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Labor Series

**GUS TYLER**

*Interviewed by: Morris Weisz*  
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## INTERVIEW

*Q: Today is Monday, April 24, 1995. This is Morris Weisz speaking for the Association for Diplomatic Studies and Training's Labor Diplomacy Oral History Project, and I am interviewing Gus Tyler, the Assistant President of the International Ladies' Garment Workers' Union (ILGWU). We're sitting in an office on the top floor of the ILG Headquarters, which is currently being completely redone in preparation for the merger of the ILGWU and the Amalgamated Clothing Workers, whose President [Jack Sheinkman], I interviewed yesterday. I will interview [Jay Mazur], the President of the ILGWU, later on in the week. Meanwhile, we are fortunate that Gus is taking some time off with me in a little corner in the ILG Headquarters to review some of his experiences and [provide philosophical insights based on his many years] in the field of labor education and active trade unionism.*

*Gus, I want to divide [this interview] into three parts: First, the social and political origins of the trade union movement in New York, which was so influential in the labor field before, during, and after World War II, both for the United States as a whole and also in bringing people over from Europe. Secondly, the economic issues [faced by] the ILG over the past half-century or so. And finally, some comments on the political activities of the trade union movement, especially the ILG. Gus.*

TYLER: First, the origins of the International Ladies' Garment Workers' Union. What kind of an organization was it? Well, in one respect it was like all other unions. It was part of the labor movement and believed in collective bargaining and doing whatever it could do for its members. But in terms of the thinking of the leaders of the International Ladies' Garment Workers' Union, from almost the very, very beginning, collective bargaining was looked upon as only one small step in a long, long journey. The union, in its earliest days, had a vision of a labor movement that would go beyond collective bargaining to create a kind of a collective society.

From the very outset, the union thought in international terms. The name of the union was the *International Ladies' Garment Workers' Union*. It was organized by a handful of people in the year 1900 in New York City. Now, how did this handful of people, less than a dozen, have the gall to refer to themselves as an *international* organization? Well, international at that time meant that it included Canada as part of the jurisdiction of the union within the old AF of L structure. However, as the years went by, the term international really began to take on an added meaning. The International Ladies' Garment Workers' Union, in its ideology in the early years, was largely socialist, and it

kind of lived by the credo, "Workers of the world, unite. You have nothing to lose but your chains, and a world to gain."

The objective was to organize a labor movement in the United States that, together with labor movements in other countries, would someday create a cooperative commonwealth that would embrace the entire globe. This wasn't just the kind of statement one made on Labor Day or May Day. It was a genuine belief. The roots of that belief, I think, are very, very important and interesting. I've been with the union for sixty years and by the time I came to the Union, which was in 1934, that sort of ideology was already a part of the intellectual fixtures of the ILGWU. The handful of people who originally formed the union in 1900 were all Jewish. Basically the union came out of a Jewish ghetto. The garment industry was owned by Jews, primarily German Jews, and their employees were also Jewish. The Jews in the factory were Slavic Jews from Eastern Europe. The employers were German Jews and the cultural gap was considerable.

It should not come as a surprise that, being Jewish, somehow or other the Messianic message that is carried by Judaism over centuries should also have penetrated the consciousness of the leadership of this particular union. Most of them were not God-fearing people. As a matter of fact, many of them were active atheists. But although they did not believe that there would be a Messiah who would mysteriously make his appearance and solve all the world's problems, they had their own kind of a Messiah. The Messiah was the working class.

The Messiah was this guy sitting at a sewing machine putting together cloaks, and that one [working as] a cutter, and this one as a presser. The working class really was the Messiah reincarnated. That became part of the ideology of the International Ladies' Garment Workers' Union almost from the very, very beginning. And the leadership of the ILGWU would very often attend international socialist conferences and participate actively in them at a time when this was not true of the American labor movement as a whole.

In due time, however, the word "international" took on added meaning. During the first decades, the industry was largely inhabited by Jews and so was the union. Then, about the time of the First World War, there was a large influx [of workers] from Italy, and so Italians came into the union. Interestingly enough, many of the Italian leaders had an ideology quite different from that of the Jewish union leaders. One of the great leaders, Luigi Antonini thought of himself as an anarchist, then for a while as a communist, and later as a socialist. The numbers that [those Italian leaders] chose for their local unions were also instructive and international. The [Italian] dressmakers called themselves Local 89, and that was in celebration of the French Revolution of 1789. So, you get the international tinge at the same time you get the revolutionary mood-"we're going to change the world." The Italian cloakmakers were known as Local 48, and 48 was in remembrance of the European revolutions of 1848. This gives some idea of what the mood was.

Well, subsequently other groups came into the industry and into the union.

*Q: Did Local 22 have a similar background?*

TYLER: No, the "22" in Local 22 had no [special] meaning. The only locals at that time which were really reaching out to establish their revolutionary and international identity were the Italian locals. Otherwise, [a local] got a number as it joined the [ILGWU] family.

But, as time went by, other waves of immigrants poured into the United States. I should say immigrants and migrants, because following the First World War, there was a tremendous migration of Blacks out of the South, and they came north into the cities and they poured into the factories. That was followed by in-pourings from Latin America, Puerto Rico, Mexico across the Rio Grande, and others from South America. Then later on the Greeks and Portuguese [came]. As a matter of fact, if you looked around the world to see where there was trouble, you would be able to figure out who would shortly be in our garment industry. Troubled people came to the United States. It was a place of refuge. They did not come with high skills. There was always a large turnover in the garment industry. [The influx even included] women who had been taught in darkest Africa how to run Singer sewing machines. And in the more recent decades, [there have been] huge in-pourings from Asia: China, Korea, Vietnam, and so on and so forth.

*Q: I was shocked to find out recently that our old local, the local that you and I worked for for so long, is now predominantly Chinese.*

TYLER: Yes, it appears all Chinese. The Chinese are a large part of it, but it also includes. Koreans, Vietnamese, Thai, Pacific Islanders and so on.

I remember that when I first came to Local 91 around 1935, we used to refer to the local, even at that time, as a "League of Nations." It can be said that America is a nation of nations. It's a nation of immigrants. And this is particularly true of the garment industry. So, the word "international" began to take on a different kind of meaning.

