast, where the principal union, the Stalinist-controlled NMU, refused to make a fight. It was left to the West Coast unions, led by the Sailors Union of the Pacific, to halt the government program, when the Maritime Commission attempted to extend government hiring halls to the Pacific.

In Seattle in March 1939, the Maritime Commission announced that it would operate ships out of that port under the following policy:

Unlicensed personnel of vessels operated for the account of the U.S. Maritime Commission are employees of the Commission. Masters of all U.S. Maritime Commission vessels have the responsibility and the duty of selecting the crews of such vessels. . . . Crews shall be supplied through the office of the U.S. Shipping Commissioner and subject to final acceptancy by the master. No discrimination shall be made because of membership or non-membership in any organization.

The answer of the West Coast seamen was to throw picket lines around the ships involved. The whole Northwest labor movement stood back of the sailors. The government dared not go through with its scheme. It found a face-saving device to retreat, setting up a group of Seattle businessmen as "private operators" who

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signed a contract with the union recognizing the union hiring hall. Meanwhile pickets kept a watch in New York at the government hiring hall, 45 Broadway. These pickets were representative seamen from every maritime union, even though the Stalinist leadership of the National Maritime Union did not support the picket line. Soon after the Maritime Commission's Seattle failure, all government hiring halls were closed.

As has been seen, the brunt of these successful struggles was borne by the West Coast unions. It must be emphasized, however, that they could never have been successful without the aid given by the rank and file of the NMU despite the policy of the Stalinist leadership of that union. All seamen, whatever their union, were against government intervention.

In some instances attempts were made to unite all seamen on this issue. The most notable example of this occurred in Mobile, Alabama, on December 14, 1938. There a joint committee of NMU and SIU seamen called a mass meeting to discuss the following questions:

- 1) The betterment of conditions of the seamen as a whole.
- 2) Unity in combatting the opposition of the Maritime Commission, such as Fink Halls, etc.
- 3) For greater unity and harmony among all seamen.

Three hundred and fifty seamen from all unions were present. The chairman opened the meeting with these words:

There will be no need for a brother to give his name, book number or organization. We are not gathered here as members of different unions—but as brother seamen for an open discussion of our problems.

He reviewed briefly the history of the seamen's struggle against the Fink Halls, recalling that they were used as far back as 1909 on the Great Lakes.

The same tactics that the Lake Carriers used were inaugurated on the Pacific Coast—there it was called the fink halls, headed by a former Police Captain from Portland, namely Captain Peterson. The Steamship Owners' Association, under Peterson, regimented all the maritime workers under this nefarious scheme of the owners. The maritime workers threw this yoke off their necks in 1934 and since 1934 have made wonderful gains for the organized workers. The shipowners have now formulated another scheme through their conniving lobbyists in Washington and have come out with another hellfire plan, namely the Maritime Commission Fink Hall and the Training Ship Schemes." [Quotations from official minutes.]

These remarks undoubtedly expressed the sentiment of all seamen. They never achieved organizational unity; jurisdictional con-

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flicts and prejudices among the competing unions remained; but the basic unity of sentiment of the seamen was an important factor in defeating the Maritime Commission.

After its defeats on the hiring hall and Continuous Discharge Book issues, the Maritime Commission's most powerful remaining weapon was the oblique one of the training ships. These were the factories where a shoddy substitute for the skill and experience of union men would be turned out on a mass production basis. Thereby the government hoped to get enough seamen independently of the unions and their halls.

The union seamen were just as conscious of the anti-labor role of the training ship as they had been on the other issues. In September 1938, when recruiting began for the training ships, the ports were crowded with unemployed seamen. The Maritime Commission wanted some of them on the training ships, to cover up its recruiting of new men outside the industry, but few bona-fide union men would accept the bait. Even after December 1938, when the Stalinist leadership of the NMU, as reported in the *Pilot* for December 23, endorsed the training-ship program, few seamen joined. With most of the maritime unions opposing the training ships, the government was faced with the fact that those completing the training course would not be able to ship except through the union hall. Moreover, it was unable to get sufficient trainees: the universal hostility of the seamen discouraged many a candidate. The resistance of the NMU rank and file to the pro-training ship policy of its Stalinist leadership was so great that Tommy Ray was driven to writing in the rank-and-file column of the *Pilot* for Jan. 13, 1939:

The first point that should be clear to the membership is that the N.M.U. NEVER disagreed in principle with the idea of Training Schools. As a matter of fact, the N.M.U. and other East Coast Unions submitted a comprehensive program in Washington for the establishment of Training Schools on the East, West and Gulf Coasts and the Great Lakes some months before Congress passed the Maritime Training Bill.

These Unions recognized that the training service was considered an integral part of the program of the U.S. Government for building up the American Merchant Marine and that a fight against it in principle was not only an unwise policy, but also an un-American policy.

Then, in August 1939, came the Stalin-Hitler pact, and the NMU leadership adopted the pseudo-revolutionary anti-war program of the Communist Party. But it is interesting to note that, despite the new line, the tradition of class collaboration set up by the NMU's Stalinist leadership during the previous period could not be changed

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at will. Typical were the statements Curran made in his column, "Passing the Word," in the *Pilot* of September 22, 1939:

I have recommended to the membership that they accept the operators' proposals on the war work compensation question as a basis for continued negotiations.

The offer is ridiculous, but I believe that I have a duty and responsibility to the membership . . . [to] recommend that this offer be accepted.

. . . Two years ago we had nothing to lose by striking and everything to gain. Now we've got a lot to lose if we strike and get licked. . . . My honest opinion is that it is 100% wrong to strike at this time.

"The offer is ridiculous . . . recommend [it] be accepted." Class collaboration has a logic all its own.

But as a result of the pseudo-revolutionary Stalinist program resulting from the Hitler-Stalin pact, the NMU leadership reversed its endorsement of training ships. One of the clearest formulations appeared in the *Pilot* for Feb. 7, 1941, a front-page article headlined "NMU Exposes Commission Job Attack":

Investigation and evidence from first hand sources reveal that full three year A.B. tickets are being issued to youths who have only six months training in the American Seamen Government School and one trip in the *Republic* [a transport]. . . .

The M.C. training programme, as predicted by marine unions when inaugurated, is thus clearly proving to be nothing less than a government sponsored assault on the conditions built up by the marine unions and on the unions themselves.

All these factors combined to prevent the training-ship program from developing at more than a snail's pace. Nevertheless, if the government had had time enough, the training ship might have solved its problem. Direct action by the seamen could block government hiring halls and the Continuous Discharge Book, but could not stop the training ships. In time there might have been thousands of such government-produced non-union seamen.

But time was precisely what the Maritime Commission did not have. Long before the training-ship program had served its purpose, the war caught up with U.S. imperialism. Since 1936 the government had tried to work against time to be ready for the imperialist war. But the government's union-wrecking program had encountered greater resistance than was anticipated. It became necessary to revise the timetable.

Thus we see that the American employing class learned from its experiences during the First World War, and when the war clouds became again unmistakably visible, it began preparing for the second by carefully laying out a maritime program in advance. In

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broad outline this copied the emergency program of the First World War. The bosses and their government brought out all the old weapons that had been used before: a training program to bring new recruits into the industry independent of union control; government hiring halls to place non-union men on the ships under open-shop conditions; and added to these one borrowed from the British, the seamen's Continuous Discharge Book to regiment union men already in the industry. This time they hoped to crush the independence of the unions before war came. But they were reckoning without the unions.

Yet the difference was not one of kind, but only of degree. It was precisely because the labor movement had supported the First World War—consequently relinquishing its main weapons of defense, the closed shop and the right to adjust wages and conditions; allowing control of seamen to pass into government hands; lending itself to political support of the whole imperialist adventure—that the government had then been able to hold all the trumps and cash the union in. In the period between the wars, the unions had regained strength, and prevailing conditions were different: not holding the whip hand, the government could not so easily ride the unions out of the industry. The most important factor was that the unions had a kind of opposition program.

But before the war that nebulous program was confined mainly to the economic field; and under war conditions the program must necessarily be a political one. Whenever the union gives up its own program and adopts that of the employing class, it sacrifices its strongest weapon. Support of the war is a political action. And, refusing to learn from the last war's experience, that is exactly what, as we shall see, the maritime union leaderships did. By so doing they let down the defenses guarding unionism's own independent existence. With government machinery already set up for absorbing the union movement and regimenting the industry from top to bottom, it is not necessary for the government this time to wait until after the war to wipe out union conditions.

6: Pearl Harbor to Date: Government Regimentation

THOUGH OPEN war did not change the government's general policy toward maritime labor, it forced a sharp increase in the rhythm of its application. The government gained a new ally when on June 22, 1941 Hitler invaded the Soviet Union: the

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CP flopped back to support of U.S. imperialism, and the NMU's Stalinist leadership rushed to help apply the government's policy to maritime. The "anti-politicals" and "independents" resisted the government's anti-union drive but had no thought-out program for the problems inevitably raised by formal U.S. war entry. Their instinctively sound resistance, though it slowed down the government's program somewhat, was powerless to stop it.

From the first step, political support of the war, given by both leadership tendencies for different reasons, all subsequent union concessions have automatically and inevitably derived. Having renounced their political independence in advance, the unions had consequently to sacrifice their strike weapon and every other arm. The government relentlessly pushed its advantage. First Captain Macauley complained of "uncontrollables." Then Knox began to "study" a plan for the Navy to take over the merchant service. Government intimidation, here checked, there successful, pressed on. The WSA requisitioned the fleet—and the seamen. The pool plan defeated on a national scale, the government skillfully tried to reapply it through an international wangle. The Navy's M-1 plan was introduced.

Thus, flexibly but tirelessly, the government drove on: checked in one quarter, it renewed its attack in another. The unions were on the defensive. Though the Stalinist NMU leadership gave away everything with both hands, the "anti-politicals" fought defensive skirmishes—but always retreating. The process, under war pressure, was getting ahead of itself: the labor bureaucracy could not keep up. The Stalinists fought for recognition of their services in the form of government apparatus posts. The "anti-politicals," though afraid of being out-manuevered by the Stalinists and of being stigmatized as "unpatriotic," were nevertheless not yet ready to give up the last vestiges of union independence.

The government could afford to wait. It had union cooperation in manning its fleet; meanwhile it was pressing its training ships, its hiring halls, its fink book. Steady, relentless, but flexible pressure, it was sure, would tell in the end. And under that unrelenting weight, between the political sell-out of the Stalinists and the lack of political understanding of the "anti-politicals," U.S. maritime labor was gradually cajoled, intimidated, herded, beaten, tricked, smashed, bamboozled, and betrayed into that final impasse in which it finds itself today.

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WAR DID not essentially change the general policy that the government had worked out for maritime labor, but speeded it up. The moment Congress declared war on December 8, 1941, the problems of all parties concerned in the maritime industry were increased a hundredfold. Everyone had to take a stand in accordance with the preparations he had made for the catastrophe. The Maritime Commission had not finished its job: it was still confronted with essentially the same problems it had faced five years earlier. It still had (and has) to build a merchant fleet. It still had (and has) to complete its regimentation of merchant seamen.

Meanwhile, however, it had picked up a new ally. Since the Nazi invasion of the Soviet Union, the Stalinists in the NMU leadership had been among the most solid supporters of the war program of U.S. imperialism and had become the most blatant advocates of war. They had been trying to work out a formula, therefore, for application of the government's maritime labor policy, though sometimes rank-and-file resistance forced them momentarily to backwater and pretend a demagogic union-defense position. But they had not succeeded in ingratiating themselves with the government. They still have not received official recognition as qualified spokesmen for all U.S. seamen.

The "anti-politicals" in the Sailors Union of the Pacific and Seafarers International, on the other hand, had been protesting their loyalty to the government. They had seized on the unpopularity of the Stalinists during the preceding Hitler-Stalin pact period, with the "clever" aim of getting the inside track and, by being the government's friends, protecting the union from its blows. They hoped thus to preserve the union's independence somehow and ride out the war. They did not choose to become involved in politics, preferring to rely upon the collective bargaining contracts they had negotiated with various shipping companies. But they had no program for meeting the problems that would be raised by the war. With the actual declaration of war, they rushed to endorse it. But the declaration of war only intensified the government's drive to regiment the seamen and control the unions.

Nothing in subsequent union behavior can be understood unless it is first understood that it was the first, the political, step, which counted. Once the maritime union leaderships took that fatal first step of full and unconditional political support of the imperialist war, then every other step deriving from it followed automatically. If anyone is for the war, and strikes impede the war, then naturally he must give up the right to strike. And so on. And so on. In this

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the Stalinists, though traitors to the working class, are perfectly logical; the "anti-politicals," though instinctively sound in their resistance, are inconsistent.

Once it had political support for the war, the Maritime Commission moved quickly. In spite of the government's comparative failure to put over its full war program for the maritime industry in the war-preparedness period, it was much better prepared than the seamen, who had practically no program at all. Formal war entry necessitated, on the part of the Commission, only a change of tactic.

The war, creating an extreme shortage of seamen, altered the previous significance of the training-ship issue. While this shortage enabled the Commission to put over its training-ship program, the shortage also further aggravated the problems of the Commission. Men who now come off the training ships into union crews are still generally absorbed as union men. This process will be reversed as the war progresses and the unions more and more relinquish their weapons for keeping conditions up to union standard. But in the initial period of the war, the most the training ships could do was to provide *supplementary* personnel, instead of a body of men *separate from and opposed to* the unions. Thus for this period the training ship lost much of its significance.

Faced with the failure of its original plan, because the time element did not permit its completion, both as to the number of ships and the regimentation of seamen, the government tried a new tack. In the first frantic days following Pearl Harbor, a meeting of all seamen's representatives and steamship operators was called in Washington. "National Unity" for the war effort was now brought forward to do what the previous anti-union program had failed to achieve.

The conference was not a complete success from the point of view of the administration. Its real aim was to insure against strike action by coaxing the union leaders to give up the right of direct collective bargaining with the shipowners on questions of bonus rates. What resulted was a new agency, the Maritime War Emergency Board, as a recommendation of the conference.

The following men were appointed by President Roosevelt to the Board and were accepted by all parties to the conference:

CAPTAIN MACAULEY, *Chairman*, representing the Maritime Commission.

DR. JOHN R. STEELMAN, head of the U.S. Conciliation Service.

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PROFESSOR FRANK GRAHAM, University of North Carolina—representing the "public."

But, at the conference, the unions, having already renounced their political independence in advance, consequently had to sacrifice the strike weapon. The "anti-politicals," representing the AFL unions, and the so-called "independents," who are a faint-hearted opposition to the Stalinists in the Marine Firemen's Union on the Pacific Coast and have kept that union from affiliating to either the AFL or CIO, had declared their full support of the war in advance. In Washington they were asked to pay off on their declaration. You support the war! Good, how much do you give? The "anti-politicals" were not prepared for this. But the Stalinists, who had also declared full support of the war for American imperialism, were. They went to Washington with a carefully prepared program which Frederick Myers, one of the Communist Party spokesmen in the NMU, presented during the conference in the form of the following summary and proposal:

The conference convened by the Maritime Commission and the Department of Labor for the purpose of mobilizing all interests in the shipping industry in the maximum war effort has already given an inspiring example to the nation of the type of democratic unity which is essential for the ultimate defeat of fascism.

The first question to be considered by the conference was the vital question of insuring uninterrupted shipping facilities to guarantee the success of our war effort. Consistent with that purpose, it is gratifying to report that every labor organization present at this conference unequivocally pledged that it would abstain from the exercises of its fundamental and inalienable right to take economic action for the settlement of disputes.

It is equally gratifying to note that the Maritime Commission, speaking for the government, in turn pledged that it would be the policy of the government that collective bargaining rights should not be infringed upon nor curtailed, and that proper and appropriate substitute machinery should be made available in return for labor's agreement to give up its right to exercise economic action.

Finally, the shipowners' representatives stated that in recognition of the generous attitude taken by labor in this national emergency, they will make every effort to adjust all disputes amicably under their existing collective bargaining agreements, and furthermore, that all questions arising which cannot be settled within the framework of these agreements shall be submitted, as labor has suggested, to a tribunal, the composition of which shall guarantee fair adjudication of *all problems* submitted to it.

In order to guarantee that the basic program of this conference—that is, the defense of the nation and the defeat of the Axis powers—may be accomplished, we believe that it is absolutely essen-

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tial that any board set up be designed to reflect the composition of this conference. Failure to set up a board on this national, coordinated basis would be to abandon the democratic principles which have brought this conference into session.

We propose, therefore, specifically, that this conference go on record urging the establishment of a board consisting of representatives of all the labor organizations, the shipowners and the interested government agencies. For the purpose of *voting on any question submitted to the board*, the shipowners and the *labor organizations shall have an equal vote*, with the appropriate government agency casting the *deciding vote*. We believe this conference should act on this basic policy immediately.