So the International Ladies' Garment Workers' Union was somewhat different in its ideological approach from most of the American unions. This does not mean that they were antagonistic to one another. The International Ladies' Garment Workers' Union felt that when workers organize, even though they don't have any long-range ideology to change the nature of the society, the simple [fact of] organization of workers was desirable. It was a step in the right direction. The hope always was that someday the labor movement would become more ideological in its thinking and also in its activity.

Over the years, there were always appeals from workers in other countries for assistance. The International Ladies' Garment Workers' Union, especially from 1933 on after [the beginning of] the New Deal, grew and grew and accumulated considerable sums of money. It also developed a core of very skillful, highly talented people who not only could lead but also could teach leadership. When calls came from unions around the

world, wherever those unions might be, the International Ladies' Garment Workers' Union responded. As a consequence, there was direct contact between the ILGWU and other unions around the world, not simply garment unions, but other labor movements throughout the world. So, the ILGWU's presence became known on a world-wide basis.

Because the union had a social ideology and because the union was international-minded, it also, almost from the very beginning, had a very *extensive* and *intensive* educational program. The reason for that-You could have members of the union who pay their dues and never really begin to understand that a union can do more than just handle grievances and get another few pennies. How do workers come to realize that a labor movement can transform social organizations on a national and international basis? Well, that becomes something they learn.

So the union at a very, very early time created educational programs for its members. It was everything from number one, how to become a citizen. Well, to do that, you have to learn, to become somewhat literate. You have to know something about what the United States is. You have to be able to pass the citizenship examinations. Then, after you become a citizen, you have the right to vote. What is government? What are the issues? It went on and on in that way. And the union that was conducting a class struggle was over the years simultaneously becoming a classroom for millions of people who came to the International Ladies' Garment Workers' Union.

This was all part of the same scheme. You have a concept of a role of the union in transforming a society. You think of it *internationally*. You are going to do it together with other laboring people around the world. That becomes an international dimension. Yet to do that effectively, you have to have an extensive educational program, and obviously you have to become involved in the political life of the nation and become a political force. The International Ladies' Garment Workers' Union always thought of itself as a political force. In the early years, we endorsed socialist candidates. At a later point, we organized the American Labor Party. Then, in the conflict with the Communists over the soul of the American Labor Party, the International Ladies' Garment Workers' Union, together with other unions, set up the Liberal Party. Fundamentally, it was a continuance of the same basic idea.

There were some very, very interesting turning points. One of them came around the year 1934. Hitler was well on the way to power. It was pretty clear that he was going to take over [Germany]. There wasn't that much of an awareness of the danger in this country. There were some people who were concerned, but they said, "Well, Hitler is a clown. Let him come to power and we'll see that he really is powerless. He's a big talker. Nothing's going to happen. The German people won't stand for him. Once they find out what he is, they're going to get rid of him. And, what's more, we don't have to worry about what he can do; after all, Germany was really disarmed under the Versailles Treaty. And, what can they do? They've got France there. They've got England. They've got the United States. They've got Austria. He is a joke."

At that very dangerous juncture, when people in the United States were saying, "Ah, pay no attention to that idiot," there were also many people who were sympathetic to what Hitler was doing, and to what his [Italian counterpart] Mussolini was doing. They said, "Very often society falls into disorder, and what they need in those cases is a *strong* man." People didn't seem to be too much concerned about freedom and liberty and all of that. Now, this is a classic syndrome. When people are in trouble, they say, "What we need is a strong man, or maybe those countries need a strong man."

At that very juncture, a small committee was organized, and it was called "The Jewish Labor Committee." It was organized in the early 1930s. I think the moving spirit in this was a man by the name of B. Charney Vladeck. He was the general manager of *The Jewish Daily Forward*, which in those days was a major influence. It had readers in the hundreds of thousands, because at the time that it was put together at the turn of the century, there was a huge community in the United States that spoke Yiddish, lived Yiddish, and read Yiddish. And that was the language of *The Jewish Daily Forward*. The publication was socialist in its character. Vladeck, the general manager, said, "What we need is a Jewish labor committee that will accomplish several purposes: Number one, organize the Jewish community so its voice will be heard on the subject of this rising dictator, Hitler. Number two, be a voice that also attracts the attention of the larger community, not necessarily Jewish, beginning with the labor community in the United States. And number three, alert them to what Hitler is and what we can do about it."

One of the first people to whom Vladeck reached out was, of course, David Dubinsky. David Dubinsky was then the President of the International Ladies' Garment Worker's Union. He had been elected President of the Union in 1932 and came out of the tradition that I have been describing up to now. He and Vladeck got together and they wanted somebody from the other major Jewish union, the Amalgamated Clothing Workers Union, and that was Adolph Held, who handled much of the finances for the Amalgamated. He was involved with the Amalgamated Bank and was a highly respected individual. These three people got together, and they organized "The Jewish Labor Committee."

*Q: Vladeck, Dubinsky and Held?*

TYLER: Vladeck, Dubinsky and Held.

*Q: I didn't appreciate Vladeck's leadership [in the establishment of the Committee].*

TYLER: They did it; they put it together; and they brought in other unions that had Jewish membership or Jewish leadership. And it wasn't just that they were Jewish. They also held to the ideology we have been describing. They were international-minded and they wanted to get beyond collective bargaining to become a true social influence in the society.

In 1934 the annual convention of the American Federation of Labor was held, I believe, in San Francisco. The question of the rise of fascism, I don't believe, was even on the agenda. As David Dubinsky said in his memoirs, "The people who gathered at this convention weren't even thinking internationally, and what's more, if they were thinking internationally, they felt this [rise of Hitler in Germany] was no concern of ours. We also were in an isolationist period as a nation." He also suspected that there were some people in the labor movement who sort of admired both Mussolini and Hitler.