Generally speaking the functions of the board will be to formulate and put into operation a program which will make use of all the existing facilities and all the personnel available in the maritime industry in the manner most consistent with the national defense effort. *Among other things the board may wish to conduct an inventory of facilities and personnel and recommend their allocation.*

Many subsidiary and corollary questions will arise as to the functioning of the board. Undoubtedly the board will establish panels for the consideration of specialized problems referring to different sections of the industry. In addition, the board will undoubtedly consider the desirability of setting up regional mechanics along the lines of the National Labor Relations Board.

We have here pledged ourselves to submerge all petty differences and to avoid all factional disputes. In light of the immensity of the problem confronting us, we cannot afford to take a narrow or provincial point of view of *any problem* in the maritime industry. On the contrary, *every* problem must be examined from the basic viewpoint of its effect on the national war effort.

Obviously we are engaging the Axis enemy on all fronts simultaneously. Therefore only through a national, coordinated board on which all parties have representation can these parties have the opportunity of making their maximum contribution. The Army, the Navy and our Federal Government operate on the basis of one army, one navy, one nation. Therefore, the maritime industry has the obvious responsibility of applying the same democratic principle in the solution of its problems.*

This is as clear a statement of the government's aims as could have been given at that time. But no one was prepared to go that far except the Stalinists. The "anti-politicals" balked and the government decided not to press the question just then.

Although the unions were unprepared to counter the war-time emergency drive of the Maritime Commission, they did succeed in slowing it up. And this was accomplished in spite of the Stalinists

**Seafarers' Log*, December 23, 1941. It is significant that this sell-out document was never published in the *NMU Pilot*.

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who seconded the Maritime Commission's every move. Indeed, they anticipated the government's moves and laid claim to them as their own, which must have proved somewhat embarrassing to the Maritime Commission Admirals.

The government, however, got a measure of insurance against strikes. This was given verbally by the majority of union representatives in conference with the ship operators. They signed a statement of principles which said: Without waiving the right to strike, maritime labor gives the government firm assurance that the exercise of this right will be absolutely withheld for the period of the war; on a voluntary basis therefore this is a guarantee there will be no lockouts for the period of the war.

In its first days the Maritime War Emergency Board ostensibly confined itself to such practical questions of the moment as bonus rates for various war zones. But this was only for the record. What really interested the government was utilizing the Board to press its new advantage against the unions. The Board was hardly two months old when its chairman, Edward Macauley, opened the campaign for "discipline." He sent a letter to all unions signatory "to the statement of principles agreed upon at the Conference held in Washington during December." The fears of the government are hardly concealed by the threats in the letter. It deserves quotation in full:

The commission is in receipt of many statements reporting loose discipline on board U.S. Merchant Marine vessels and improper behavior of American seamen in foreign ports. I am often forced to defend my belief that our maritime personnel are capable, self-respecting seagoing men who are performing their duty properly, creditably and bravely. The complaints are frequently reiterated, and there seems to be considerable evidence that some of the masters and other licensed officers on our merchant ships are unable to control members of their crews because of threats, real or implied, and fear of reprisals or pressure which make their work more difficult and might eventually cost them their jobs.

Last week I attended a meeting of the highest officers of our Navy at which it was again urged that the entire Merchant Marine be taken over and operated by the Navy under Naval conditions and discipline. I have consistently opposed such action. If we are to retain the manning of our ships by American seamen chosen from union membership through the hiring halls and are to make our ships efficient and of the greatest use to our war effort, steps must be taken to control those elements that have given rise to the complaints above referred to.

Don't misunderstand me. Having spent a great part of my life at sea and on board ship, I do not expect seagoing men to be

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angels, but they should be dependable, competent and obedient to orders from proper authorities.

One or two cases of bad conduct will get more publicity and do more harm to our efforts to prevent the taking over of the Merchant Marine by the Navy than the favorable effect of 100 cases of exemplary behavior which are not conspicuous. It is therefore of the utmost importance that the unions cooperate to the fullest extent in the maintenance of that discipline that is necessary to the proper and efficient handling of ships.

Ship's delegates should be more carefully chosen and impressed with the importance and responsibility of their positions. By example and advice these delegates should influence and control recalcitrant or non-cooperative individuals who by thoughtless or ill-chosen conduct or attitude may reflect discredit on the maritime labor movement to the detriment of its independence, progress and perpetuation.

If the Maritime Commission, the Maritime War Emergency Board and the Maritime Unions are to cooperate successfully in these critical times, as we should, then you must exert every effort to put the organized maritime labor movement in the high position in which I believe it belongs. If we are to preserve the improved working conditions and advantages that Maritime Unions have gained in the past five years, it is up to you to see that not only some but all of its membership are responsible and disciplined, a credit individually and collectively to that movement and to our own nation.

The adherence of the Maritime Unions to the Statement of Principles agreed upon at the Conference held in Washington during December, the agreement by the unions not to strike, their faithful observance of this pledge, and their continued and determined courageous sailing of vessels into the danger zones are recognized and appreciated by the Maritime War Emergency Board, by the Maritime Commission and, I believe, in great measure by your fellow countrymen.

It is important that a reply to this letter should be received at the earliest possible date.

Yours sincerely,

EDWARD MACAULEY, *Chairman MWEB*

Chairman Macauley got his reply, quickly. The *Seafarers' Log*, official organ of the Seafarers International Union, published it in full for all members of the union to study. Seamen are pretty wise to this old hard-cop-soft-cop game.

But the government was merely momentarily checked, not really thrown back. It renewed the attack from other quarters. This time the MWEB tried to use the Navy and other government agencies as bogeymen, in an effort to cajole and con the seamen along. Thus Colonel Knox, Secretary of the Navy, began to "study" a plan for the Navy to absorb the merchant marine. But before the Colonel

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completed his "study," another government agency, the War Shipping Administration, which is supposed to be concerned only with big-time deals in shipbuilding and trading, suddenly stepped forward with a full-blown plan to smash the union hiring hall.

The plan provided for "establishment of a Division of Manning in the War Shipping Administration which shall have responsibility for the personnel employed in ships of the American Merchant Marine for the duration of the War. The Division of Manning shall establish a central hiring set-up in all ports of continental United States frequented by the vessels under the control of the War Shipping Administration." And next the training-ship program. The Division of Manning would "participate in the various Government programs for recruitment and training of personnel." Also it would "coordinate the various Government agencies administering laws pertaining to discipline on board ship" and "eliminate disloyal elements from the present personnel of the Merchant Marine." Last, but still very important to them, the Fink Book. The Division of Manning would "direct and coordinate the various Government agencies issuing seamen's Identification papers." The Book is still optional. And doubtless under this set-up the Division of Manning could convince most seamen to pack it.

Before there was time for discussion of the War Shipping Board's proposed plan, a new attack was launched: the Board itself chartered the entire merchant fleet of the nation. This was designed to make the War Shipping Board the employer. The Board was now in a position to issue its famous Administrative Order governing personnel. Some interesting points in the War Shipping Board's new regulations were the following:

1. Selection of Crew. The master shall have the responsibility and the duty of selecting the crew and approving or disapproving any man for employment as a member of the crew.
2. Complaints or suggestions for the good of the service. Whenever an unlicensed department head or special rating has a suggestion or complaint he may submit it through his immediate superior to the master for adjustment.

The union hiring halls are relegated to a subsidiary role in the order in the following way:

3. The War Shipping Administration will establish and maintain pools of seagoing personnel, both licensed and unlicensed, who will be available for employment on vessels operated for account of the War Shipping Administration. Men will be furnished to these pools from training stations established and maintained by the Coast Guard and from union hiring halls. They may also be furnished to those pools from vessels temporarily laid up or from any other sources approved by the War Shipping Administration.

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It is the policy of the War Shipping Administration to cooperate with the labor unions and to seek the cooperation of the unions in the proper manning of merchant vessels with civilian crews.

The last sentence, it will be noted, comes at the end of a long series of Regulations which contradicts the entire meaning of the union hiring hall, denies men the right to union representation in the settlement of beefs on board ship, and does away with virtually all payment of overtime. And the War Shipping Administration says it wants to "cooperate" with the unions! This is more of the kind of "cooperation" seamen got from the U.S. Shipping Board after the last war.

This move by the War Shipping Administration to charter and operate the entire American merchant marine under open-shop conditions represents the high point to date in the government's drive to smash the union hiring hall in this vital industry. Here again an attempt was made to use the tough method, the way of the old U.S. Shipping Board. But the seamen's unions today do not gasp and die simply by fiat of administrative order from Washington. Most of the unions were prepared to make a fight for self-preservation. The Seafarers International Union stated its position unequivocally:

The time has arrived to fight! The time has arrived to serve notice upon our enemies that the SIU has no intention of folding up shop and returning the seamen to the days of the Fink Hall and slavery! In 1939, 12,000 men banded together in the SIU to protect themselves against the avaricious shipowners and the reactionary politicians—they will not disband now! Let the shipowners mark these words! Let the Maritime Commission mark them! Let Knox and Macauley and Admiral Land and Joe Curran mark them!

The reference to Curran was no mere personalism, for here again the Stalinists, with Curran as their chief spokesman in his capacity as president of the NMU, were in their pro-war frenzy advocating a government shipping pool for all seamen. (For a full statement of the Stalinists' program, see section IV.)

The Maritime Commission found itself faced with a united front opposition of all marine unions except the NMU. It duplicated the situation at the December conference, only here the government was applying much more pressure. It had confronted the union with an accomplished fact. But the War Shipping Administration's "surprise" move was a bit premature. The Maritime Commission was compelled to countermand the Administrative Order. The War Shipping Administration signed a "Statement of Policy" in which "it is understood that all disputes shall be settled through the regular machinery now in existence under the collective bargaining agreements between the unions and the steamship operators."

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But if the pool has not yet replaced the union hiring hall in this country it does not mean that the government has given up. It has simply taken another tack. It could afford to wait. For the immediate problem of manning its fleet it had the complete cooperation of the union leadership and could rely on the union hiring hall for crew replacements. Meanwhile, following its policy of putting on the pressure in one sector the moment it was forced back in another, the government tried experimenting with a still further method.

For there were plenty of other ways of accomplishing the same end. Once general policy had been defined—and this had been done six years earlier in the Merchant Marine Act of 1936—the tactics to be used in effecting this policy could be very flexible. Faced with a divided maritime labor movement in its own country, and prompted by the international needs of Anglo-U.S. imperialism, the U.S. government decided to use the servile leadership of the British seamen's union as a front. In May 1942 it launched this "clever" backhanded scheme to drag the U.S. seamen into a pool anyway. It took the form of attempting to establish a giant international shipping pool for all seamen of the United Nations. It was proposed formally at the session of the Joint Maritime Commission, a sub-committee of the International Labor Organization (of the League of Nations), in London, June 26-30, 1942. Said Omer Becu, representative of the International Transport Workers Federation in this country:

The ITF proposal vests sweeping powers in the proposed tripartite Maritime Commission and demands that seamen now serving in the armies of their countries be released for employment in the merchant marine. Several features of the plan are already in operation in Great Britain and corresponding action is as necessary on this side of the Atlantic as on the other.

Joseph Curran, who represented the NMU at the London session of the ILO, seconded the motion. Addressing the meeting he said:

The shortages of United Nations seamen has caused vital war materials to be delayed in reaching their destination. The National Maritime Union has suggested to the American government that to solve this problem and avoid delays in departure a central hiring pool, jointly operated by the American government and the representatives of the United Nations' operators be set up in the major ports of the United States.

Very magnanimous. By this time the Stalinists were asking nothing, proposed to give up everything.

Although the Seafarers International Union (AFL) formally affiliated to the International Transport Workers Federation in June just prior to the ILO conference, government hopes for immediately establishing an Allied shipping pool were shattered when Morris

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Weisberger, SIU delegate to the London session, made known the following instructions from his membership:

We [SIU-SUP] are opposed to joint boards of labor, operators and government. We firmly believe that the disputes and conditions relating to merchant seamen should be directly handled between the shipowners and the unions. With the three-cornered boards composed of government, operators and unions, the seamen have two strikes against them because, in the final analysis, invariably the government will take the side of the shipowner. Furthermore, the seamen do not want to be serfs or wards of the government. Seamen are free men and should be allowed to maintain their status as such.

On this basis, the SIU rejected the pool. That kind of stand was pretty hard for the Maritime Commission to get around at that time. But the London proposals served to intimidate further the leaders of U.S. seamen by demonstrating what reserves the government has in its anti-labor arsenal. Regardless of what national differences may exist among them, the employing classes of all nations can always find agreement on a labor policy, since their attitude toward the working man is basically the same throughout the world.

The government was again momentarily set back. But as the war continues and with the supply of new men coming into the industry funneled through government training schools and the hands of the unions tied and unable to keep conditions aboard ship up to union standards, the main body of maritime labor will soon come under direct government control. That is the day in the not very distant future when the government will be in a position to ignore the unions if it does not first absorb the union leadership into its own maritime apparatus.

The SIU position at the ILO conference in London was essentially defensive. It was of course correct in rejecting the pool, but it betrays a misunderstanding of the part the government plays today in the shipping industry. All questions *should* be settled directly between the union and the shipowner. Now, however, the government is the shipowner. Who are these people referred to as shipowners? They do not build ships. They do not own ships. They do not load ships. They do not route ships. And they have nothing to say about wages and conditions on ships today except in their capacity as appointed government representatives. These questions are all settled in Washington between the unions and the Maritime Commission or one of its agencies. In turn, of course, the Maritime Commission is under the control of the handful of really big shipping magnates, who openly sit on the War Shipping Administration (pp. 54-55). And certainly, having wiped out the smaller fry, the government

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after the war will turn the ships over to the big operators. But the essence of the problem of the unions today and for a long time to come, is that they are confronted by the government and not by private operators.

This, then, is the crooked set-up that seamen face. The Maritime Commission has a bag full of tricks. After the London Conference of the ILO, the Commission appeared to be cooking up another scheme, probably awaiting developments within the union movement itself. Meanwhile the unions were attacked from another quarter. The Army requisitioned ships and operated them under open-shop conditions, openly violating all the government pledges to the unions made by such agencies under the Maritime Commission as the War Shipping Administration and the Maritime War Emergency Board. And when the unions demanded that the Maritime Commission get the Army to live up to those commitments, they were given the off-the-record apologetic answer: "You know how the Army is." Just as the Army is thus used to intimidate the unions, so is it used against the individual seaman. He is told that the Army will put him in uniform if he fights to save union conditions.

The U.S. Navy Department also worked a new wrinkle on the same theme. From the Navy Recruiting Station in Seattle, Washington, came an announcement last October.

Attention Maritime Men:

Is your draft number likely to remove you from the duties you have chosen as your life's work at sea?

Are you confronted with the idea that the war is going to haul you ashore and place you high and dry with a bayonet for your tool of war?

That worry need not haunt you. There is a way out!

The United States Navy has opened class M-1 for just such men as you, so you can stay on your ship and do your regular job. By enlisting in an active status with the Navy's M-1 program, you can remain aboard the ship you are now on until such time as the Navy may have to take over that ship. You will not be subject to call by selective service. You will be in the service of your country.

No other procedure could so adequately protect the personnel and guarantee the operation of much needed merchant marine. That's why the Navy has opened its M-1 branch.

At Navy recruiting headquarters, Federal Office Building, Seattle, there is a special enlistment officer to see to it that men of the merchant marine are handled quickly and efficiently in the process of enlistment into this new Navy reserve unit. It's your only chance to safeguard your job at sea!

Seamen here are presented with a choice: remain in the union and go to the Army, or give up the union and join a branch of the

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The trade unions in the present epoch cannot simply be the organs of democracy as they were in the epoch of free capitalism and they cannot any longer remain politically neutral, that is, limit themselves to serving the daily needs of the working class. They cannot any longer be anarchistic, i.e., ignore the decisive influence of the state on the life of peoples and classes. They can no longer be reformist, because the objective conditions leave no room for any serious and lasting reforms. The trade unions of our time can either serve as secondary instruments of imperialist capitalism for the subordination and disciplining of workers and for obstructing the revolution, or, on the contrary, the trade unions can become the instruments of the revolutionary movement of the proletariat.

—Leon Trotsky (*Fourth International*, February 1940)

IN THE previous chronological survey, we have mentioned only in passing the roles and policies of the various tendencies in union leadership. But they are of key importance, and must be examined in detail.

A leadership is developed by the labor movement on the basis of that movement's entire history. It is judged in the light of the particular union's immediate problems, to which it must be able to present a program giving correct answers. Under a democratic regime the correctness of those answers determines whether the leadership stands or falls. For it does not take long for the union members to find out whether the leaders' program is correct, because when it is not, the members are daily reminded by the decline in union conditions on the job.

Unions find it difficult to preserve complete democracy within

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their ranks. They are subject to all the forces of society, and especially the pressure of the employing class, exerted through all the social institutions that class controls: the government, schools, church, press and radio. etc. Often the employers intervene directly in the life of the union through paid agents who masquerade as union members. Union leaders with a limited program and no social understanding adapt themselves to this pressure, and to ensure their position they resort to bureaucratic methods.