So, what could they do about it? Well, the President of the American Federation of Labor at that time was William Green. David Dubinsky went to William Green and said, "You know, Hitler is a very, very real problem." Green understood that. Green didn't quite know what he could do about it. They wanted to bring [the issue of the rise of Hitler] to the attention of the convention and get the convention to take some kind of action: One, to protest what Hitler was doing. Two, maybe raise some money to help the victims of Hitler. Three, maybe move the United States government to do something. They were toying with a number of ideas. Green thought it was a good idea, but [the question was] how do you bring it to the convention? Green himself was hesitant to take the leadership. He knew his constituents, and they included all sorts of people, some of whom were neutral on the subject and some of whom may have been even pro-Hitler and pro-Mussolini. So, how should they move?

Dubinsky made an excellent suggestion. He said, "The head of British Trade Union Congress is a man by the name of Walter Citrine. *Sir* Walter Citrine."

*Q: Later Sir Walter Citrine..*

TYLER: Walter Citrine had been knighted. He was *Sir* Walter Citrine. There were also other European considerations.

*Q: No, Gus, this is before the war. He was not knighted until afterwards.*

TYLER: No, he was "Sir" at the time he came in 1934.

*Q: Oh, really?*

TYLER: Yes.

*Q: That's interesting.*

TYLER: And here he was, and why not invite him? Well, with or without the "Sir," he was the head of the European Federation of Unions at that time.

*Q: Oh, yes. That was the important thing.*

TYLER: So Green thought that would be a good idea. Then Dubinsky said, "Let's go one step further. There is this fellow, Vladeck. Vladeck is a great orator both in Yiddish and in English. He knows how to move mountains, so that the mountain dissolves and looks like a river of tears." So Vladeck was also invited to address the convention. These three people, Dubinsky, Vladeck and Citrine, left New York on a train. It took them three or four days to get to the West Coast, and they plotted all the way across [the United States].

*Q: Was Citrine a foreign delegate?*

TYLER: He was a fraternal delegate. That you can have from any country. And they said, "Well, let's suggest that they put together a 'Labor's Chest to Aid the Oppressed People of Europe.' " That was quite a title, but they thought that would be a good idea. Well, they came to the convention. Citrine spoke and the convention loved him. He had a great sense of humor. I guess they were also somewhat impressed by his masterful use of literally the King's English. Then, on top of that, Vladeck made his speech, and he brought down the house. The convention passed a resolution and a Labor's Chest was established. Not much after that, there was a meeting in New York, held at the Mecca Temple, and the movement was on its way.

It's very interesting. I think it was at that convention of 1934 that David Dubinsky was added to the Executive Council of the American Federation of Labor. He was the first Jew on the Executive Council with one exception. Samuel Gompers, who had been President of the American Federation of Labor, was Jewish. He was not a practicing Jew, he said, but he may have been a practicing Jew, because he went through life always wearing a yarmulke. He called it a skull cap. And when people asked him why he did it, he always said, "Because I'm subject to drafts and I get them on my head. I catch cold, so I'm wearing this little hat." That was his story. Well, he was head of a labor movement that was dominated by Protestants and Catholics; there were few Jews in it. He was the President of the Union from 1886 to 1924 with the exception of one year. Samuel Gompers had been the only other Jew on the Executive Council. And when David Dubinsky was named, there was a big, big meeting in New York, I believe at the Hippodrome, to congratulate him on this new post. Matthew Woll, who was a rather conservative, highly intellectual trade union leader, was there to speak on behalf of the American Federation of Labor.

*Q: He was the head of the International Committee or something?*

TYLER: He probably was. And in his statement, Woll said, "In electing David Dubinsky to the Executive Council, we are not simply honoring David Dubinsky and his contributions to the labor movement. We are also, by naming him, honoring 'the race from which he comes,' and we are also saying to Hitler, 'We stand with these people.' "

So, as I read it, the American labor movement-I'm not talking about the International Ladies' Garment Workers' Union and a few other unions-the American labor movement was like America itself, *fundamentally isolationist*. The American worker was no



different from all other Americans. The country was isolationist in its thinking, and the American labor movement was isolationist in its thinking. And for that reason, the American labor movement, the AFL, was not affiliated with the so-called Second International because the AFL felt that the Second International was too socialist-minded. So the Americans were really different from anybody else, and that mood really prevailed up until that turning point in 1934.

That Citrine visit, Vladeck's speech, which was the work of the Jewish Labor Committee, and the decision to set up a Labor's Chest to aid the oppressed people of Europe were followed by another [significant event] in 1934. The United States had not been a member of the International Labor Organization (ILO). It had been set up under American auspices under Gompers' leadership. President Wilson wanted [the United States to become a founding member of the ILO], but when the Senate of the United States said, "We're not going along with Wilson on the League of Nations," we did not join the ILO. In 1934, Roosevelt was President and the United States affiliated with International Labor Organization [even without joining the League of Nations]. The logical delegate would have been the President of the AFL, William Green. What William Green did was step aside, and he named the youngest member of the Executive Council and the most recently named member of the Executive Council David Dubinsky to represent the American Federation of Labor at the International Labor Organization.

And from that point on, the American Federation of Labor began to break with this isolationism. You can almost draw a straight line. Of course, once we got into the Second World War, the American Federation of Labor threw itself even more deeply into it. During the war years, the Jewish Labor Committee played a major role. It also set a pattern. At the height of the war, there was a good deal of feeling within the Italian community in the United States that maybe the Italians ought to do something to show that, "Wow! We're at war with Italy. We shouldn't be too severe, here, because, after all, maybe Italy needs Mussolini." There was that kind of a sentiment within the Italian community. And the Italian community was sufficiently undecided, so that Roosevelt and some of the people around him were quite prepared to label the Italians in the United States as friends of the enemy and to treat them not quite the way the government treated the Japanese, but to stigmatize the Italian community. The First Vice-President of the International Ladies' Garment Workers' Union, we mentioned him before, Luigi Antonini, went down [to Washington] and spoke to the President of the United States. He said, "That's not the way the Italian community is." And what happened was that Luigi Antonini organized the Italian-American Labor Council. What he said was, "America's victory is our victory, because we will get rid of this dictator in Italy. Roosevelt is liberating the Italians from a tyranny." The Italian-American Labor Council still exists.