Even a democratically elected leadership will degenerate into a bureaucracy during a period of reaction or isolation when the union is inactive. Only a general upsurge of the working class in revolt against intolerable working and living conditions, usually with the concomitant influx of new members into the union, can blast the bureaucracy out of its position of leadership.

Even a democratically elected leadership, if it indulges in adventurist schemes and fails to solve the immediate problems of the day, will be replaced by another leadership—more practical and usually more conservative.

There is no such thing as a movement without leaders.

The Trend of Maritime Leadership

The first seamen's union in America was organized by followers of Karl Marx. These pioneer representatives of socialism developed the militancy and international outlook of the union as far as was possible in the '80s of the last century. They were succeeded by Andrew Furuseth.

He struggled to form a brotherhood of all the seas and to free the seamen from the feudal laws which hampered the fight for better union conditions. But his lack of understanding of the nature of the government led him to support the First World War, in return for which, as we have seen, the government smashed his union.

Principally in reaction against this fatal policy of collaboration with the government, the seamen widely supported a new leadership that arose in the post-war period: that of the Industrial Workers of the World. The IWW practiced militant action. But militant action alone was not enough. And the IWW's philosophy, anarcho-syndicalism proved false. It could not adjust its tactics to the specific struggles of the seamen. Its inflexible philosophy repelled the majority of seamen. And above all, its "anti-state-ism," its anarchistic bias against working-class politics, paradoxically caused its following later to fall easy prey to capitalist politicians. Its Marine Transport Workers Union withered away.

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The Communist Party, when first founded, had the correct policy of organizing all workers into the established unions and fighting within them for union democracy and class-conscious militancy. But in maritime, before much more than a beginning had been made, the degeneration of the Stalin leadership, acting through the American party, sent it on a fatal series of unrealistic zigzags. In 1929, on an ultra-left tack, the CP tried to organize "red" trade unions; in maritime, the Marine Workers Industrial Union. Sectarian, it repelled the mass of workers; adventurist, it led to severe defeats; Stalinized, it strangled all internal democracy.

The 1934 strikes forged a new leadership, opposed to both the reactionary pie-card artists of the International Seamen's Union and the adventurist and bureaucratic Stalinists. It was based on class-conscious militants, and stemmed from all the previous militant currents. Partly from IWW tradition, partly from opposition to Stalinist policies, it called itself "anti-political." The Stalinists, now on an equally exaggerated right tack, made a new bid for leadership, principally in the East Coast NMU. Thus, since 1934 the seamen's movement has followed a divided development: one wing under the "anti-politicals," the other under the CP. The latter has continued its self-contradictory zigzags, under Kremlin orders, through the fake revolutionism of the Hitler-Stalin pact period, up to the present, when it is throwing away seamen's rights with both hands. The "anti-politicals," trying, with sound instinct, to maintain the union's independence, but unable, precisely because of their "anti-politics," to formulate the one program that would achieve that end, are reduced to maneuvers and purely defensive struggles which are visibly doomed to defeat.

Thus, the majority of seamen today have still to find the program that will lead them out of the deepening impasse. The cynical Stalinist leadership has openly demonstrated its class treachery; the groping "anti-political" leadership, the practical bankruptcy of its program. A new program is urgently needed. But to understand that program it is necessary to study in detail the errors of past and present leaderships and to learn from them.

The Socialists: First Steps

The American labor movement was first organized by radicals: socialists, anarchists. American seamen are deeply indebted to socialists for the founding and building of their first stable union, which expanded to become the Sailors Union of the Pacific. These socialists were members of the First International, the "Interna-

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tional Workingmen's Association" organized by Karl Marx and Frederick Engels, founders of scientific socialism. It was they who saw the need for, and formed, the first maritime union; and their ideas enriched the thinking of the immediately subsequent leaders.

On March 4, 1885, after several abortive and unsuccessful attempts to organize a union to protect themselves against shipowners, crimps, boarding-house masters, and shanghaiing skippers, seamen on the West Coast were confronted with a slashing cut in their wages. A spontaneous protest and an unorganized walkout occurred in San Francisco when notice of the wage cut was posted. On March 5, seamen were angrily but leaderlessly milling around the waterfront when events took place which led to the founding of the Coast Seamen's Union. Here is the story, in the colorful words of a participating sailor, as recorded in Paul S. Taylor's *History of the Sailors Union of the Pacific*:

At about noon Sigismund Danielwicz, a member of the International Workmen's Association [First International], who had but lately returned from the Sandwich Islands [Hawaii], where he had been vigorously engaged in the labor struggle, chanced to pass by and inquired the cause of the excitement. He was told, and advised them to form a protective union and join hands with all other labor organizations in San Francisco. This they agreed to do. Mr. Danielwicz engaged to procure the help necessary to organize the seamen and agreed to have the men at a meeting to be held the next night on Folsom Street wharf.

The next night, accordingly, a tumultuous crowd of some three or four hundred sailors gathered under the canopy of the stars alone, on the Folsom St. Wharf around piles of lumber lying there. The night was pitch dark and the faces of the speakers could not be seen. Mr. Danielwicz had procured them, however, from the organizing headquarters of the International Workmen's Ass'n and the organizer in charge called for nominations for a chairman. Mr. George Thompson was pushed forward and ascended one of the lumber piles. B. B. Carter and Joseph Kelly, of the Steamshipmen's Protective Union [should read Steamshipmen's Protective Association], P. Ross, of the Sacramento Knights of Labor, and J.J. Martin, M. Schneider, Sigismund Danielwicz, Burnette G. Haskell, of the International, all addressed the assemblage and urged them to organize at once. Lists were hastily prepared and opened, and some two hundred members signed the roll. Most of them, however, were without money to pay an entrance fee and so the amount collected was comparatively small (222 names and \$34.60). Enough, however, was collected to justify the hiring of a hall for the next night and for doing the necessary printing. At twelve p.m. the tired committee had adjourned the meeting until the following night.

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At the March 7 meeting the seamen drew up a list of demands, hammered out a plan of action, and adopted a constitution. The following officers were elected: George Thompson, president; Ed. Andersen, J. D. Murray, Michael Sweeney, John Fitzpatrick, and J. D. Thomer, vice-presidents; Rasmus Nielsen, secretary; and as advisory committee from the International, P. Ross, B. G. Haskell, Martin Schneider, S. Danielwicz, and James J. Martin.

Here is the estimate of the conservative historian Taylor of the work of the socialists in the young union:

The members of the Socialist International Advisory Committee were active through the early years of the organization. Their influence for the good of the union, particularly that of Haskell and Von Hoffmeyer cannot be overestimated.

The start had been made. But the special status of servitude under which seamen operated made progress slow and difficult.

Andrew Furuseth: Personal Leadership

Andrew Furuseth's first great contribution to maritime unionism was his sharp perception that no economic progress was possible for seamen till they had thrown off the bonds of involuntary servitude. He knew that, before his ambition of an international seamen's union could be realized, the seamen would have to gain the legal status of free men. We have seen (pp. 64 ff.) how he turned his efforts in that direction and finally won. The Seamen's Act of 1915 was his crowning achievement. Furuseth was a practical organizer, and also possessed, under the influence of the socialist founders of the union, social vision such as characterized none of his associates in the AFL bureaucracy of his day.

Furuseth's leadership has been individualized here because he was an anomaly in the American labor movement. It is not surprising that seamen should have produced such a leader. Their conditions of employment were worse than those of any other industrial workers. They had a different legal status. Their lives were then not immediately affected by social changes in the nation. They were subject to international conditions in the sense that they often went from vessels of one nationality to another, living in different countries. And this is what determined the problems of their union. Furuseth gave a better answer to these problems than anyone else. He worked to build an international union of all seamen so that a man would be protected wherever he shipped. In the days before the First World War, the union standard had to prevail on ships of all flags to meet the needs of an off-shore sailor. And the immediate struggle then was for fair treatment, not only on board ship but

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before the law courts where a sailor always found himself if he tried to get free of the crimps, leave his ship, or even demand the food rations specified by law.

Hardly had the struggle for legal emancipation been won when World War I engulfed the world. As we have seen, Furuseth realized that the Seamen's Act only *made possible* the legal conditions for a fight on the economic field; the fight itself must then be waged by the unions. But the war interrupted that.

Here appeared Furuseth's fatal weakness: his failure to understand the nature of government, hence his misplaced trust in its benevolence. War is always a period of reaction. Sacrifices are demanded of the working class: they are sent on the battlefield to die and at home their democratic rights are taken away. The whole weight of government, demanding political support in the drive for regimentation, falls upon the unions. Under such pressure a trade-union leadership with no *political* program, unable to understand the specifically *war-time problems* of the union, must accept the answers dictated by the bosses through the megaphone of the government. Such was the tragedy of Furuseth. While union wages were "stabilized" and union control of manpower usurped by the U.S. Shipping Board, the shipowners' account books showed an increase in dividends of three hundred percent and after the war they were given control of a new fleet. How wrong these answers were for the union was proved by the 1921 strike. The union was smashed by the "benevolent" government with which it had cooperated. In return for sacrificing his political independence during the war, allowing the Shipping Board to set wages, overtime rates, and conditions of employment (the Sea Service Bureaus, Fink Halls), Furuseth was rewarded with—the broken pieces of the union he had worked so many years to build.

Following the defeat of the 1921 strike, the International Seamen's Union began to sink rapidly. More than 75,000 members quit the organization between 1919 and 1922, according to a report by Thomas A. Hanson, secretary-treasurer, at the January 1922 ISU convention in Chicago. Under the open-shop conditions from 1921 to 1934 the ISU hung together, but it underwent a long, slow process of degeneration. One of the most hide-bound and reactionary leaderships of any union in America developed within its officialdom. Such men as Paul Scharrenberg, Victor Olander, David Grange, Ivan Hunter and Gus Brown formed the core of the bureaucracy. They were content to live off the union treasury and collaborate with a few shipowners who tolerated them as an antidote to more aggressive and

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militant leaders and organizations.

Faced with destruction of its hiring halls, with the debasement of wages and working conditions on board ship, the ISU officialdom turned savagely upon all opposition from within and without the union. Hundreds were expelled for criticizing the officials. The IWW, by its advocacy of more militant policies, soon became a serious rival to the ISU whose reputation had been made lobbying in the capital rather than on the picket line.

The real significance of these developments Furuseth failed to understand. Angry and uncomprehending, that aging "idealist" finally stooped to the level of slander to crush the IWW. In the same attack he makes the unsubstantiated insinuation that they are shipowners' agents and "fingers" them for the cops and courts:

There are already quite a number of men who believe that the Wobblies are carried on the vessels by the shipowners for their own purposes; that they protect them not only on the vessels but in the courts as well. I do not charge that this is so, but it certainly looks like it. They are expelled and their names are published in our official minutes, yet they keep sailing. They are arrested and are out on bail; their trials are delayed. We offer to point them out but the offer is not accepted.*

Such was the tragic degeneration of the man who in his day had unquestionably been the greatest progressive force in maritime labor. The lesson is inescapable: unless a leader clearly sees the nature of problems, and can fearlessly forge the program which genuinely solves them, he is inevitably doomed by the historic process to either impotence or degeneration, or both.

The progressive role of the ISU was finished; new organizations arose in rivalry to it.

The IWW: Revolutionary Unionism

The next movement to win support among seamen was not stamped by the individuality of any one man, though it developed such great working-class leaders as William D. Haywood, Vincent St. John, and others. This was the Industrial Workers of the World.

Well before World War I, a large section of organized labor in America, building unions on an industrial basis and finding in anarcho-syndicalism an appealing social philosophy, developed the IWW as a dual movement to the AFL. Consisting primarily of migratory workers at first, and finding its main support in sections where

*Document published by the ISU, December 1921, and printed in the *Congressional Record*, February 1922. Quoted in *Exposed*, a pamphlet published by MTWIU No. 510 of the IWW.

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conditions were worst, it was repelled by the AFL's craft divisions and impatient of the Gompers school of class collaboration. The IWW did not limit itself to the narrow aims of the craft unionists, interested only in winning slight gains in pay or conditions for *their* members, often at the expense of unorganized workers. The fighting IWW was out to conquer the world.

The Wobblies—as they were called—not only conducted militant economic fights in the harvest fields and logging camps and mines for decent wages and living conditions; they also waged political struggles for free speech and the liberation of political prisoners. They had a fiery hatred for capitalist government, as part of the whole unjust system of capitalism. but, not understanding the nature of government, they confused government with capitalism, and hence blindly opposed *all* government. Their false reasoning led them to believe that since they were anti-capitalist they ought also to be anti-political.

But their anti-political prejudices were then filled with revolutionary intentions. They wanted to ignore the boss government. They wanted to “build a new society within the shell of the old.” They thought they could educate the working class in the principles of revolutionary industrial unionism through propaganda and example. They hoped to organize revolutionary unions so strong that the AFL bureaucrats would be left in their offices with nothing but their upholstered chairs and empty desks and no membership to pay the rent. The great goal of the Wobblies was to build the industrial union movement by patient education and organization until the day of the General Strike when workers would win emancipation by simply ignoring the whole superstructure of boss-class society. They reasoned as follows:

The real power belongs to those who control the economy in any society. Once the workers learn that “the working class and the employing class have nothing in common” and are organized in every industry so that they can exercise their control over the industry, power to regulate the whole of society automatically falls into the hands of the union executive. The politicians in the government find that they represent no one but the parasitical boss class and are therefore unable to rule. And if there is any doubt on this score the General Strike will convince them.

But the Wobs could no more destroy the boss-class political machine without organizing politically than they could organize the majority of American workers into revolutionary unions. It was their failure to understand this that eliminated the IWW as an im-

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portant factor in American labor. But the heroic fights of the Wobs in many tough strikes left a vivid memory in the minds of many workers and inspired a hope for the future.

World War I interrupted the IWW dream of a new world just as it sent Furuseth's “Dawn of a New Day” into the night of imperialist reaction. The war aroused the most conscious section of the working class throughout the world to the realities of government pressure. Unable to adapt their tactics to war-time conditions, the Wobblies could give no answers to the problems of the day. Their political blindness made them easy prey for the police. Most of the leaders of the movement were rounded up and thrown into jail and those who were not caught in the first drive went to the officials and turned themselves in. This was a noble gesture of defiance . . . but it decapitated the movement.

After the First World War the IWW never regained its old vigor nationally. A new revolutionary leadership, equally militant but with sounder policies, was growing up under the inspiration of the Russian Revolution. But the IWW was yet to make another serious bid for leadership of the seamen before it passed from the scene. After the 1921 strike it was under Wobbly leadership that the Pacific Coast seamen tried to build a new union, the Marine Transport Workers Industrial Union No. 510. It called a strike in 1923 and tied up the coastwise vessels in San Pedro. The strike won wage raises and established good working conditions; and following these gains the Wobblies enjoyed a brief period of growth. But the union was hounded by the police, many of the active militants of the 1923 strike were railroaded to San Quentin under the California Criminal Syndicalism Law, and, when the membership was called out in a political strike for the freedom of Tom Mooney, the union fell apart.

Wobbly militancy is proverbial and after the dissolution of the MTWIU, it had a beneficial effect: when the Wobblies entered the ISU in 1935, they played their part in sweeping the worst pie-card artists out of the West-Coast section of that bureaucrat-ridden union. But militancy alone is not enough; it must be combined with correct policies, both trade-union and political.

The whole IWW experience conclusively proved one thing: it is impossible to build purely revolutionary unions when the mass of workers is not revolutionary. Unions, as the broad economic organizations of the working class, must necessarily concern themselves with the immediate needs of the great mass of workers. When these immediate needs reach the stage where they cannot be satisfied other

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than by revolutionary policy, the unions themselves must become revolutionary in order to survive. Meanwhile more advanced workers who can foresee the need of revolutionary policy to solve the problems confronting their class can organize themselves into parties, groups, or clubs, to influence the development of their fellow-unionists. But unions cannot be built by imposing on them a philosophy which the workers in the industry are not ready to accept. It was basically because the IWW did not understand this that it failed as a mass organization.

It failed, furthermore, as a revolutionary movement as well. Its pat formula, "Hit them in the belly!" was interpreted to mean that the one place the workers not only can, but must, lick their oppressing employers is the "point of production," the economic field. But meanwhile the bosses were applying their own version of the formula in every field. While the bosses were putting in their blows in the factories and on the ships, in the legislative halls and executive mansions of government, by organized vigilante groups and veterans' societies—which sent many an IWW organizer staggering, along with the mass of workers—while the church, radio, movies, and the whole educational system were being systematically exploited to bamboozle and beat down the workers, the IWW had only the Day of the General Strike to hold out to them as a vague hope, coupled with the injunction: Don't organize anywhere but on the point of production!

The workers have been slow to organize in all fields, also on the point of production. They are only little by little lifting their shoulders from under the weight of the whole social oppression imposed upon them by their capitalist masters. In the process, they make many mistakes, but they make a good deal of headway too, as the development of the CIO in the last great wave of organization showed. Instead of learning from this process and pitching in to help labor lift itself to its full height wherever it stirs, what is left of the IWW is content to recite from its old outlived catechism about the General Strike and the Point of Production, and to condemn as hopeless slaves those workers who cannot see the light. This line of development has converted the remnants of the IWW into a reactionary sect.

Organizationally the IWW—with the perspective of the General Strike of all workers—rejects as a matter of principle the procedure of crowning successful struggles with the signing of written contracts to hold both parties to the terms of a strike settlement for a specified period of time. Since the General Strike is

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a long time coming and since striking workers want to hang on to their gains without having to begin the whole struggle anew every day, they have come to regard the written contract as a necessary evil, so to speak. The IWW has justified its sectarian principle on the grounds that "the working class has nothing in common with the capitalist class." These grounds are perfectly acceptable to the bosses, who, experience has shown, fight more than anything else against written agreements with unions. When they do give in to a signed contract, all sides regard it as a temporary truce. To reject such truces has always meant giving the bosses the advantage in the next struggle. Militant unions have even correctly considered the mere achievement of a written contract, without any other gains, as a victory, because it is a springboard for strengthening the organization and preparing it for greater struggles and ever more important gains. But despite all the experiences of the workers, the IWW, like the Bourbons, "has learned nothing and forgotten nothing."

Thus, the IWW's dogmas, which may be summed up as anarcho-syndicalism, make it more a political than an economic organization. But its politics also includes the dogma—or rather, the prejudice—against political action. It has become an increasing anomaly: a political group aspiring to economic struggle, it has masqueraded as an economic organization crusading against . . . politics.

Due to the lack of voluntary discipline, too, the Wobblies' anarchistic prejudices have led them to failure. In every dispute each Wobbly pursues the course which *he* thinks best, whether or not that advances the common cause. As a result, in given instances where their rivals held views even less popular among the broad layers of workers, those rivals have been able to outmaneuver and defeat the IWW. The best example is the Communist Party, which—despite its Stalinization and crazy zigzags which discredited it—finally eliminated the IWW completely as a force of importance among maritime workers.

Only the tradition of past militancy remains to the credit of the IWW on the waterfront today. Among hundreds of militants who passed through its ranks, none of its ideas has left its mark—except the original anti-political bias. This bias has remained, thanks above all else to that discreditable caricature of revolutionary politics presented by the Communist Party. But, in their reaction against Stalinism, these inheritors of the IWW have merely given lip-service to their anti-political ideology and instead have—objectively speaking—made their peace with capitalist politics.

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The Stalinists: Kremlin Weather-vanes

Revolutionary workers learned much from the first imperialist war. They learned not only from their own failures but also from the brilliant success of the Russian Bolsheviks. In the U.S., the most advanced elements of the IWW and the left wing of the Socialist Party joined to form the Communist Party, U.S. section of the Communist (Third) International organized by Lenin and Trotsky, co-leaders of the Russian Revolution. Its pattern was the Bolshevik Party.

The Bolsheviks were revolutionary, not reformist: i.e., while the European Social Democrats compromised, entering coalition cabinets, obtaining limited reforms, the Bolsheviks devoted themselves to the goal of completely transforming society. Not that they rejected reforms as such. But Lenin and his co-workers refused to accept reforms as adequate and permanent or, like the European Social Democrats, to believe—let alone lull the masses into belief—that such reforms would lead by steady parliamentary growth to socialism. To achieve the gigantic task of preparing for the showdown with the capitalists, Lenin organized the party as a party of advanced workers thoroughly educated in theory and practice and thoroughly disciplined to act in almost military formation, no matter what objective they faced. Combining the most democratic discussion of policy with iron discipline in action, Lenin forged in the party a human instrument that was the real vanguard of the working class. It is these qualities which made the Party unique, *the* required instrument for labor's emancipation. It was just such a Leninist instrument that Western European labor lacked in the turbulent post-war period—for which lack they, and all the workers of the world, have paid heavily.

The first task of the U.S. Communist Party—to build a mass revolutionary working-class party—presupposed strong influence among labor. One lesson had been learned, especially by those who had been in the IWW: it is fatal to divide the workers at the point of production into dual unions. Hence the CP set out to organize all workers, not into revolutionary unions, but into the established union movement of the day, the American Federation of Labor. But in the maritime industry, the CP had taken only the most elementary steps before the 1929 depression. By that time Stalinist degeneration had already set in; and since that time the Stalinists have played, in maritime as elsewhere, the shabbiest role of any group. How, it may fairly be asked, was such a catastrophic change possible?

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The first successful workers' revolution, that in Russia, was isolated. The young socialist soviet state was fighting for its life on 22 fronts, not only against the White armies, but also against British, American, French, and Japanese armies of intervention. Its already backward economy, shattered by the imperialist war, was almost annihilated by the subsequent civil war and imperialist interventions. Lenin often said that, without the socialist revolution in an advanced European country, the Soviet Union was doomed. What happened was not doom in the sharp form of capitalist conquest, but a slow bureaucratic decay. By 1929 history had recorded a further, a worldwide, recession in the working-class movement. The USSR's isolation, and the pressure of capitalism upon it—these are the conditions that give rise to a bureaucracy in any union, and the Soviet Union, though a union in a different and higher sense, was no exception. Stalin is the symbol of this degeneration. The parties of the Comintern throughout the world are the reflection of it. Under Stalin's regime, the Communist International was transformed into a mere border patrol, the various national sections into pawns in Stalin's game of power-politics with the imperialist nations, while Stalin followed the hopeless policy of "building socialism in a single country." If the world working class had to be sacrificed, "too bad": each national section of the Comintern became a Judas-goat.

Out of these revolutionary defeats and the ensuing isolation, then, there grew up a bureaucracy under Stalin which soon engulfed the Soviet state and the Communist International. At first the bureaucracy tried adjusting itself to capitalist post-war recovery and then wildly zigzagged to an ultra-left policy familiarly known as the "Third Period."* On the basis of this theory, the Stalinists immediately saw barricades on every street corner, predicted the revolution for next Thursday. By defining the Social Democrats as "social-fascists" and refusing any united front with them, they for example so divided the German working class that Hitler was able to walk between them to power—without encountering any *concerted* opposition from the then most powerful labor movement in the capitalist world.

In the union field, the new policy showed itself in the Stalinized

*Stalinism in the American labor movement divides itself, from 1928 on, into four sharply defined periods of mutually contradictory policy; 1) the "Third Period," 1928-35; 2) The Popular Front, 1935-1939; 3) Stalin-Hitler Pact, August 22, 1939 to June 22, 1941; 4) Anglo-U.S.-Soviet war alliance, 1941-4?. The program and tactics of the CP leadership in the maritime unions coincide in every particular with these four periods. Any pretences to the contrary are simply silly.

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CP's world-wide attempt in 1929 to organize "red" trade unions. On the U.S. waterfront, this took the form of the Marine Workers Industrial Union. In its early days, it succeeded in attracting some of the best maritime militants, who had revolted against the ISU labor-skates and could no longer see any hope in the IWW. But the MWIU not only suffered from the same sectarian diseases as the IWW; it also engaged, like all Stalinist "red" unions, in adventurist actions which gained publicity for the Stalinist leaders but exposed to severe defeats those who actually had to earn their living by going to sea.

The MWIU's rank-and-file militants, by dint of heroic work against brutal repression and great personal sacrifices, succeeded in winning a following for the "red" union among seamen and longshoremen, especially in Philadelphia and New Orleans. But the Stalinist leadership's adventurism soon destroyed all the achievements of these rank-and-file organizers. The MWIU was bureaucratized along the model of the CP itself: militants who were not ready to pay full allegiance to Stalin's line were eliminated from leadership and even expelled from the union. The basic core of militants who had built the union left in anger and disgust; some of them, confusing Stalinism with Marxism, became poisoned against revolutionary politics and turned either to the IWW and the ideas of syndicalism, or became converts to "practical" (read: opportunistic) trade-union methods.

By these methods of "mechanical control" the Stalinized CP succeeded in building up a sizable "fraction" of deluded followers who, thinking they were somehow doing their revolutionary duty, could be safely employed later on to execute whatever flipflops the CP "line" made on the waterfront. But as a mass movement, the MWIU was finished. It pulled a few sporadic strikes, directed some job-action beefs, made raids on the "dog-house" at 25 South Street, ran a "stew-pot," conducted a wrangling jurisdictional fight with the MTW No. 510, sold party literature on the waterfront, and recruited some sailors to the Communist Party.

But it never succeeded in organizing any appreciable section of the seamen. The methods used in the MWIU's brief history proved that a genuine union of seamen could not be built by a combination of sectarianism and adventurism peppered with bureaucratic mechanical control. Nevertheless, the CP had sunk some roots in the industry. Once it emerged from the "Third Period," it was in a position to bid for leadership in the resurgent seamen's movement.

The CP's new "line," beginning in 1935, was "Popular Frontism," which consisted essentially in throwing all labor's strength,

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electorally and every other way, to the support of the liberal capitalist parties. This reflected the pact signed that year between the Stalin bureaucracy and the bankrupt leaders of French democracy, who four years later capitulated to Hitler and now collaborate with him. In fact, the pact was known in France, after the negotiators, as the Laval-Stalin Pact. On the waterfront, the line found enthusiastic supporters in the top committee of the CP fraction.

The main base of the Stalinist influence in the maritime industry was on the Pacific Coast in the International Longshoremen's Association. During the 1934 strike, Harry Bridges had risen to power on the basis of a militant trade-union program which called for unification of the longshoremen on a coastwise basis, uniform working conditions in all ports, a master contract between the district union and the Pacific Coast employers rather than separate port agreements, and union hiring halls with rotary shipping of jobs. In the main the striking longshoremen won these demands. The Stalinists were prominent in the fight. Conditions before the strike had not permitted the CP to organize a dual "red" union for longshoremen. They had to function within the framework of the AFL. The healthy instincts of the mass movement buried the stupid infantile leftism of the party, while its "Third Period" militancy won fame for party members among the strikers.

It was a lucky break for Bridges and the new leadership of the Pacific Coast longshoremen that even during the 1934 strike the party was beginning to be prepared for the new line by the CP leaders. When the policy was officially announced about a year later, it was a ready-made international policy of class collaboration which was tailor-fitted to the personal aspirations of an ambitious trade-union leadership. Bridges had all the answers he needed.

Among the seamen a similar process had come about in a slightly different way. We have seen how the MWIU policy of dual unionism was wiped out when the SIU ran away with the NLRB elections. Thus on the Pacific Coast the Stalinists, under Sam Darcy, actually appeared to be anticipating the switch to the Popular Front policy.

Right away the Stalinists became respectable on the waterfront. They viewed with alarm the continued job action of sailors who wanted to extend some of the gains of the 1934 strike to the ships. They attempted to high-pressure the sailors' union back into the ISU, from which it had recently been expelled, on terms dictated by the reactionary ISU official, Ivan Hunter, who also helped engineer the expulsion. They used their influence in the Maritime Federation of the Pacific to justify moving "hot cargo" when ships that had been struck by a Stalinist-controlled rank-and-file group in New

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York sailed into San Francisco. Later they repudiated the whole idea of the sympathy strike which was the cornerstone upon which the Maritime Federation had been founded, the idea of its slogan "An Injury to One Is an Injury to All." The Federation lost all its meaning, became only a shell which the Stalinists packed with small craft unions outside the maritime industry, and finally fell apart. That great chance for a real industrial union in maritime was lost.

In this manner, the Stalinists separated, cut to ribbons, and scattered the fighting organizations that were forged in the heat of the 1934 strike struggle. While they conducted their campaign against the "super-militants" among the seamen, the Stalinists continued their organizational drive in the industry. Thousands of unorganized warehousemen in the Bay Area were chartered by the I.L.A. On the Atlantic Coast, the CP fraction, headed by Joseph Curran, organized the rank-and-file seamen against the dictatorship of the ISU officials, trading on the militancy of the West Coast seamen and the reputation of Bridges in the 1934 strike.

But this was already two years later, on the eve of the 1936-37 strike. Bridges' trade-union tactics had changed considerably since the days of '34. How much so is recorded by the San Francisco *Chronicle* on October 28—two days before the strike:

The waterfront crisis was investigated Monday by the San Francisco center, League of Women Voters, which staged a one-hour debate at the St. Francis Hotel between Harry Bridges, local I.L.A. head, and C. Lyn Fox, representing T. G. Plant, Waterfront Employers Association president.

Some 250 fashionably dressed members of the center, who as members of the general public would be vitally affected by a shipping tieup, were present and applauded both speakers as they stressed their principal points.

The theory of the Popular Front galloped into full action. By the time the government was ready with its program for regimenting the seamen, the Stalinists, with an eye to World War II in which they expected U.S. imperialism to be on the same side of the military line-up as the Soviet Union, were in a position to do business with it. They openly supported this program. All they asked was an opportunity to be allowed to participate *officially* in promoting the government's plans. (And that was only their asking price; they are now doing the job for much less.) They wanted to reserve for themselves the same seats on the government maritime boards in this country that are occupied by the union bureaucrats in England.

The old officialdom of the International Seamen's Union aspired to the same role as the Stalinists. But the Stalinists were far more clever. They rode demagogically on the tides of working-class mili-

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tancy that surged in waves over America in the years 1934-38. When the government came out with the Fink Book idea, more than fifty thousand American seamen signed pledge cards never to accept it. As we have seen, the Stalinists helped distribute those pledge cards. The corrupt ISU officials were agitating in their feeble way for acceptance of the Book. Paul Scharrenberg, for the ISU, couldn't get much of an audience on the waterfront. But Bridges and Curran, for the Stalinists, talked—or rather, double-talked—to thousands of seamen. Once the Fink Book became law they proved they understood better than the old-style fakers how to attempt to put it over.

Even while rank-and-file Stalinists were distributing to seamen the pledge cards against the Fink Book, the Stalinist leadership in the longshoremen's union was, in the 1936 presidential campaign, ballyhooing a resolution in support of the re-election of precisely that chief executive, Roosevelt, whose administration was bringing out the Fink Book. After the Merchant Marine Act of 1936 became law, Bridges, speaking in Dreamland Auditorium in San Francisco to striking longshoremen and seamen, said flatly: "If refusing to take the Fink Book means continuing this strike, I say take the Book." Curran, who was making a bid for seamen's support and hoped to represent the Atlantic Coast, had to be a bit more careful. He wasn't, he intimated, exactly in favor of the Book, but he cautioned: "You can't strike against the government." And so a slogan was devised to get around the whole difficult problem—by giving the seamen the Fink Book. Right in the middle of the fight, when ships were being tied up on both coasts because seamen stood by their pledge to refuse the Book, the Stalinists came out with their fantastic slogan: "Take the Fink Book and burn it on the Capitol steps on May Day." They didn't bother to explain, of course, how thousands of seamen scattered on ships in every port of the world would manage to get their Fink Books back to Washington in time for the bonfire. At best it would have been little more than a token burning. And any seamen who would have been foolish enough to participate in a mere frivolity like this would only have had to apply for another Book for his trouble.

The Stalinist tactics followed the same demagogic pattern in the seamen's struggle to retain the union hiring hall, which in 1936-1937 the shipowners threw all their resources into a three-month struggle to destroy. When J. B. Weaver, director of the Bureau of Marine Inspection and Navigation, proposed the government hall, even Jack Lawrenson, secretary of the Strike Strategy Committee in New York and at all times one of the Stalinist inner circle, on December 9, 1936 stated the issue clearly enough:

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A fundamental of this strike is our demand for union control of the assignment of workers. Without it we would return to a system under which the employers blacklist union men at will and ruin any hope of keeping high the standards of seamen.

Again on April 1, 1938 (symbolic date!) when the government attempted to open its own hiring hall, and Captain Conway announced the policy

We are not concerned with the union views or affiliation of the men. We accept all applications whether or not they are union men, and if they are in a union we do not care whether it is the CIO or the AFL union.

—the Stalinists pulled the old Machiavellian maneuver again. First NMU pickets paraded before the government hall, branding it “a shipowners’ union-breaking agency.” A makeshift AFL seamen’s union attempting to operate in the interests of the shipowners was sending a few men into the government hall. These stragglers were no match for a militant picket line in defense of the union hiring hall. *But* precisely this served the Stalinists in the NMU as an excuse to pull their pickets off. It was as if they went into a strike and, because they found some finks, called off the strike. Their position then became this: Resolved: That the CIO . . . will support the Maritime Commission fink hall and see that only NMU men are shipped out. This was an open bid to the government to recognize them as the sole representatives of American seamen.