The Italian-American Labor Council really was [in effect] the Jewish Labor Committee, now speaking Italian. And that became a pattern. So the ILGWU became involved in the Hispanic Labor Committee which ultimately became part of a larger movement. There were also two other parallel movements and still are: The Labor Committee for Latin American Advancement and then subsequently a similar organization for the Asians and

the Pacific Islanders. And through it all, there was the Negro Labor Committee. As a consequence, the International Ladies' Garment Workers' Union counts all of these people among its members, and thinks of the word "international" as not just meaning we have an international view. We are a kind of "League of Nations." We are an international body in ourselves.

*Q: Are you saying that if the Japanese had had a similar labor strength and a regular spokesman to go to the President and say, "Now, wait a minute," as Antonini did with respect to the Italians, there might have been a different reaction?*

TYLER: Well, I don't know whether it would have worked. I think it would have been more difficult for the Japanese, because with the Italians, their skin is white. They are looked upon as Europeans, and there was a good deal of racism underlying what happened to the Japanese on the West Coast.

So these are a few of the aspects of the international involvements and thinking of the International Ladies' Garment Workers' Union over the years. Now, when the Second World War came to an end, the World Federation of Trade Unions, which was led by the Communists-It was the creation of the Kremlin.-appealed to the entire world labor movement to affiliate. The mood was such that it is quite understandable that many labor movements around the world said, "Yes, let's get together with the Communists in one World Federation of Trade Unions." After all, the Soviet Union, at that time, had been an ally of the United States. We had a common enemy, and that was Hitler and, I guess, Mussolini. We were the joint victors. We embraced one another. We reached agreements on how to divide Europe and the rest of the world. And the Communists said, "Look, we're buddies. So, we have a federation of labor. Let's all get together. It's not going to be our federation of labor. Let's get together to do it."

*Q: The origins [of the World Federation of Trade Unions] being toward the end of the war, when we were still allies.*

TYLER: Yes, we were still allies. Right. The Congress of Industrial Organizations (CIO) of the United States affiliated with the World Federation of Trade Unions. The British Trade Union Congress and several other continental labor movements joined the World Federation of Trade Unions. They said, "Why not?"

Well, there was a falling out [among the various country trade union organizations] and it came about over the Marshall Plan, because the Marshall Plan, which was initiated by the United States, said that Communism was going to sweep all Europe, unless Europe could get back on its feet. The first thing we have to do is to achieve an economic reconstruction of Europe. And that was the Marshall Plan.

And the question was: Should the Marshall Plan be supported by world labor and by the nations of the world? For a while it looked as if the Soviet Union would [also] say, "Yes. We favor the reconstruction of Europe" [as originally proposed in George Marshall's

famous 1947 speech]. Then almost overnight they said, "No. We're opposed to the Marshall Plan," and they voted in opposition. Once they announced their opposition, that gave the word to the British Trade Union Congress and to the American CIO unions that were in the WFTU and to a number of continental unions. They said, "Okay. Now we understand what it's all about. The Communists want to run the world, and they want to run the labor movement of the world, and they don't care if Europe goes to hell, because if Europe goes to hell, it's just going to be easier for them to take over."

As a consequence, in 1949 a new international federation was organized, the International Confederation of Free Trade Unions. The key word is "free." The implication was that if you are a member of the World Federation of Trade Unions, you had unions but the unions were chiefly just the voices of the governing parties of the Communist countries. A free trade union movement would be a *free* trade union movement. They were not being run by any government or by any party that controlled the government. And they organized the International Confederation of Free Trade Unions. David Dubinsky was way up there, and, by now, George Meany was heading the American labor movement. George Meany was an internationalist. I remember having a long, long conversation with George Meany. I was doing a short biography of him, and I spoke with him about it. He said, "You know, I grew up in the Bronx when the Bronx was a farm county. My father was a plumber, and all I knew about was what plumbers were doing in this little area. It wasn't even suburban. It was ex-urban at that time." And he said, "I grew up worrying about the plumbers and I knew nothing about the labor movement." I said, "So, what happened?" "Well," he said, "I came down to New York City and became involved with the labor movement, and I ran into these socialists in the Painters' Union and the Pantsmakers and the rest, and I learned a great deal from them." And George Meany ultimately became an international figure.

*Q: But he had one thing in common with Dubinsky, and that was a natural antipathy towards the Communists. Meany also grew up as a Catholic. Those two things sort of merged and educated him. Meany once told me what a great person Dubinsky was. They came from different backgrounds, but they had a common outlook, which led to a joint tendency in the trade movement to fight communism. .*

TYLER: Completely different backgrounds. Well, it's a credit to George Meany. I had a very interesting conversation with him. He started out very provincial. He was provincial as a tradesman in terms of his unionism; he was a craft unionist in the building trades, but mainly among plumbers. That's where it was at. He was a plumber taking care of plumbers and finally ended up as an international statesman working on the state of the world. It didn't happen over night. He went through many, many experiences. But I think in general David Dubinsky and George Meany were very, very close in terms of their concept of what a labor movement is, and ultimately in the creation of the International Confederation of Free Trade Unions.

*Q: Very interesting.*

TYLER: All right? Do you have enough?

*Q: Oh, I don't have enough, even on this subject. I didn't want to stop your flow [of ideas.] (Short Break)*

*Well, Gus, let us proceed. I want to ask you now about the relevance of all this historical material to U.S. international labor policy, not only for labor attachés, but for any State Department officer who goes to a foreign country. In what type of a country would this history have some relevance? Why should anybody know about it?*

TYLER: Let me begin with a generalization about history. To me, history has a very, very profound and practical meaning. I don't believe that history should be the domain of [only] historians, because if it is, then they are just having fun in their own little guild. To me, history is very, very meaningful. History is the equivalent of memory. Suppose you have lived a life and you have now reached the age of forty, and on your forty-first birthday, you couldn't remember anything that ever happened to you before. You didn't know how to eat. You didn't know how to speak. You lost the use of language. Your memory just went. You would be a basket case.