In the union fight against the government’s training-ship program the Stalinists played the same crafty game of surface opposition and secret support. In September 1938, when the “training ships” were established, the beach was crowded with unemployed seamen—men who had years of experience and training in their trade. The Stalinists joined the general union denunciation of this scheme. At one time they would attack the insincerity of the Commission and charge that since the hiring hall had opened at the same time the training program was inaugurated, it was obviously a method for flooding merchant ships with non-union recruits. The government training program fitted in with the government hiring hall as twin instruments for destroying union control of the job and thus the unions themselves. But the Stalinists soon began limiting their protests to the Maritime Commission to the demand that

the present regulation requiring that all men who apply for training shall have had two years’ sea experience . . . be a permanent ruling. We ask for this guarantee because the industry is already over-loaded, and if there is no restriction, this will serve as a means of flooding the industry, of discrimination against and final elimination of militant union men.

Needless to say, the Maritime Commission gave no such guarantee.

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Nevertheless, on October 7, 1938, less than one month after the training-ship program was launched, the capitalist press had a story: “The U.S. Maritime Commission today won approval of the National Maritime Union, majority union of American seamen, for its seamen-training program.” The matter had been arranged at a secret meeting between the officials of the NMU and Admiral Wiley of the Maritime Commission. NMU men began entering the government training schools. These first ones acted as a kind of advance guard. The leadership of the union kept up the pretense of cautious opposition to the program, all the while printing stooge “rank-and-file” letters in the *Pilot*, official organ of the union, praising one aspect or another of the training program and conditions at the school. By December 1938, the Stalinist leadership was ready to come out with an official endorsement. Admiral Wiley of the Maritime Commission hailed the turncoats as follows:

I have read with much interest the statement issued by the National Council of the National Maritime Union in which endorsement of the Commission’s training plans is recommended to its membership. . . . I express unreserved gratification over this action.

But the government was not ready to trust these provenly slippery agents of Stalin. Recognition never got beyond the verbal stage. No new posts were created for their union representatives on any of the government’s maritime boards. After stalling around for a month the Stalinists began applying some pressure. A CIO maritime committee was set up about the middle of January. It “demanded an immediate conference to work out a ‘sound’ program for conducting the Commission’s training schools for seamen.” But there was no place for the eager Stalinists in the government bureaucracy. The Maritime Commission demanded a thoroughly domesticated—a “loyal American”—union leadership to do business with. Furthermore, the Stalinists were unable to prove that they could control the still militant seamen. And there was too much opposition from other unions in the maritime field.

The Stalinists tried hard enough to prove their loyalty. They not only supported the program of the Maritime Commission right down the line, but they gave this support political motivation. At the August 1939 convention of the NMU, just before the outbreak of World War II, they passed the following resolution:

WHEREAS: Our Democracy demands the support of all democracies in the fight against fascist aggression;

RESOLVED: that we urge upon our Congress the introduction and passage of legislation that will distinguish the aggressor from its victims and will provide for the complete stoppage of all trade relations with such aggressors. . . .

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Within the month the Stalin-Hitler pact was signed. World War II began. All the plans of the Stalinists in the maritime unions received a temporary set-back. Curran & Co. did their best but, schooled as they were in the tactics of the comfortable Popular Front, they had a pretty rough time of it with the new pseudo-revolutionary line.

Soon after hostilities began in Europe, American imperialism began to search for a way to get around some of its own laws. The Neutrality Act, which had been so useful to the U.S. government in preventing aid from going to Loyalist Spain, now stood as a barrier to cooperation with imperialist England. So the NMU *Pilot*, with heavy heart, began an attack on the Maritime Commission for facilitating the circumvention of the Neutrality Act by permitting transfer of American ships to foreign flags. A pamphlet was hastily worked up against the Maritime Commission: *The Maritime Commission's Efforts to Crush Maritime Labor*. (It took the Stalin-Hitler pact for them to make this remarkable discovery.) The class-collaboration cant persisted, however: the pamphlet's conclusion was that

This incomplete record of connivance, cooperation and collusion between the U.S. Maritime Commission and the shipowners, whose activities the Commission is supposed to police, is sufficient in our opinion to warrant an immediate, thorough and open Congressional investigation.

In a word, this question should have been taken up with some of labor's "friends" in Washington.

When the shipowners began to hedge on the question of renewing the agreement with the NMU, Curran saw a chance for demagogic militancy. He wrote in the *Pilot*, November 10, 1939:

The shipowners see in the Maritime Commission an instrument for getting rid of the militant American seamen of the NMU and replacing them with foreign seamen who will be forced to accept whatever the operators give them. In this way, the operators will be able to restore conditions prior to the advent and growth of the NMU. . . . Any attempt on the part of the shipowners to even discuss the Union Hiring Hall must be fought even if it means fighting it on the picket line . . . if it becomes necessary, we will march on Washington. . . .

This last is a brilliant suggestion in the light of that earlier "March on Washington."

The transfer or sale of American ships during the first period of the war created an unemployment problem for seamen. Thousands were thrown on the beach to compete for the dwindling number of jobs. In 1936 there were 1,178 American flag ships operating in the nearby foreign, coastwise, and intercoastal trade. In 1940, ac-

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ording to the January 10, 1941 *Pilot*, this number had declined to 1,073; and the active seagoing personnel employed, from 57,300 to 52,124. No wonder the shipowners stalled when it came time to sign a new agreement.

When one of the Standard Oil tankers, the *Charles Pratt*, flying the Panamanian flag, was sunk off the west coast of Africa in December 1940, the *Pilot* of January 3, 1941, in an editorial pointed to the collusion between shipowners and the government:

American seamen are far more loyal to our country than, say, Standard Oil, which operates its ships under a dozen foreign flags. And yet, Standard Oil has profited immensely by this war—while men who man this company's oil tanks are dying by the dozens. But Standard Oil is not the only profiteer in this war. Every company that sells a ship to a foreign company, or switches its flag to evade the neutrality act, is just as bad. . . .

American shipowners are having things too much their own way in the Nation's Capitol today. Unfortunately, the Maritime Commission is nothing less than a shipowner's lobby, and the appointment of John J. Dempsey to the Commission is a plain indication that seamen can expect nothing but hard knocks from that body.

Very true—then, and today.

When the *New York Herald Tribune* openly admitted that "more than 800,000 barrels of American oil are being shipped monthly to Japan. . . . During 1940, an average of 2,000,000 barrels of oil were shipped monthly to Japan," an allegation proved despite the Maritime Commission's denial, the Stalinists hastened to publicize these facts in the *Pilot*, something they never would have done in the pre-Stalin-Hitler pact days.

In general, a pseudo-anti-war campaign was carried on in the pages of the *Pilot* in line with the general pacifist slogans that were appearing at that time in the *Daily Worker*. And during the Russo-Finnish War they carried on some agitation in behalf of the methods of Stalin in that adventure. But all this never got much beyond the pages of the union paper, and the boys were visibly uncomfortable with the new line.

There was a political gesture occasionally. The *Pilot* of February 14, 1941, reported that Curran had spoken against the Lend-Lease bill:

On behalf of the NMU and Greater New York Industrial Union Council, Joe Curran told the Senate Foreign Relations Committee that American labor was opposed to the Lend Lease bill because it was Fascist and would help drive us into war.

Or some action was proposed. According to the *Pilot* of January 17,

A mass march on Washington to halt the headlong drive towards American participation in war proposed by field organizer Freder-

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ick N. Myers recently, has struck a responsive chord in persons in all parts of the nation.

The Stalinists' program for maritime labor during this period was formally summarized by them as follows in the *Pilot* of January 24, 1941:

1. Keep America Out of war.
2. Secure higher wages and better working conditions.
3. Fight for unemployment insurance.
4. Defeat the Dirksen Bill.
5. Prevent sale and transfer of American ships to foreign flags.
6. Increase manning scale.

This was a very uncomfortable period indeed for the Stalinist labor lieutenants. They did their level best to carry out the party line and at the same time keep one foot in Washington, hoping that a new turn in events would bring better days for them. On June 20, 1941, Joseph Curran's column in the *Pilot* contained the following:

The past two weeks have clearly demonstrated to the labor movement that the shipowners and industrialists have shifted the center of attack against the unions from the economic to the legislative front. With the aid of the owned and controlled radio and press, big business is utilizing the present hysterical war situation throughout the world to smokescreen its efforts to destroy the American labor movement.

Two days after this vague demagogy appeared, Hitler began his invasion of the Soviet Union. On the morning of June 22, the top fraction of the CP waterfront section was of course as much surprised as their masters in the Kremlin. But for these lackeys in the American seamen's movement Hitler's blow was not without its recompense. The military line-up was changed around the "right way" now. No more painful "principles"; no more sacrificial swimming against the boss-current. The contradictions they faced during the period of the Stalin-Hitler pact had been wiped out by a single order from Hitler. They allowed little time to pass before—"Full support of the present struggle of Great Britain and the Soviet Union against the forces of fascism was voted at a special membership meeting at Headquarters." A Statement of Policy was drawn up: "We recognize the present struggle of Great Britain and the Soviet Union against the forces of Fascism to be sincere and requiring the full support of liberty-loving people throughout the world."

But this was not put over on the membership of the National Maritime Union without opposition. The NMU represents the majority of seamen on the Atlantic Coast and has in its ranks veterans of all the strikes since 1934. Many of them have sailed on the Pacific Coast and gone through strikes there. They helped kick out the moribund ISU officialdom. They are no cream-puffs. And some of

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them went through the last war and remember how the government broke their union in 1921. Men like that are harder to kid. No sooner was the Statement of Policy read than the motion snapped back from the floor to non-concur. But a well-oiled machine in the leadership of a Stalinized union knows how to hammer down opposition. The *Pilot* of July 4, 1941, records how this was done. Roland Perry (deck dispatcher who has always been close to the Stalinists), speaking against the motion, opened with a championship sample of disingenuity, saying "that he was one 'interventionist and war monger' who had been in favor of giving aid to Britain; now he was in favor of giving aid to the Soviet Union because the nature of the war was the same and it had only spread." Patrolman Edward Robinson carried on the torch with the more official explanation for his support of the new policy: he

asserted that it would be foolish not to change policy since the spread of war to Russia had changed the nature of the War. It was a case of Nazism vs. Socialism: of a country which took from the workers everything against a country which gave the workers everything they produced.

But it would take more than this to convince the NMU membership that imperialist Britain was fighting a "Socialist war." At the union's Cleveland convention in July, Curran had to be cautious in his formulations. He justified the new policy in the following way: "The number 1 consideration of the NMU is the preservation of our unions and the democratic process. All the other problems depend on this." Then why support the war? "We are interested in only one thing, that they, as workers, are fighting the one foe that democracy has and that is Fascism." This talk about "preserving our unions and the democratic process" disappeared, however, from the speech Curran made at the ILO conference in London one year later (see p. 115). But the line is the same. Support the war! Henceforth when they met with the Admirals in Washington to work out "sound" policies for regimenting seamen, the Stalinists could go in with the happy feeling that here at last was a real meeting of comrades-in-arms. But the Admirals even today cannot work up much enthusiasm. In their eyes the Stalinists are always suspect. They do not understand the Stalinists, are suspicious of them; and the period of the Stalin-Hitler pact remains a memory which all the ingratiating services of the Stalinists have not served to erase.

Less than a week before America's formal entry into the war, Joseph Curran, speaking as president of the National Maritime Union on the *Town Hall of the Air* radio program, promised that American seamen would "make all sacrifices necessary" for the

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so-called defense program of the American capitalists and would "deliver the goods." He was actually tipping off the bosses that "the goods" which the Stalinist clique in the NMU would deliver when the Maritime Commission called upon them, was the unions themselves, hog-tied and helpless. Indeed, the Stalinists were so anxious that they didn't even wait for the nod, but actually began to anticipate the next step. We have seen how at the December conference which set up the MWEB, Frederick Myers presented a full-blown program for government regimentation. Curran was meanwhile doing his bit at a meeting where the general labor problem was discussed and where the War Labor Board was cooked. The editors of the *Pilot* on December 10, 1941, reported that

After hearing President Roosevelt tell them they were there "to help win this" war, representatives of Labor, Industry and Government convened together Wednesday to work out a program that will bar strikes and lockouts and speed up industrial output to meet the tremendous war needs of the U.S. and its allies.

It would appear from this that labor unions are now supposed to fight *against* strikes and *for* speed-up. Not very many members of the NMU had this idea when they were on the picket lines in the spring strike and again that winter of 1936-37.

But the Stalinists are not concerned now about the rank and file. They want to be recognized by the government as the official spokesmen for all American seamen, as their proposals to the government made clear. They even went so far as to make proposals whereby this can be "innocently" brought about.

After the War Shipping Administration requisitioned the merchant fleet, the leadership of the NMU attended the April conference in Washington where the other maritime unions were fighting against the government shipping pool. The NMU representatives introduced the following finky memorandum demanding the pool:

1. The problems of recruitment, discipline and the maintenance of efficiency and safety for merchant marine personnel are important and difficult at all times; in times of war, these problems are even more difficult and more important and the maintenance of the lifeline of our merchant marine for men and supplies becomes of paramount significance to our nation's safety and must be taken care of above all other considerations.

2. More specifically, these problems are those of:

- a. Availability of personnel including manning, training and promotion;
- b. Discipline, on board ship and in domestic and foreign ports;
- c. The systematic elimination of disloyal elements;
- d. The waiving by mutual agreement of such collective bargaining provisions as may be found to interfere with the war effort; and

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e. The improved facilities for safety at sea.

3. The experience of the other nations engaged in this war, particularly Great Britain, as well as a correct analysis of the problems outlined herein, demonstrate that the situation can only be made worse by elimination or disorganization of the existing administrative set-ups and the substitution of a military regime which must be created anew. The answer lies in the improvement of the existing administration by definite fixing of responsibility as well as authority in the handling of other personnel problems for the merchant marine.

4. It is therefore proposed that by Executive Order a Maritime Personnel Board be set up under the War Shipping Administrator in cooperation with the ship operators and the organizations representing the unlicensed and licensed personnel with the full responsibility and the necessary broad powers to effectuate such steps as are found necessary to accomplish the most efficient results in the operation of the vessels of the United States merchant marine. Such Maritime Personnel Board shall consist of a chairman and vice-chairman designated by the War Shipping Administrator, one representative each for the licensed personnel deck officers, licensed marine engineers, licensed radio operators, and the unlicensed personnel with alternates from such minority organizations as may be necessary who shall act whenever problems relating to them alone shall be considered, and an equal number of members from the ship operators with such alternates as may be deemed advisable by the War Shipping Administrator.*

Apparently fearing that there had been some doubt as to the sincerity of their capitulation in December, the Stalinists advocated the same program in April—but more concretely, leaving this time no room for doubt. Section 4 of their plan, calling for the establishment of a Maritime Personnel Board, took into account the opposition they knew they would encounter from the other maritime unions. On this proposed Board there is *only one* (1) representative of rank-and-file seamen—on a packed government board of at least ten members, all except this *one* representing licensed men, shipowners, and the government. This single representative selected would be of course an official of the NMU, probably Curran himself. Seamen belonging to any other unions would be represented by the "alternate for such minority organizations as may be necessary who shall act whenever problems relating to them alone shall be considered. . . ." This maneuver was typical of the way the Stalinists always demand an edge which they think will help them along in their bureaucratic maneuvers within the labor movement. But this invariably gives rise to a juris-

*Exact text in *Seafarers' Log*, April 15, 1942. The memo is also largely quoted from in a self-justificatory article in the April 10 *Pilot*.

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dictional flare-up; and that is just what the government had to avoid during this period.

The government wants loyal labor lieutenants in the ranks of seamen. The Stalinists are eminently qualified and are daily proving their ability. But the government is playing a cautious game with them because it does not know whether tomorrow the "second front" may not turn into an Anglo-American invasion of the Soviet Union. The government wants to insure its plans on the home front and especially in the maritime industry by finding, if possible, its own labor lieutenants who have no divided loyalties.

Thus, it is unlikely that the momentarily parallel policies of the two will merge in any permanent working partnership. Meanwhile, as long as the NMU is challenged for control of the waterfront by strong opposition unions, the government does not feel compelled to make special concessions to the Stalinist maritime leaders. While Moscow's military and diplomatic needs require it, the NMU's officialdom will give the government full cooperation even without concessions.

It is completely clear how reactionary and treacherous is the role of the Stalinist leadership, in maritime as elsewhere. But to be combated, it must be thoroughly understood. It must, for example, never be supposed that the NMU and the Bridges longshoremen's organization are just simply bureaucratized unions on the old style, which depend especially on craft prejudice, plus connivance with employers and the government, goon squads of paid hirelings, etc. The Stalinists, on the other hand, came to power in the course of militant membership revolts which bowled over such encrusted leaderships. Curran, Bridges and Co. hold their power basically by other methods, though supplemented by elements of the old. They, unlike the AFL fakers, have a solid mass base in the membership.

Since they are plainly such cynical sell-out artists, just where and how do they get this mass support?

First, by the prestige of the Russian Revolution. A tremendous influence was exerted on the minds of advanced workers everywhere when for the first time they saw workers in another country definitively defeat their ruling class and seize the power. In the successful repelling of imperialist attempts at intervention from 1917 to 1921 they witnessed constantly new evidence of the viability of revolution. Despite the evidences of bureaucratic degeneration, they compared the Soviet Five Year Plans' tremendous industrial achievements with the stagnation and unemployment enveloping the capitalist world. Finally they have been stirred again by the heroic and increasingly successful stand of the armed Soviet masses which has

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for the first time turned back the Nazi juggernaut's vaunted blitzkrieg. Ever new layers of advanced workers, fired by the USSR's achievements and thus being attracted to communism, have made the natural error of assuming that it is represented in their respective countries by the Communist Party. In this manner the very bureaucrats who have degraded the Revolution still parasitically batten on its world-wide prestige.

Second, by their repulsive caricature of fraction-technique. The sound and healthy tactic of forming within a union a group, usually called a "fraction," which by its greater clarity in policy, cohesion in action, and solidity in discipline, can form the core and nucleus around which workers who approve its policies can rally, is a tradition of the Bolshevik Party. The degenerated Stalinists, in their loathsome travesty of "fraction" work, have bureaucratized the disciplinary structure while subverting all its principles. Instead of applying policies worked out by democratic discussion of those members who best know the problems of the industry and have their fellow-workers' interests most at heart, the Stalinist fractions, under undiscussed (and undiscussable) orders from above, act as a mere camorra, trying to make the union follow every dizzy flipflop of the "party line" even if it breaks its back in the process, plundering treasuries, making the union vote resolutions on matters which by no conceivable stretch of the imagination remotely concern it, and generally converting the idea of a nucleus of specially advanced, class-conscious, and principled trade unionists into a mere pressure-gang. Finally, these methods have been supplemented by both the subtler and coarser methods of organized terror.

It is by this parasitism, living off the prestige of the October Revolution, and distorting Bolshevik organization methods, that the Stalinists have succeeded so well in "taking over," temporarily, many unions. A whole apparatus of pliable-conscience leaders is created from above on the basis of subservience to orders from the Kremlin. Since the support of the state machinery of the Soviet Union assures them considerable security in their positions, Stalinist union leaders are not lightly shaken from their allegiance. They say and do one day what devastatingly contradicts their speeches and actions the day before, confident that the party machine will, somehow, sometime, iron out all their embarrassments. Thus, as long as Stalin and Co. remain in power in Moscow, Bridges, Curran and Co. can be expected to keep up their cynical zigzagging along the CP line.

Against the Stalinist bureaucracy, only one method is, in the last analysis, effective: the *revolutionary* struggle against Stalinism, a struggle that would preserve the heritage of the Russian

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Revolution and of the Bolshevik Party that led it. In the trade unions, that means a struggle conducted on a militant program and led by a revolutionary party which can organize the fight not only against government regimentation but also against Stalinist treachery. Against the Stalinists' repulsive deformation of Bolshevik organization methods, the anti-politicals, like the IWW before them, prove ineffectual. Militant seamen will eventually have to revive *genuine* Bolshevik organization methods coupled with the one program which alone can solve the present deepening problems.

The "Anti-Politicals": Blind-Alley Militancy

In 1934, utilizing the organizational structure of the ISU to win their strike, the new young militants replaced the old bureaucracy by a new and militant leadership. This leadership called itself "anti-political," not only because it drew on the IWW heritage, but also because it developed in opposition to the Stalinists.

Strong opposition to the CP's class-collaboration policies found a voice in the Sailors Union of the Pacific as early as 1935. After the 1934 strike, West Coast seamen were working under the provisions of the vaguely worded Arbitration Award. They had no signed contract with the shipowners. They wanted to extend the gains of the 1934 strike through "job action." This meant that every ship's crew elected its own delegate and decided what changes in conditions were necessary on that particular ship. When the ship came to port, if the demands of the crew were not granted, all hands quit. The union was never able to find replacements until some adjustment of the grievances was made. In this manner overtime pay was won for all work after 5 p.m. and before 8 in the morning, various types of work were classified as overtime, better food came aboard, crew quarters were altered and improved. This action worked well on the off-shore ships. Through job action sailors won most of the conditions they enjoy today. But when this tactic was applied to the whole steamschooner fleet in the coastwise lumber trade, it precipitated a strike. On these vessels, the sailors work cargo. They demanded a six-hour day, the same demand longshoremen had just won. Job action was not a tactic suited to such a demand. The steamschooner operators simply tied up the fleet. Bridges opposed the strike on the grounds that it jeopardized the gains of the longshoremen. Harry Lundeberg, sailor, and at that time president of the newly formed Maritime Federation of the Pacific, became the spokesman for the seamen.

On the surface, this flare-up between the two Pacific Coast mari-

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time leaders appears merely as a dispute over the tactical question of job action—when and how to apply it. But it involved much more than that. It was really a question of two conflicting political theories. Bridges, guided by the CP and carrying an umbrella of pseudo-revolutionary phraseology, had set out on the road of class collaboration. Lundeberg, borrowing from the heritage of the IWW, was trying to work out a militant opposition program to advance the gains of the Sailors Union of the Pacific.

Lundeberg today remains the chief spokesman for the maritime opposition movement against Stalinist sell-out tactics led by the Sailors Union of the Pacific and the Seafarers International Union. The Stalinists discredit working-class politics. And the hatred of the "anti-politicals" for the Stalinists is so intense that they are often blinded to the bigger issues. But the main basis for this opposition is the distrust for government that seamen have acquired through twenty years' experience with government agencies. The SUP-SIU fight against the government on all the main issues—Fink Book, government hiring hall and training-ship program—has been in line with the best tradition of the seamen's movement. An element in this tradition is a fear of parliamentary politics. Seamen have learned that they can win concessions on the picket line but when they have sent their representatives to Washington they come out at best with some kind of compromise proposal.

The Lundeberg leadership in these AFL unions has played up this fear and developed it into a principle which they call "anti-politics." But their professed "anti-political" principles do not prevent them from indulging in politics. During the Russo-Finnish War, for instance, they went all out for "poor little bleeding Finland." That is a good indication of their political "understanding."

In the fight against the government for preservation of the union they have been on more familiar ground. When the threat of the Fink Book hung like a pall over the 1936-37 strike, we have seen how Joseph Curran on the East Coast led the rank-and-file "sympathy" strikers away from the center of strike action in a "march on Washington," then led them straggling back to a meeting in New York where their three months old "sympathy" strike was called off. At that meeting Curran announced that this "action of the seamen tonight demonstrates their sincere effort to cooperate with the government in a solution of our grievances." This looked crazy to the "anti-politicals" on the Coast who had a solid strike, and who did not fully understand what the Stalinists were up to. They soon learned.

The pay-off came January 20, 1937. On that day Curran an-

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nounced: "We favor the provision that seamen must qualify for certificates of efficiency and that we are ready to participate in a nation-wide poll of seamen on the provision that we must carry continuous discharge books." From the Sailors Union of the Pacific came a telegram to Washington: "There will be no settlement of the present maritime strike if the men have to return to work under the provisions of the Copeland Bill." Here appears a basic difference in trade-union policy. Curran would take the fight against the Fink Book out of the hands of the seamen and place it in the hands of anyone who would conduct a poll—presumably the government. Lundeberg, on the other hand, relied completely upon the organized power of the seamen. The shipowners on the Pacific Coast signed up with the union before any attempt was made by the government to enforce the new law.

On February 11, U.S. Shipping Commissioner Daly boarded the American-Hawaiian ship *Columbian* in New York harbor and tried to give out Continuous Discharge Books to the West Coast crew. This crew, not taken in by the finky talk that "you can't strike against the government," refused to accept the Books. The ship was tied up when the Commissioner refused her clearance papers. Similar action occurred on a number of other ships. But the seamen were not solidly enough organized at that time to smash the Fink Book threat by themselves. A compromise formula was worked out in Washington whereby seamen got the certificate of identification and Congress revised the Merchant Marine Act to make the Book optional. The Lundeberg leadership had to agree to this formula. Curran, of course, was more than willing.

The same difference in trade-union policies was apparent in the fight against the government hiring halls. When every marine union representing unlicensed seamen, with the single exception of the National Maritime Union, was picketing the government fink hall at 45 Broadway, New York City, the Stalinists in the NMU were asking for "guarantees" before they joined the picket line. They stated that if the "AFL-Sailors Union, through their contact with the I.L.A. would refuse to work any ship manned by a crew shipped through these [Commission's] hiring halls, that the NMU would be 100% in favor of throwing a picket line around the Maritime Commission at this time." Until then the Stalinists ordered seamen to "pack the fink hall."

Picketing was the only way Lundeberg and his group knew of dealing with the fink halls. Curran had a different proposal: "Put pressure on the National Labor Relations Board to decide if the men on Commission ships are entitled to designate a union as their

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collective bargaining agency." The same government that had launched the union-busting campaign was to decide whether crews on government-operated ships were entitled to union representation. This, to the mind of the Lundeberg group, represented "politics." It was nothing more than an attempted maneuver to have the NMU certified by the National Labor Relations Board as the sole collective bargaining agent for seamen on all government-operated ships.

The "anti-politicals" ran up against the same difficult problem in fighting the government's training-ship program. Their answer was Boycott. And as long as the union controlled the hiring hall and conditions in the industry remained unchanged, this was a pretty effective weapon. There were few ships on which the government could send its training-school graduates: Army transports, tankers that were still unorganized, and freighters such as the fleet that the Isthmian Line still operates under open-shop conditions. But there was not room here for all the young men that would be turned out of the schools. With the Stalinists supporting the training program, however, the government was given a chance to get its schools well established even as early as 1938 when there was still a great deal of unemployment in the maritime industry. With the broadening of hostilities in Europe, shipping boomed. Even though the Neutrality Act kept the U.S. flag off many American ships running into war zones, the transfer of the ships to foreign registry enabled them to sail to most ports of the world. Industry ashore began to take up some of the slack; new ships came down the ways; the Neutrality Act was repealed.

This happened during the period of the Stalin-Hitler pact. And the "anti-politicals," who more often than not choose their politics by sheer opposition to the Stalinists, began to take an openly pro-war position. All of the unions were then fighting for a War Bonus. Even then these questions were settled in Washington. Lundeberg had been there negotiating for a higher bonus rate. In arguing his point he made mention of the dangers seamen face under war-time conditions but added that sailors would man the ships. The boss press gleefully broadcast his statement:

We know the dangers . . . it was tough in the last war, but it's worse now. Then we had only submarines and mines; now we have dive bombers.

Sailors in battleships have a certain amount of protection; so do soldiers in battle. Merchant seamen have no protection at all except by convoys and sometimes those work and sometimes they don't.

We manned ships without restriction in the last war. We're ready to do it again.

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This capitulatory statement was joyfully seized on by the Stalinists inside the NMU who were then rattling along with their pseudo-revolutionary anti-war line. Their comment was: "Lundeberg may be 'ready to do it again' from his office, but the seamen aren't."* The great commotion then created by the demagogic Stalinists looks a little comic when contrasted with their present slogan: "Keep 'em sailing."

Soon after this it became apparent to everyone that there would be a shortage of seamen. This was what the Maritime Commission had been preparing for. The Stalinists had foreseen this development, but they were unable to carry out their former policy in full support of the government's training-ship program because of the Stalin-Hitler pact. The tactic of the boycott adopted by the "anti-politicals" had not taken any of this into account.

Still trying to protect itself against the flood of government-trained school boys and in an effort to supply young men to the union, the Sailors Union of the Pacific opened its own training school in seamanship. The union school made a very modest and late beginning in 1942 in San Francisco. One floor of the union hall at 59 Clay Street was given over to it. During the first year it has turned out about 500 skilled seamen. The training given by the union is far better and more practical than the government's course. But while the Sailors Union trained 500 seamen, the government schools were turning out thousands. The SUP school has demonstrated that the union is the most capable agency for training young men for the sea; but it has equally demonstrated that the union, with its limited resources, cannot hope to *compete* with the government's vast training program.

We have seen that the whole struggle for preservation of the union since 1936 has been a fight against the government. The above brief outline of the "anti-politicals'" measures indicates that the trade-union tactics borrowed from the arsenal of syndicalism are not enough to win that fight, especially now. The Sailors Union of the Pacific has used all the weapons that pure and simple trade unionism has at its command: job action, strike, boycott. Lundeberg has attempted to enlist the support of other sections of the labor movement to aid the seamen. But the government's basic program remains unchanged, constantly exercising more and more control over the life of the maritime unions.

A successful fight against government regimentation requires more than a limited trade-union opposition to one government board

**Pilot*, May 16, 1941.

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or a group of government officials. Yet this is the limitation the "anti-politicals" place upon themselves. This was one of the greatest weaknesses of the Industrial Workers of the World.

Just as it's harder to win a strike against an employers' association than against one isolated outfit, so it is harder to defeat the government which represents the entire boss class. All the methods used against the employers on the economic field must be used by the union in a fight against the government, but augmented and given meaning by other methods—political methods which expose and challenge the entire state apparatus. A strike against the government on some particular issue such as the Fink Book, the hiring hall or the training ship may succeed, but only for the moment. It does not win any substantial gains for the union membership; the fight has been primarily a negative, a defensive, one. *It is a political strike without a political program.*

When the government is dealing with what it believes is a fairly reliable union leadership, some government agent with a reputation of fair dealing will say to a trade-union official: In preparation for war we must regiment this industry. We have got to protect the nation against the uncontrollables and radicals and so we have to introduce these measures, which at first may appear to be anti-union but they really are not because we are soliciting your cooperation. Right away the politically naive union official begins to put his mind on these problems of the government, forgetting about the union's problems. He cannot consider the union problems without a program for the union which takes into account all the big issues of the day—and especially the war. But this important detail of contemporary life the "anti-politicals" leave to the discretion and decision of the boss.

Even the most conservative AFL officials have tried to guard the independence of the trade-union movement. Even Gompers always insisted that the government deal through him in all questions of labor policy. This attitude always betrays a distrust of the government. Only here the distrust was coupled with a general support of capitalism. The revolutionary content of the IWW philosophy has dropped out of the anti-political prejudices of the Lundeberg group; only the distrust of the government remains. But there is no way to escape. Whether any union leadership "believes in politics" or not, the government forces it willy-nilly to face political questions. The *immediate* answer to these questions is not found at the point of production. It is necessary for the workers to fight the boss not only on the economic field but in every sphere of social life, and especially in politics.

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The Stalinists understand this. So do the labor-skates of the Green and Murray stripe. The crooked salesmen for Stalin's foreign policy have their own brand of politics. People like Green and Murray play a smaller game, collaborating with the government at home in exchange for whatever small concessions the boss can afford. Because they are labor leaders the government is forced to enlist their aid in its drive to regiment the organized workers they control. These "leaders" would naturally prefer to keep labor organizations free from government interference. But today the one big demand of the government is just that: direct control over the unions. The present tendency of the labor bureaucracy is to go into the government apparatus.

The "anti-politicals" were primarily concerned with keeping their unions intact during the period of the war. They tried to do this by dodging a head-on fight with the government. No sooner was war declared than an agents' conference was called by officials of the Seafarers International Union for December 11 and 12. This conference passed a series of resolutions which were submitted to the membership for approval. This action, according to the *Log* for December 23, 1941, purported to "prepare the SIU for its role in the all-out war against the Axis." Part of this preparation was the following:

RESOLVED: That, as individuals, and collectively as the membership of the Seafarers' International Union of North America, Atlantic & Gulf District, an organization representing true American seamen, we unequivocally give our government, and those upon whose shoulders are placed the responsibilities of the conduct of this war, our full support and cooperation in order that our nation, our freedom and our democracy will be preserved through total victory in this war.

That is a pretty complete endorsement. They certainly appeared determined not to be outdone by the Stalinists. And, just to prove that they meant business, they handed over \$25,000 of the union's funds to buy war bonds. But that was not enough to satisfy the Maritime Commission. It is not soliciting patriotic speeches nor is it in the business of selling war bonds. Its special task, among others, is to regiment the personnel of the American merchant marine.

The "anti-politicals" had endorsed the war effort of the American boss. It is impossible for anyone to pretend that that is not a *political* act. No sooner had the SIU agents adjourned their conference than they were called into conference by the Commission. This was the December conference at which the Maritime War Emergency Board was set up, and where the Stalinists introduced their first proposal in complete conformity with the Maritime Com-

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mission's general program. (See pp. 109-110.) The "anti-politicals," shunning politics, had no proposal of their own to offer. As often happens, they formulated a program on the basis of their criticisms of the Stalinists. The criticisms were valid enough.