Well, institutionally, a nation, or people representing a nation, have to have a knowledge of history because that is our collective memory. We have been talking about the International Ladies' Garment Workers' Union and the labor movement and past experiences. We learn a great deal from this. What do you learn? Number one, not all labor movements are the same, and not everybody in a labor movement is thinking in the same way. At one point the people who were in the American labor movement were predominantly craft unionists. They were not particularly interested in the labor movement as a *movement*. They thought of themselves as a loose federation of the organizations serving their particular members in some narrow part of the economy. It took time and it took many developments and it took people with ideology and it took a collection of experiences to move from very narrow, nationalistic craft unionism to a concept of a labor movement operating in the international sphere.

Now, suppose that I am somebody representing the United States Government. I am a Labor Attaché assigned to some foreign country. I can go in there and say, "Well, it has a union." All unions are alike." No, they're not. [I have to ask]: At what stage of development are they? What is their ideology, if any? How centralized or decentralized are they? What have their experiences been? Why [ask these questions]? Well, because the way in which you deal with people depends upon your understanding of where their culture is at a given moment, and if you do not know what has happened in the past, you're really not equipped to make a judgment about what the situation is at the present. That's [point] number one.

[Point] number two. What are our concerns? Our concerns today about what happens in the labor movement in other countries should be far, far greater than our concerns were at the height of our involvement in the past. In the past, many labor movements said, "We

want to join hands with our brothers and sisters across oceans and across mountains and across deserts." It was a kind of statement that said, "We're working people and we have something in common and we want to create a world that's in our interests." Nevertheless, what happened in one country did not have that much effect on what happened in other countries, because we didn't have a global economy. There was international trade, but international trade represented a very, very small part of the economic activity of the world. Today we have a *global economy*, and what happens in any part of the world, profoundly affects what happens in other parts of the world. If you have a huge country like China that has a labor movement that is not [really] a labor movement at all, and it has one and one-quarter billion people available to do the world's work, that has a profound effect upon the United States. It could destroy American labor. It could destroy America. For that reason, we have to be profoundly concerned with what is happening to working people in other countries, but in order for the United States to be effective in influencing working people in other countries, we have to have an understanding of what their labor movements are. Where do they come from? What is their ideology? Who are their leaders? How are they structured? And you're not going to have that ability to make an analysis unless you have an *apperceptive* background. And without an understanding of what happened in the past, you are really not equipped to make a judgment about the present or to do anything about the future.

*Q: Well, I agree, of course, with what you say, but the issue for the American diplomacy is that cutbacks in funds and in staff have enlarged the problems. (End of Side A, Tape I) [These cutbacks] require that people going abroad cover a broader range of subjects. [We cannot afford] a labor attaché in a small country [but must depend on] multi-purpose people, who cover not only related things like human rights but perform many other functions as well.*

*Now, I would like you to describe the difference in the international outlook between the two unions [which are currently in the process of merging], the ILGWU and the Amalgamated Clothing and Textile Workers Union.*

TYLER: I think both unions are fundamentally internationally oriented. Both unions think in terms of social development and the impact of unions on social change. They are "wide-lensed" and look beyond the horizon. And both unions have fundamentally the same tradition. As a matter of fact, the great name [associated with] the Amalgamated Clothing and Textile Workers Union, originally the Amalgamated Clothing Workers Union, is Sidney Hillman. In 1911, Sidney Hillman was the chief clerk of the Cloak Joint Board. He was working for the ILGWU in a very, very responsible position. He felt perfectly at home. David Dubinsky and Sidney Hillman occasionally quarreled, but it was like sibling rivalry. Occasionally there was a jurisdictional dispute and sometimes there were differences on how to respond to the threat of Communists in the union and in the American labor movement, but fundamentally they were thinking along similar lines. When the American Labor Party was organized, [it was organized by] the ILGWU and the Amalgamated. When the CIO was organized, John L. Lewis was the central figure, but standing at his side were Sidney Hillman and David Dubinsky. Those were three [of

the founders], and I think there was another guy, Zaritsky, from the United Hat and Cap and Millinery Workers' Union and somebody from the printing trades, [Howard]-The five of them started the CIO. The two clothing unions have been siblings, but I think their coming together in terms of what is going to be accomplished will be a big plus.

*Q: Would you now like to discuss the issue of international trade?*

TYLER: Yes.

*Q: The government is frequently in a position of opposition to the position of the trade union movement on things like NAFTA, etc. The Embassy labor officer, on the one hand, is a servant of the government but, on the other, has to explain [U. S. Government policy], with a sympathetic understanding of the trade union position on such issues.*

TYLER: Generally, the question of international trade, when you put it to a trade unionist, is framed in terms of "How does this affect your members and how does it affect your trade? How does it affect the labor movement?" But that is not the way I look at it at all. To me the whole trade question is almost the question of the future of the world economy and maybe even the future world civilization. I divide thinking on the subject of trade into three periods. The first period goes up to the 1930s. There wasn't much world trade. There was a little bit of it. But the central problem of the economies of the world was recurrent depressions. Those recurrent depressions started really with the 17th century. Every dozen years or so there was another depression. Why was this going on? It just went on uninterruptedly, and the most severe depression of all came in 1929. It hit the United States and created all kinds of social turmoil. It was virtually global. Why did these depressions constantly reoccur? Well, fundamentally because we were living in a market economy. The producers in the market economy-that is, the companies, the corporations-obviously were competing with one another and were trying to produce as cheaply as possible to get as much as they could in terms of the resulting profit. So for many, many years wages were determined by what Adam Smith and others called the "Iron Law of Wages." You pay a worker enough to stay alive, and a little bit extra to raise kids, so that they can then go through the same routine-stay alive and raise kids and stay alive and raise kids and so on and so forth.

So the market economy would regularly find that it didn't have a market. It didn't have a market because most of the people were not *employers*. They were not rolling in wealth. Most of the people were living at a purely subsistence level. They were hardly making it, and many were below that and unemployed and there was a high crime rate and the rest of it. A market economy needs a market. If working people are not paid reasonably well, there won't be the market because they're the people. If they don't have the money, who's going to buy what's produced?