John Hawks and M. D. Biggs for the SIU dug the rotten heart out of the NMU proposal. This proposal, they correctly said,

would have taken away—FIRST—"OUR HIRING HALLS" as they [the Stalinists] state in their proposal, "among other things the board may wish to conduct an inventory of facilities and PERSONNEL AND RECOMMEND THEIR ALLOCATION." This would mean that all seamen, regardless of affiliation would be forced to register and ship through a central hiring hall in any port where the Board may designate. This is exactly the same as the old FINK HALL and is part of the finky program that the Maritime Commission has been trying to put over on the seamen for the past five years. SECOND—"IT WOULD HAVE TAKEN AWAY ALL OF OUR BARGAINING RIGHTS AND VOIDED EVERY AGREEMENT WE HAVE IN EXISTENCE TODAY FOR THE DURATION OF THE WAR." In other words this Board would have been invested with the power to decide any and ALL PROBLEMS in the maritime industry which means the setting of wages, overtime rate (if any), hours of labor, and living conditions aboard all American vessels. THIRD—"IT WOULD HAVE RAMMED THE COPELAND FINK BOOK DOWN THE THROATS OF ALL AMERICAN SEAMEN IN THE DISGUISE OF A PASSPORT." Our Unions have already been approached by certain individuals on the question of listing the service of each Seaman on the back of our Certificates which is nothing but a back door entrance to the Copeland Fink Book so we are prepared for this one and killed it before they had the chance to discuss the question. This is another one of the Maritime Commission's ideas which they have been trying to put over on the Seamen for a good many years and if they had been successful here the Seamen would have never gotten rid of the FINK BOOK again.

In other words, the SIU and SUP blocked every attempt made by the NMU and the Maritime Commission to put over the Maritime Commission program of FINK HALLS, FINK BOOKS AND FINK TRAINING SCHOOLS which they have tried so desperately to put over during the past five years. We demanded that our HIRING HALLS, COLLECTIVE BARGAINING RIGHTS, THE RIGHT TO MAINTAIN OUR IDENTIFICATION CERTIFICATES RATHER THAN THE FINK BOOK AND THE RIGHT TO SUE FOR DAMAGES WHEN INJURED ON BOARD A VESSEL UNDER THE JONES ACT, be respected before we would consider giving up our right to strike for the duration of the war. Our demands were granted as well as our proposal of setting up the Board instead of the finky proposal submitted by the NMU and backed by the Maritime Commission and the shipowners.

The Board as set up by our proposal is practically the same as

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the procedure laid out for settling disputes in all of our agreements in existence today, and can handle absolutely nothing but the questions of War Areas, War Bonus, and War Risk Insurance.*

The "anti-politicals" were 100% correct in their criticism of the Stalinist proposal and in their demand to retain the independence of their unions. But because of their all-out political support of the war, they were forced to give up the only weapon they have for *guaranteeing* the independence of their unions. In protesting their loyalty they said to the government, "We are not going to delay any ships, we are not going to strike any ships, but we want to retain the rights we have gained through the efforts of the United States Government [??!!] and our own efforts in the past. . . ." Here they apparently felt it necessary to blow a little smoke up the sleeve of the government. But the important thing is that they agreed not to exercise the right to strike in exchange for an ambiguous promise from one government agency.

How little this promise meant became clear four months later when another government agency operating under the Maritime Commission, the War Shipping Administration, requisitioned the merchant fleet and issued its infamous Administrative Order governing personnel. This was the Order that provided for a government-controlled shipping pool. The shock of this was a little too much even for the patriotism of the "anti-politicals." These pure and simple trade unionists, within the confines of their political limitations, do the best they can to protect the union. They were determined not to be governed by this WSA Administrative Order. The government had to back down. Another "statement of principles" similar to the one drawn up in December and signed by all unions except the NMU with the Maritime War Emergency Board was signed between the WSA and the same unions. Here once again the government chiseled a little bit more. Besides reaffirming that "Without waiving the right to strike, the unions hereby give firm assurance and guarantee, that the exercise of this right will be absolutely withheld for the duration of the war," they also agreed to "elimination of crews' mass meetings, crews' committees and other similar meetings or groups aboard ship. However, one man in each department will be recognized as the spokesman for that department, but all disputes shall be settled only upon termination of voyage in port where shipping articles are closed."

The important gain made by the unions in all these maneuvers has been a recognition by the government of the union hiring hall, but only as it operates under provisions of signed agreements be-

**Seafarers' Log*, December 23, 1941.

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tween the unions and the shipowners. Ships operated directly under the control of government agencies such as the Army or Navy do not recognize the union. And the War Shipping Administration has its own shipping pool for all ships not under union contract. Besides this a recent administrative order makes it impossible for an inexperienced man to get his seaman's Certificate of Identification without attending the government training school. Those young men who attend the schools and do not register at the pool are reported to their local draft boards. In this manner the Maritime Commission is gradually choking the union's supply of recruits at the same time that they whittle away at union conditions.

The "anti-politicals" have had to find political support in their efforts to retain the independence of the union. They could not find it in the CIO because that section of American labor in the maritime industry is dominated by the Stalinists. So they turned to the AFL. Thus this "anti-politics" policy reduces the whole choice of seamen's political attitude to one between the AFL Executive Board's crude class-collaboration program and the Stalinists' streamlined support of Roosevelt and the war—that is, between Tweedledee and Tweedledum. This is the kind of labor politics that leads in the end to success for the Maritime Commission's anti-labor program.

Thus the "anti-political" leadership has blinded itself to the need of combatting the increasingly political attack of the capitalists against the seamen by means of a corresponding counter-program of political action. On the other hand, against Stalinism, it has allowed its anti-Stalinism to drive it into dangerous dependence on the capitalist politicians who have now and then been in conflict with Moscow's hirelings. Anxious to preserve their own and the unions' independence, the "anti-politicals" have in actual fact fallen more and more into dependence on the government for compromises permitting their union a continued, if insecure, existence.

Many "anti-politicals" sincerely desire to maintain and strengthen the seamen's unions. Their past struggles on limited issues have shown they have plenty of militancy. But through their lack of political understanding, it has proved to be a blind-alley militancy. All the past struggles, which they thought had been won on one picket line or another, are looming anew in a complete program of government regimentation. The total problem is singly and sharply posed. The old "clever" policy of getting the inside track against the Stalinists by lobbying efforts in Washington has run its course: the Stalinists, willing to go the whole hog in binding the seamen in the chains of government regimentation, have far more to offer. And the endorsement which the "anti-politicals" gave the war in

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general has snarled them in a mess of contradictions which leaves them helpless when the shipowners-in-government begin to collect on this blank check in specific and practical demands that undermine the very life of the unions.

One thing is now certain: they cannot remain "anti-political" and yet preserve the unions as free and independent organizations. They are faced with the point-blank demand on both sides: give up your anti-political stand. On the one hand, the government demands that they give it up in favor of a political stand side by side with the shipowners. On the other, the interests of the seamen demand that they give it up in favor of a political program of struggle on the side of all labor against the whole ruling class. Which road to take? —that is the question confronting them, demanding a clear, unequivocal, class-conscious answer.

• V •

THE IMPASSE—
AND THE WAY OUT

The Impasse

SO TODAY, seamen are in an impasse, a blind alley. They sense it instinctively. They want to get clear. In previous sections we tried to show how they got into that impasse; because only by thoroughly understanding that, can they see how to get out of it.

We have seen why the maritime industry is a special one which must be government-fostered as a national enterprise, because in the cut-throat game of capitalist world competition that is the price any imperialism must pay for survival, however uneconomic its maritime industry may be. We have seen how, as the executive committee of the capitalist class, the government cannot be neutral between shipowners and maritime labor; but, to a greater or lesser degree depending on the peculiar needs of the national economy at the time, intervenes to aid the shipowners and repress the unions.

But the American government has given really careful consideration to the maritime problem only in periods of crisis. We have seen its colossal improvisation in World War I; and how, as ships were silhouetted against the gathering thunderheads of World War II, it finally reached, in the Merchant Marine Act of 1936, a definitive program which tried to anticipate the immediate needs of the national economy as well as its long-term ambition to reorganize the world market in its own interests.

U.S. imperialism, once plunged into the war, could not afford to leave its shipping industry at the mercy of the short-sighted policy and inefficient management of private owners. The anarchy of capitalist competition in this key field would endanger its entire war. Consequently the shipowners were replaced by the government—in everything save that which the government of the employing class

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is instituted to protect: private profit. It restored the profiteers in management again, but specifically as representatives of the government, to apply its program of rationalization, and elimination of wasteful competition.

But government control applies not only to shipyards, wharves, docks, terminals, and ships; it applies also to seamen. The government could not afford to leave labor relations in the hands of private management either. The interests of the whole employing class were involved, and even within that class the shipowners were discredited. They had been defeated by the maritime workers in 1934 and again in 1936-37. They were obviously not powerful enough themselves to cope with militant labor. The government stepped in to rig up what the shipowners had failed to do. The government's program toward the unions was: to destroy first their independence, then the unions themselves. We have seen in detail their method: steady unrelenting pressure, first from this angle, then from that. The moment union militants were aroused enough to fight back on one front, the pressure there was prudently lifted, but only to be redoubled on another. The buck and the pressure were passed neatly back and forth among the government agencies. But the purpose—through the government training ship, the government hiring hall, and the government discharge book—was single and consistent: the destruction of the bases for independent rank-and-file militancy. This was one pincer of the dual attack.

The other pincer was the attempted seduction of the union bureaucrats. The union leadership, as we have seen, by giving political support to the imperialist war, prepared the ground for all subsequent concessions. The seamen's unions voluntarily gave up the right to strike, to hold crew meetings aboard ship, and concentrated their attention on providing crews for the submarine targets. The Stalinists, consistent politicals, were selling out the unions with both hands in the hopes of government posts on the British model; the "anti-politicals," naturally inconsistent in a purely political situation where only political action counted, floundered and flopped, ceding position after position, stubbornly enough but with no hope of ultimate success. The government, as we have shown, pushed relentlessly on, trying first the Land gambit, then the Knox gambit, then the all-out requisition opening, then the Army-transport side-attack, then the M-1 sneak-play. With one leadership treacherous, and the other bamboozled, the unions have reeled back, fanning the air, till, in the general puzzlement, the gravest danger of this present moment is that the rank and file may fall into a confused apathy.

Union independence has already been perilously compromised;

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it is in imminent danger of being lost entirely. One through open treachery, the other through incorrect policy, the union leaderships have failed. That is the simple fact of the present situation.

On the shipowner side, U.S. imperialism has "nationalized" the industry, with its requisitioning order of April 1942. The status is peculiar: the industry is actually owned by the government; the control is exercised by government boards packed with private operators. The government provides the ships at public expense, but turns them over to companies who are guaranteed an enormous profit for "managing" them. These companies put nothing into the industry; they take everything out of it. Even as mere representatives of broader general policy, they continue their special wangles. If they were really private concerns engaged in free competition they would be more careful what kind of trips their ships are sent on. But, under the present set-up, just as they are not concerned about the loss of seamen's lives, so they are not concerned about loss of ships or cargoes. The government will replace all losses: profits are guaranteed in any case. Congress has earmarked enough funds to insure against all risks. Government control here, unlike its control of the seamen, is really benevolent and protective for the shipowners: it strives to create order out of chaos, and benefits the biggest by establishing area monopolies. The post-war perspective is to subsidize one giant company for each of the major trade routes. To top all, the *New York Times* of November 22, 1942, reports that shipping companies can deduct advertising expenses from gross profits as "reasonable expenses" because they are quite justified in keeping their line-names and house-flags before the public for the post-war period. It's Christmas all year round.

What has happened to the maritime industry under capitalist management is well illustrated by the fantastically bungled plans to build a really modern merchant fleet. Let's examine a few technical details that are of real importance to seamen in their daily work. While other powers were building ships capable of 24 knots and higher, designed to stay afloat except under the heaviest pounding of torpedoes and shells. American plans called at best for "C" type ships of 16 to 19 knots, representing no great improvement over shipbuilding of 20 years ago. The Liberty ships are still worse, slow 10-knot jobs in no way adequate to meet the demands of present-day shipping, especially under war-time conditions. Leaving aside the question of crews' quarters which up to now has been of primary concern to the unions, even the gear for loading and discharging is antiquated. Few sailors who have worked on these new ships have not complained how left-handed the gear is: guys are heavy and

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out of all proportion to the load the booms are designed to carry, fair-leads are built in the wrong places, and blocks are shackled in so that everything chafes when the gear is working. These are only questions of faulty design based on old patterns. The whole idea of using booms hung from a ship's mast to discharge cargo is borrowed from sailing ship days and adapted to use on modern steamers. The Dutch have experimented with cranes on board ship and find that this innovation makes for much more efficient handling of cargo. Sailors who have to work with ship's gear every day are able to advance a wealth of new ideas for improving it. These details may seem picayune at this point. They are not; they are revealingly symptomatic. They mean that the "managers," the "administrators," of present capitalist management not only cannot build enough ships, or good enough ships: they furthermore will not build ships that in even their minor details function at a modern level of technical efficiency.

In sum, seamen today are snarled deeper and more inextricably in a net of government regimentation, see their union independence compromised and lost, face eventually the complete destruction of their unions, as in 1921 but on a much broader scale. Meanwhile, they see the completely incompetent shipowners, transmuted into government administrators, riding high, wide, and handsome, carrying on the same greedy inefficiency that means millions of public funds, thousands of seamen's lives, wasted in a fat-cat orgy of profits and bungling. They see their leaders either wriggling comfortably into this muck, or vacillating hopelessly with no clear idea of how to keep out of it.

Furthermore, the thoughtful, advanced sector of seamen realize that this governmental "program" for maritime is this time no emergency expedient to be abandoned the day war ends; it is, unless a stop is put to it, the picture of the future. They feel that if it was correct for seamen to oppose the government's anti-union measures before war, the same is true during war; and that, if it is not done, the after-war will be the same but worse. But they sense that what labor lacks is a means of organizing and expressing its instinctive opposition. It has no program of its own, no voice to express that program, and no weapon to fight for it. They further realize that this impasse in which maritime labor finds itself is only the foreshadowing of the position of all American labor. Because of maritime's special nature, imperialism has placed it out in front. Its present position, snarled in the tangled skein of government regimentation, is only the pattern for future government control of *all* U.S. labor power.

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The maritime unions, vanguard of the American working class, are in full retreat under government attack. If this process is not soon arrested, ahead lies complete disaster.

The Way Out—The SWP's Maritime Program

That's the way it is. No serious-minded seaman can kid himself about it. Maritime labor is all fouled up.

The situation is not hopeless. There *is* a way out. It takes realism, it takes clear thinking, and it takes courage. It requires, as the first step on the road to a real, a socialist, solution, three conditions:

- 1) Restoration of union independence.
- 2) Workers' control.
- 3) Independent political action.

Union Independence

The first problem today is how to retain the independence of the maritime unions under war-time conditions.

Seamen have learned in bitter experience that the government is not neutral. In some shoreside industries, such as the Kearney Shipyard and Bayonne General Cable Co., strikers up against a tough boss demanded that the government take over the plant. The government stepped in, forced the strikers back to work under the same old wages and conditions—and returned the plants to private management as soon as the strike was broken. Any seaman who got mixed up in these strikes would have known better. Shipping is the first industry where government controls. Government boards—seamen know them well. Under the planned attack of these boards, even the signed contracts the unions won from shipowners in long and bitter struggles are rapidly being reduced to scraps of paper. The seamen have found that their fight to retain conditions has had to be directed against the government, that they had to demand that the government respect the contractual relations established between the operators and the unions. But since the government board is packed with operators, the demand is only a makeshift.

Some of these boards' worst proposals, as we have seen, were made under the guise of maintaining "discipline." For example, the prohibition of union meetings of crews aboard ships. The decree is not only a give-away of the government's anti-union intentions, but, properly understood, a boomerang. For, by doing away with union meetings, the government did away with the only kind of discipline that works, that counts: the discipline that is self-imposed and comes from a loyalty to the union which improves the living and working standards of its members. Any

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other kind of discipline is that of the master over his slaves; the kind that benefits not the industry but the plunderers of the industry. All the fine phrases about "discipline" are just camouflage for the government-shipowner drive to smash the maritime unions. Real discipline is self-discipline; union discipline. *Let the unions maintain discipline! Hands off union affairs!*

The Continuous Discharge Book, likewise proposed in the name of "discipline," is another blow at union independence. This Fink Book does nothing to establish a seaman's competence, which is tested rather by the examinations every seaman must pass to gain his ratings. Before signing articles he must show the official papers proving this competence. No, the Continuous Discharge Book is designed solely as a blacklist. That the government boards always tend in this direction is shown by the identification papers a seaman is forced to carry. First, he must be able to prove citizenship; then, besides his rating papers, he must carry an official identification certificate, a Coast Guard pass issued by the FBI, and the State Department's seamen's passport, all of which bear his photographs and finger-prints. It is but a short step to a government-organized blacklist. The Continuous Discharge Book is that blacklist. Seamen must continue the fight against accepting it. *One book for all seamen—the Union Book! No Fink Book for American seamen!*

The independence of the unions is threatened by the proposal to establish a common pool of seamen, on either a national or international scale. Such a pool would not only cut across union jurisdictions, but, far more serious, would give non-union men equal privileges with those who hold union books. The government's attempt to establish pools met with such united opposition from every seamen's group (except the Stalinists) that it had to shelve the plan—but only temporarily. Renewed and more carefully engineered attempts to dissolve the unions in a common pool of seamen can be expected. The government's fine talk about "filling the manning requirements of the industry" is a smoke-screen for union-smashing regimentation. Who is more qualified to "fill the manning requirements" than the unions? The union hiring hall has been an established institution for more than seven years. No one can deny that the most experienced and capable ships' crews come from the union halls. All the old-time sailors, sea-wise from half a lifetime spent on ships, belong to the unions. Without these experienced men among the new recruits, a crew is virtually helpless in time of emergency. But, above all, maintenance of the union halls is one of the keystones in maintenance of union independence.