So, regularly they had what they called in the 17th and 18th centuries a "glut." It was a simultaneous glut. They had a glut of goods that they could not sell. And they had a glut of capital, because people who had capital didn't know what to do with their capital

except gamble with it. They could not put it to productive use, because they would have to produce something that nobody would buy. And they had a glut of people. This was the "triple glut." What could one do about it? Well, the whole theory was you don't do anything about it. Why? Because the best way for a market economy to operate is to operate on its own-no governmental interference. This we called "laissez-faire," and laissez-faire capitalism is *suicidal* capitalism. And it happened over and over again.

We had that triple glut regularly, right up until 1933. However, beginning with the 1930s, we had a change in attitude. To summarize it, I would say that there was an attempt to seek a balance within the economy, and to do it through creating a balance between the public sector and the private sector. From 1933 on this became the practice of the industrial democracies, namely, that the government should exert a presence-not necessarily having the government take over all industry, which is a socialist or communist solution-but the government is present to see to it that policies are pursued so that working people are earning enough to be able to buy what the economy is producing. So you don't get stuck with glut.

However, how do you pull out of a depression to begin with? The way you pull out of it, if you're really stuck, is for the government to go out and borrow and then spend. That will get the machinery working, and once the machinery gets working, the people who have the money to spend will buy things made by other people. They will now have income. They will buy things. There will be a multiplier effect.

Sometimes it's called "Keynesianism," but in the United States we called it the "New Deal." In Scandinavia it was called the "Middle Way." "Social Democracy." "The Social Market." There were a lot of different names, but it was all the same thing. Namely, if you want to have a market economy, the government has to step in and say, "It can't just be laissez-faire. You have to pay minimum wages. You have to pay unemployment insurance. You have to have social security." There are many, many things that you can do.

Did that formula work? That formula worked. From 1938 approximately down to the present, no major industrial nation has had a very long, serious depression. And there's been no global depression. How come? How come for two and a half or three centuries you had it, and suddenly it went away? Well, it went away when the government intervened to get a more equitable and more efficient distribution of income.

So, we have a formula, and the formula's working. Then something happened, and this takes us to the present. And that is the growth of the multinational corporation. Here is a manufacturing corporation in the United States. It is paying wages; it is paying unemployment insurance; social security costs; medicare costs; occupational safety and health, which is also a cost; environmental protection, which is also a cost; fair employment practices, which can also be a cost. Then when they are all done, they have to share the profit, because corporate profits have to be shared with the government. These are all burdens.

So the corporation says, "Why should we operate with these burdens? It's now possible to get this work done any place in the world." Why? Well, once we couldn't do it because we didn't have the kind of revolutions we now enjoy: *A quadruple revolution*. One revolution in communications—we can communicate instantaneously any place in the world. Secondly, a revolution in transportation—within 24 hours, we can just go around the world. Three, a revolution in data processing—we can handle billions of pieces of information in a matter of seconds, and we can do it internationally. And finally in materials handling, we don't have to pick up each item and pack it. We don't do that. We now are able to handle the materials massively. We don't have somebody walk up a gangplank with something on his back and put it on the ship. Now everything gets crated and down comes a big hook and lifts it up. These four revolutions have now changed the nature of the market economy.

So what is happening? A company says, "We're not going to produce any more in this country. Why should we produce in this country and pay a legal minimum wage of \$4.25 [per hour], when we can produce in another part of world and do it for \$.42? So, we do it at one-tenth the labor cost." The consequence is that multinational corporations in the advanced industrial democracies are gradually folding-up plants in those countries and opening up plants in third-world countries. And in these third-world countries, labor, for the moment, has no voice. China is the most striking example. It has child labor; it has slave labor; and it has cheap labor. And it's not *just* cheap labor, they can't organize; they can't strike; [employers] don't have any of the insurance costs. So what is happening is that the producers move their operations abroad. And it's not just manufacturers doing this. There are insurance companies that process their claims in other countries, because it's that much cheaper.

So globally, what is happening? What is happening is that those countries that were paying high wages, which became the fundamental support of the system and for a half a century staved off depressions, are losing jobs. People in those countries who do get jobs, get jobs that pay maybe one-half or one-third or one-quarter of what they had been getting. They used to have full-time jobs; they now have part-time jobs. So they are losing buying power. The jobs are going to other countries without much of a change in what happens in those other countries in terms of their income. If their income rose as rapidly as the wages in the advanced countries fell, there might be a balance. It's not happening, because what happens is that if [multinational corporations] go to Taiwan and they get cheap labor and there's a real demand, and wages in Taiwan begin to rise by a few pennies, they can leave Taiwan and go to Mainland China. And in Mainland China there's no end to the available amount of even cheaper labor that is there. But even there, some of the producers in coastal China say, "The wages are too high. The wages are too high." Wages too high means sixty cents an hour. So they go to Indonesia; they go to Malaysia.

Well, if you stand back and you look at these things, you ask, "What must be the consequences?" Think of the globe as consisting only the Western economies in the year 1929. Endless, endless quantities of capital. We do not lack capital. What's happening to



the capital? People are not investing it in productive purposes. Why? Well, here's the latest story on the United States. For eleven consecutive months, inventories in factories, warehouses and stores have been building up *continuously*. Inventory is a beautiful word. [In the past] they would have called it glut. It is *glut*. Capital is building up. There is a glut of capital.

The Office of the Comptroller of the United States is now appointing a special committee to make an investigation of what in the hell is going on in the banking world. Why? [Number one], banks are now lending out money to risky parties, whom they would not even have talked to in the past. Why? Number two, they are offering interest rates that hardly clear with the cost that they have just to raise the money. They make like a half a percent or one percent. Why are they doing that? Number three, they are pursuing borrowers. "You don't have to pay us back in ten or fifteen years. Pay us back in thirty or forty years." Why are they doing that? Well, they're doing that because there's no demand for capital. So, what are they doing with their capital? Well, I saw one statement that said, "In 1994 twenty-four trillion dollars went into speculation and derivatives." So, they buy junk bonds. They go into derivatives. They play other games with the money, but it's not productive investment. So, there's a glut of capital.

There's a glut of capital and there's a glut of goods. Is there a glut of labor? Well, in the United States, we say, "How can there be a glut of labor? [The unemployment rate is] only five percent." But it isn't five percent. In 1985 the number of people who were part-time workers was negligible. In 1994, "temps" flood the labor market. So, if you have five million of those who are working, let's say, half a week, it's another two and a half million unemployed. Then there are other technicalities [in the calculation of the unemployment rate.] When you're all done, the unemployment rate in the United States is about double the official unemployment rate. So there is a glut of labor. And, by the way, the official unemployment rate for March 1995 also moved up.

So, if you look at it globally, we are lunging toward a depression. And the fascinating thing is this: The signs are clearly there, and in the past, what the United States would have done is say, "Okay, let's do what we did in the 1930s. Let the government now go into debt and take the money and get people to do things that need doing. There are plenty of things that have to be done in the United States. People will get some money and when they have the money, they will spend it and they will buy shirts and socks. They'll go out and buy meals and so forth. At this time, the government should be borrowing and spending. Instead, it's doing *exactly the opposite*. So not only is the private sector disemploying people, the public sector is disemploying people as well. Why do we need to do this? [They say], "Because we have impossible debt." Well, that's a separate subject. We don't have an impossible debt. There's a million ways to handle this debt. But that's a subject for another time.

However, if the suggested analysis is correct, what is happening is that we are now rushing toward a *global depression*. And what happens in a global depression is not just that you are going to have people who will be without jobs and who will be begging. You

will have a rise in crime. You will have a rise in violence. You will have a rise in riots. The world will increasingly fall into a state of anarchy. And people ask, "What is going to happen to the labor movement?" That's not the question. What has happened during the last half century is that thanks to the labor movement and progressive legislation this market economy has been held together. And now the mucilage that held it together is being dissolved. So when you attack the labor movement and the labor movement loses its strength and influence and cannot continue with policies to balance the economy, it is not the labor movement you are hitting, you are hitting *civilization*, because with this kind of massive, global unemployment, there has to be a rise in violence and massive social disruption. It's a threat to civilization, not just a threat to some unions.

*Q: May I ask you to respond to two issues; one, political and one, economic. On the political side, what we have is a constituency supporting this Administration without extracting any of the concessions that you think would be appropriate; namely, the Administration can accept the idea that in the long run NAFTA is a good idea because there will be positive results, while ignoring the fact that, in the short run, it is harming people who are losing jobs?*

TYLER: Well, as far as NAFTA is concerned, I think it is bad in the short run, and it's worse in the long run. To me NAFTA fundamentally is *not* a trade question. There are trade aspects to it, but that's not really where it is at. My reading is that NAFTA is somewhat different. It runs this way: In the 1970s, the sheiks in the Persian Gulf suddenly found themselves no longer millionaires but multi-billionaires. They did not know what to do with their money. What do you do with it? You've got glut. They had money. So what? You have to invest it. That's what you do with money. They didn't know what to do with it, so they came to the American banks. And if you come to an American bank and you say, "Look, I have two billion dollars here. Can I deposit it with you and will you give me ten percent interest on it?" A banker is going to say, "Yes." A bank can't say, "No," [for competitive reasons].

Now the bank has the money. It has to give nine or ten percent interest to the person who deposited the money. That's the reason the money was deposited there. So they have to have borrowers who are going to pay eleven, twelve or thirteen percent-or nine or ten percent, whatever it is. Who's going to borrow the money? There was no expansion of business in the United States creating a legitimate demand for it. So what the banks did was to go to Latin American countries and a few African countries and they said, "Look, we have money for you. We will give it to you cheaply." "What is it?" "Twelve, thirteen percent." "That's cheap?" "Yes." "The rate of inflation is fifteen or sixteen percent. You are borrowing at negative rates. It's great." And in some cases they bribed people to take the loans. In other cases they upset governments to get new governments in there which would take the loans.

The loans were rammed down the throats of these people. Why? Because *governments never go bankrupt*. Time went by. We got into the 1980s. Mexico had to service one of the loans. Mexico owed the United States six billion dollars, but they didn't have six

billion dollars. They didn't have three billion dollars. They didn't each have one billion dollars with which to service the loan. What do you do? Well, the United States could have said, "Forgive them." Well, if we were going to forgive Mexico, we would have to forgive Argentina. We would have to forgive Brazil. We would have to forgive Chile. We would have to forgive all of them. We couldn't just say, "I'm going to forgive you [alone]." So, the banks said, "We have a great idea. You owe us six billion dollars. Okay. We will lend you six billion dollars," which they did. "You then give us back the six billion dollars and your loan will be known as a performing loan, so we can still carry it on our books as an asset."

A performing loan is an asset. A non-performing loan is a loss. So, you give them six billion dollars. They give it back to you. The six billion dollars is then added to the principal. You do it one year. You do it the next year. They owe you more now because the principal has gotten bigger. You do it the third year. You do it the fourth year. You do it the fifth year. Now it becomes ridiculous. You can't go on forever.

So Secretary of the Treasury Brady stepped in. He had a solution. What was his solution? It was called the Brady Plan. The banks of Mexico were owned by the government. The Government of Mexico owed us all this money. Okay. They could not give it to us. So we would have a swap: Equity for debt. Mexico owed us money and couldn't give it to us, so why not give us equity in the Mexican banks? That's what they did. And it was hailed. This is known as "privatization." *Privatization*.

So the American bankers found themselves big shareholders in the Mexican banks. But there is another problem now. The problem is that the banks are going bankrupt because there is no economic base in Mexico, as a foundation for their banking world. So now what do we do? Okay. What we did was this. We worked out a treaty with them called NAFTA, and the object fundamentally was to take a big chunk of the American economy, remove it from the United States, put it into Mexico and that would give the Mexican economy a base from which to operate. Then the banks would become viable banks. But it didn't work. It wasn't happening fast enough, and the Mexican economy was in a state of disrepair for a variety of reasons, and they had no foreign exchange.

So if you have no foreign exchange, you speak to the International Monetary Fund and they'll tell you what the solution is. You devalue your currency. If you devalue your currency, then whatever you produce is very cheap in terms of other currencies, so you will increase your exports. You won't be able to buy from other countries, so there will be no imports and there will be no drain on your currency. So, you keep the wages down, because if wages go up, then the cost of what you produce will go up and people won't buy it. And cut back on your social programs, because that's another cost of production. That's the formula of the International Monetary Fund.