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Destruction of the union halls would paralyze the unions. *Defend the union hiring hall! No pool! No government halls!*

In the final analysis, the life of maritime unions, as of all other unions, depends on their power to enforce their demands and to defend their gains. The basis of that power is their ability to strike. If they are deprived of the right to strike, or worse still, if they voluntarily give up this right, they become powerless, and their days are numbered. One of the principal functions of the government boards is to wear away the strike weapon through endless delays, red-tape, and phoney arbitration set-ups. Only the unconditional right to strike can guarantee complete independence of the maritime unions. *Defend union independence by maintaining the right to strike!*

In exchange for voluntarily giving up the right to strike, trade-union officials are often given posts in the secondary bureaus set up to administer the government's program. This is palmed off on the union membership as a "voice in government." The government needs them in these posts so that they can use their union position and prestige to make the union membership accept the government's anti-union program. In the formation of that program they have no voice at all. They are captives in the government apparatus. As we have seen demonstrated by the servile leaders of the British seamen, their talents, however limited, are at the service of the employing class. They concern themselves with the government's problems to the neglect of the union's problems and the membership's interests. In these surroundings, out of touch with the membership, they forget that without the union they are nothing and tend to lose their sense of union responsibility. They are hostages in the camp of the capitalist enemy. The rank and file must put a stop to this. *No union hostages in government war boards!*

The last war showed what happens when maritime unions give up the right to strike and collaborate with the government, spearhead of the shipowners. In this war the government attack on the independence of the unions is infinitely more complex, infinitely more determined. If union independence is not defended, the unions are lost. Militant seamen must advocate this minimum program to defend their unions against government attack!

*Let the unions maintain discipline! Hands off union affairs!
One book for all seamen—the Union Book! No Fink Book for
American seamen!*

*Defend the union hiring hall! No pool! No government halls!
Defend union independence by maintaining the right to strike!
No union hostages in government war boards!*

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Workers' Control

Now that the complete parasitism and catastrophic ineptitude of the shipowners have become evident, the next task is to bring these greedy, clumsy parasites under the supervisory control of the men who man the ships.

Every official government report on the condition of the maritime industry is testimony to the incompetence, the flagrant and systematic plundering of those who have been placed in charge of the industry. A union demand to drive out of public office these industrial racketeers and all their political stooges would be a service to American society. The operators have made a complete hash of the maritime industry. There is no one qualified to build a maritime industry except the maritime workers. But the first step is workers' control.

The advantages of workers' control are obvious. The entire industry would be freed from the paralyzing need to line the pockets of Wall Street. The ineptitude of a fossilized and piratical management living in the remote past would be checked by progressive seamen keenly and intimately aware of all the problems of the industry. The question of decent quarters, wages, and working conditions could be disposed of in passing. The men who live on the ships know what their homes should be like. The unions can best decide what wages and working conditions should be established. All the bigger problems of developing the maritime transportation system would become the central concern of the tens of thousands of intelligent working men who go to sea. The industry would become the first public utility in America controlled by the workers.

Are the workers capable of controlling the industry? Well, let us look at one example of what is already being done, as reported in the September 4, 1942, issue of the official SUP organ, *West Coast Sailor*:

It costs the U.S. Maritime Commission \$654 per man to turn out an ordinary seaman—and double that, or \$1,308.90 per man to turn out an A-B. The SUP plan has not cost the government one penny! Yet we have turned out some 500 A-Bs, at a saving to the tax-payers of some \$654,000—not counting the administration costs of the Maritime Commission Schools.

It is foolish for workers in the industry to dig down in their own pockets or pay out of the treasury of their union for training new recruits. Congress has allotted money for this purpose, and certainly either the government or the shipowners ought to carry the burden of training these new recruits. The only remaining question, then, is who is qualified to train seamen. The Sailors

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Union of the Pacific has demonstrated that no other agency except the union itself is qualified to conduct this training program.

The SUP's training program has now added a two-masted schooner to school a still larger number of young sailors. Here then is a case of where a union took up a job which the government pretended only it could do, and, according to the most qualified observers, has done it ten times better. It is a key case, because it not only shows that workers are perfectly capable of such administrative tasks, but it struck a direct counter-blow against the government's attempt in its fink schools to inoculate new seamen with anti-union prejudices, steer them away from union influence through the pool and into unorganized lines like the Standard Oil, and eventually flood the industry with potential strike-breakers. As long as control of these schools remains in anti-union hands, they threaten the unions' very existence. Now if, in the SUP case, such excellent results in turning out skilled union seamen can be obtained in what amounts to an experiment by a single union, what couldn't the unions do if placed in charge of all the government training schools with all their enormous resources? And union control of the schools would guarantee against the government's instilling anti-union poison into new recruits, such as was confessed by Admiral Wiley who, speaking at a shipowners' celebration on Maritime Day 1940, expressed the government's wistful hope as follows:

... it was doubtful that men given pay and subsistence while they are in training will want to follow the guidance of union leaders.
[*Journal of Commerce*, May 23, 1940.]

Here, then, is a first step whose practicality is unarguable, whose need is pressing. It demands immediate action. *Train new seamen at government expense under trade-union control! No fink ships!*

It is true that the training of new seamen is only one phase of the problem of supervising the administration of the maritime industry; but the same results could be expected throughout the entire industry under workers' control. Not a few seamen have visualized how efficiently the ships could be run if the crews, including the captains, were responsible not to a miserable handful of parasitic private operators, but to the mighty mass organizations of labor.

How would workers' control work out in contradistinction to the present government board set-up? First of all, the seamen would elect committees in a democratic fashion either on the ships or through their unions. These committees, placed on the company payroll, would become watchdogs on the company operations. It is secret bookkeeping, "trade secrets," and trade agreements that permit the bosses to hide all the profiteering and graft. These

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committees would check the company books, keeping track not only of contracts, shipments, salaries, etc., but especially of profits. They would worm out shady deals, trace tie-ups with labor's enemies, and curb everything to the detriment of the industry. Where some deal might prove too devious for them to follow easily, they could call in specialists, such as public accountants, research experts, etc., to help out. The committees' findings would bring the inner workings of the shipping outfits to light, not years after the events, but while they are occurring. "Business secrecy" is the parasitical bosses' best smoke-screen. Once it is blown away, their plundering could be stopped, their pretenses revealed as such, their greedy mismanagement converted to efficient administration. The millions of public funds poured by the government into the maritime industry could be really used for that industry instead of sneaked off into the shipowners' pockets. The answer is: *Workers' control! Open the shipowners' books! All maritime subsidies controlled by union committees!*

What would the set-up be under workers' control? We have seen that behind the sham maintained to guarantee operators' profits, we already have government ownership, plus operators' management. Result: graft, inefficiency. Superimpose workers' control, and it would already be a long stride forward to eliminate plundering and incompetence in favor of honest and efficient administration.

But where, furthermore, would workers' control lead? First, to the discovery that it is nowhere near so complicated to manage an industry as the capitalist mismanagement deliberately makes out in order to bamboozle honest workers who don't know it from the inside. Secondly, to the experience that those special administrative tasks which require some little technical training could be learned fast enough by an alert committee really interested in finding out what makes a shipping company tick. Those who know both worlds suspect that the committee would find out that it takes greater skill to make a good oiler or able seaman or cook than it does to sit behind a desk transmitting orders for the movement of a cargo or a ship.

A short period of workers' control would convince everyone—except the ship-"owners" and their stooges—that the maritime workers could manage the maritime industry a thousand times better than it is managed at present. The experience gained through workers' control would enable the workers to decide whether to move on to the next big step, workers' *management*. That is, turning the parasitical ship-"owners" completely out of management and

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replacing them by a management of the workers themselves. But that is for the future; right now, the immediate pressing demand is for workers' *control*, that is, *supervision* of the capitalist management. Freed of the paralyzing limitations of private profits, the workers would force the replacement of the rust-buckets and sea-cows with real ships, efficiently designed and propelled, with proper loading gear and decent crew quarters. The parasitical operators have mismanaged the U.S. merchant marine long enough. *Stop the mismanagement of the ship-"owner" parasites! Let the men who man the ships control the industry!*

Two sanguinary wars and the semi-starvation of uneasy peace, scores of years of public millions poured into the bottomless pit of shipowner greed without producing a real merchant marine, show that the shipowners are unsalvageable. The first experiment in union duplication of a government function shows how false is all the boss talk about "impracticality." The time has come for seamen to get behind this minimum program for workers' control:

Train new seamen at government expense under trade-union control! No junk ships!

Workers' control! Open the shipowners' books! All maritime subsidies controlled by union committees!

Stop the mismanagement of the ship-"owner" parasites! Let the men who man the ships control the industry!

Independent Political Action

Because it is now the government itself, instead of individual shipowners, which stands facing maritime labor, any economic action automatically becomes a political action. The nature of any action by a union is determined by the demands the union raises. Today all demands are political. Even a small job action for wash-rooms on Liberty ships is filled with political significance because it is directed at a government board. But beyond this, in the present sharpening situation, more important demands are becoming of a more highly political nature: they deal primarily with such non-economic questions as democratic expression, a union's right to independent existence, opposition to government regimentation (such as Fink Books), etc.

The present capitalist management and its stooges naturally will fight against such measures as workers' control. Even if it were won, the struggle could still be lost if political measures were not taken in time to consolidate the victory.

Such reorganization of the maritime industry requires the united action of the majority of the workers of the country. Here is where

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the political problems of the seamen merge with the problems of American labor as a whole.

Certainly both the AFL and the CIO should understand the fight seamen are having to make today. Seamen's unions, because of the unique character of maritime, form an advance guard, now under the heavy fire of the government as it moves up steadily against the entire labor movement. What the seamen are getting today, all labor will get tomorrow. The independence of every union is threatened. All union men must understand this.

Even if Maritime Commission admirals cannot understand seamen's answers to the industry's problems, shoreside labor can and will: the seamen's story will get sympathetic understanding from all union men. Seamen can present a program for their own industry. But the only satisfactory program runs head-on into the whole weight of the government apparatus. Seamen alone cannot drive out the \$1-a-year maritime parasites, cannot by themselves force the government to change its policy of anarchy and waste. This needs the support of the whole trade-union movement. Seamen have learned that it is impossible to live in isolation and have banded together in the American Federation of Labor and the Congress of Industrial Organizations. But under present conditions and with their present program, the best that the CIO and AFL bureaucracy can offer their affiliated unions struggling for existence is "moral support."

This "moral support" is expressed most often in the political arena. It consists in CIO or AFL legislative representatives appearing before some Congressional committee in protest against certain bills harmful to seamen's interests. More often it amounts to lining up "friendly" congressmen against new attacks by the government, or maneuvering for the appointment of "favorable" personnel to some union-smashing government agency such as the Maritime Commission. This is political action without a political weapon. It is as if the seamen had tried all these years to improve their economic status by promising some "friendly" employer not to organize unions if he would get the employers' association to grant a periodic wage increase.

The United States Congress is made up of Republicans and Democrats. Both of these political parties are organizations of the employing class, representing conflicting tendencies within that class. The eleven million organized American workers have not one single representative in Congress. The unions have their "Washington representatives." But these people have no voice in the government. They cool their heels in the ante-chambers of

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Congress trying to find some Republican or Democrat who will introduce a bill for them. They are allowed to appear before some committee and argue for their bill. But they are not permitted to get up in Congress and present their case. They have to leave that in the hands of the political agents of the employers.

The maritime unions, like most others, have found it necessary to maintain full-time representatives in Washington. Their salaries and expenses are paid out of the union treasury. They have no official status in Washington. They spend most of their time arguing in the various bureaus set up by the Maritime Commission about what further concessions seamen can be expected to make. The time is not far off when some of them will be given posts on one or another of the war boards. And then they will cease to be union representatives and become government agents, utilizing their union experience and prestige to put over the government's anti-union program. Mr. Sidney Hillman held such an official position, with its dubious honors, while a member of the Office of Production Management.

Only a political party of the working class can seriously address the demands of American labor to the capitalist government. Seamen have a right to some form of independent working-class political expression for their demands. Seamen are not fighting against individual shipowners. They are facing the entire employing class organized through its government. It is this government that feeds the shipowner parasites.

The government's maritime program will sooner or later eliminate the independent existence of the seamen's unions. This program has been carefully developed by the Maritime Commission for more than five years of its existence. No amount of running around the halls of Congress trying to find "friendly" support against this program has altered in any respect its basic aims. The only real support seamen can find is in the ranks of their own class—the working class.

Labor has been scuttled by capitalist-party politicians long enough. The choice between the Democratic and the Republican candidate is that between Tweedledum and Tweedledee; and in the last election many workers showed they recognized the fact by voting with their feet. The old Gompers notion that labor should "reward its friends and punish its enemies" has shown year after year how meaningless it is when by their actions the "friends" prove as inimical as the "enemies." It's a run-around; it's the old army game. It's time to put a stop to it. *No support to capitalist-party candidates!*

MARITIME: A HISTORY AND PROGRAM

When union representatives sit in Congress as members of a Labor Party they will be free to present the program of the working people of America. They will no longer have to depend upon the "favors" of the capitalist politicians. Labor is saddled with the main financial burden of government. It should have an independent voice in the council of government. But as things stand today union men and women are taxed to pay the salaries of their political enemies. On top of this they employ lone-wolf representatives to go to Washington and try to counteract the effects of their votes for political parties of the capitalists.

If seamen hope to put over the union program for the maritime industry they will have to demand political support from the entire labor movement. Any real support can come only from the organization by the trade unions of an independent working-class party, a labor party that will fight for the union program in the halls of Congress through its own elected representatives. *Build an independent labor party!*

A labor party should have a program of its own, a specifically labor program, in contradistinction to the boss program. In the case of maritime, we have seen how the parties of the capitalists have worked out and apply for them a carefully thought-through program which accurately reflects their interests and redounds to the detriment of seamen, wearing down their organizations and aiming at their annihilation. A labor-party program for seamen, quite on the contrary, should, in an equally thorough way, reflect their immediate interests, and find its place as an integral part of a broader general labor program written in the interests of the working class as opposed to the employing class. What the seamen's program should be is indicated in the earlier parts of this present section. What that broader program should be is explained in detail in the press of the Socialist Workers Party. *Demand an independent working-class political program!*

The melancholy record of the results of supporting the "lesser-evil" candidates of one of the two boss parties is plain for every worker to read. The time has come to abandon this demonstrably false tactic. Instead, seamen must get behind the following program:

No support to capitalist-party candidates!

Build an independent labor party!

Demand an independent working-class political program!

For more than 150 years seamen have fought an uphill struggle. From the semi-serf days of blood-spattered flogging by bucko-mates up to the latest Machiavellian jugglery to force the Fink

THE IMPASSE—AND THE WAY OUT

Book upon them, seamen have found no lasting help in anyone but themselves and their working-class brothers. They have seen the "neutral" government pouring largesse into the shipowners' gravy-stained laps while it hunted seamen down with cops and troops. The gains they have won they won by their own organized might in courageous struggles that have left the memory of martyrs.

And now they see those gains stolen away by soft-talking boards, given away by treacherous or blundering officials. Today they feel a net of government regimentation closing in, snarling, tangling, strangling; and behind that net the capitalist government itself, which has taken over all ship-"owner" functions (except profit), facing them menacingly with the full weight of state power.

But union seamen are no cowards. The men who stood up against the hired thugs and gunmen of the shipowners, against the cops and state militia, not to mention the strike-breaking flunkies of the national government, are not the men to let themselves be quietly strangled now. If they can see a way out, government boards aren't going to scare them any more than shipowners' associations ever did. The whole point is: What is the way out?

The Socialist Workers Party seamen in all the U.S. maritime unions believe that this, their present program, shows the road and the only road. They call on all militant seamen to join them in the struggle to bring that program to reality, to put their brain and brawn into the fight —

FOR UNION INDEPENDENCE!

Let the unions maintain discipline! Hands off union affairs!

One book for all seamen—the Union Book! No Fink Book for American seamen!

Defend the union hiring hall! No pool! No government halls!

Defend union independence by maintaining the right to strike!

No union hostages in government war boards!

FOR WORKERS' CONTROL!

Train new seamen at government expense under trade-union control! No fink ships!

Workers' control! Open the shipowners' books! All maritime subsidies controlled by union committees!

Stop the mismanagement of the ship-"owner" parasites! Let the men who man the ships control the industry!

FOR INDEPENDENT POLITICAL ACTION!

No support to capitalist-party candidates!

Build an independent labor party!

Demand an independent working-class political program!