So [President Carlos Salinas], who was leaving office, said, "Well, I guess that is the only thing that is left for us. So we will devalue the peso and say, 'Oh, now we are really in trouble.' " Why? Because how will the banks ever be paid back?. In pesos or in what?

Wages were cut in half and what not, and armed revolt was on the way in Mexico. So we came to the rescue, and the Administration gave them twenty billion dollars and tried to get other countries to give them fifty billion dollars to bail them out. How did we know that they then would be able to service the loans?

Well, we made an agreement with them. Mexico had already privatized its banks, but Mexico was not about to privatize the one thing they had to hold onto, and that was their big oil company. The government owned the oil fields, and that was it. It was their only asset. So, we said, "Okay. We're giving you these loans to bail you out, and you have other loans. However, to service these loans, we need collateral. So whatever income comes out of your oil operation, the money goes directly to the Federal Reserve Bank in Washington, D.C."

*Q: All of it?*

TYLER: Once we service the debt, we'll give them back the rest, whatever is left over. So, what this is is that the banks with billions have put an impossible burden on Mexico's back. Argentina's next and Brazil after that. Chile's not far off. Venezuela? Absolutely. There are African countries in the same position. Nigeria.

*Q: Which also has oil.*

TYLER: Yes. Sure. Well, we'll work the same [deal]. Look at it politically. I'm a Mexican and these are our oil fields and the money goes to Washington, D.C.? WOW! So, you know, there is this trade aspect, but that's not where it's at.

*Q: Just one question. Why did we give such a high interest rate to these Arab banks? Why didn't our banks say to them, "Now, wait a minute. You've got such a glut of money; we're only going to give you two percent interest." They were stuck with the money.*

TYLER: That was always a possibility, except I'm sure that the Arabs, although they didn't know what to do with their money, always had advisors [who probably said], "If the American banks won't take it, let's try the British banks and let's try the Japanese banks or the French banks or the German banks."

*Q: My last question, Gus, is a political one. On the one hand, China has such a terrible human rights record, which we examine in our yearly report. On the other hand, business people want to invest in China because China has such a big market. And there is a conflict. People who want to do business with China-It's almost like Hitler-say, "Forget about human rights. If we don't deal with them, another country will deal with them." Can we depend on the United Nations to enforce some global human rights [standards]? What do we do about it? Do we tell our capitalists, "Don't make money because of our human rights policy?" That's a serious problem.*

TYLER: Right. There's all of this talk about emerging markets. I haven't found them. China is supposedly a great market and we should open up this market, no matter what the human rights situation, to American sales. I was reading a piece in *The Wall Street Journal* just last Thursday. The writer was explaining the whole Chinese situation and said, "It's absolutely true that American garment manufacturers go over there and we've lost a lot of our jobs in the United States as a consequence. That's bad business. However, we opened up the market and we have computers, computer parts, Windows, everything revolving around the so-called high tech world of computers, and we will ship our computers over there. The workers over here who make the computers are well-paid. So while we're losing jobs in the garment industry, we're gaining jobs in the better-paying computer industry."

Well, I decided to look into the facts. So, with the assistance of our research department, I found the four pages printed by the Bureau of Census, part of the Department of Commerce, that deal with computers, computer design, computer files, and all that. It's four pages dealing with everything revolving around computers. Did we export to China? Yes, we did. Two hundred million dollars worth to China. Did we import any from China? Yes, one billion, three hundred million dollars worth. In terms of computers, we came out on the short end by more than one billion dollars in 1994. The Chinese are so smart? No. The American manufacturers of these items manufacture them in China. They don't manufacture them in the United States and export them to China. There's practically nothing. Each year more [manufacturing] goes over there, and what doesn't go to China goes to Taiwan or to Hong Kong or to Singapore. If I were to add everything up, it would be ridiculous.

At one time, when the industry started, we had a monopoly on radios. Now we don't make radios anymore. We had a monopoly on black and white TVs. We don't make them anymore. Each time people said, "You see, we're losing jobs in garment manufacturing, but we're getting better paying jobs in . . ." It's not true. Who says that the Chinese are unable to assemble a computer? People said "computer," you have to be very, very smart to work with them. You don't have to be smart at all. It's easier to work at assembling a computer than it is to put together a shirt. A shirt requires more skill.

So, the whole business [about opening markets], it's not true. We're not opening up any markets. We're making it possible for American producers to go over there and get cheap labor. That's all it is. And it's cheap and child and slave. That's all it is. I have a solution and it's an old-fashioned solution. I got it from Adam Smith. I would like people to go back and read Adam Smith all over again. Adam Smith, you know, was the great free-trader and the guru of the market economy. However, in discussing free trade, he said that there are two exceptions to free trade. Exception number one is an industry involved with national defense. He favored the Navigation Acts, which provided that products produced in Britain could only be carried in British bottoms. Why? Because England needed the merchant marine for the defense of England.

Okay. I am ready to accept that as stipulation number one, namely that any industry that this country needs, or will need in the event of a military conflict, has to be protected. So now we're talking about iron and we're talking about steel and oil and planes. We're talking about ambulances, guns, uniforms, and food. Let's make a list of all the things that you need in the event of war: parachutes, the works. In the event of war, could we be dependent upon imports for vital raw materials? Adam Smith said, "No." Okay. That's number one.

And there is a second point in Adam Smith's thinking and this is very fascinating. He said, "Wherever we in England impose a tax on any one of our domestic producers, we should impose a like tax on products coming from other countries." Well, that's fair enough. We impose a lot of taxes. A minimum wage is a tax because it represents a cost to an employer. Unemployment insurance is literally a tax. Social security is a tax. Medicare is a tax. OSHA is a tax. All of that is fine. We don't have to be too exact. We don't have to say penny by penny. But at least, you know, open it up. What's more, it is taxing for an American employer to know that his employees have the right to join a union, and he has to engage in collective bargaining with them. Okay. Let's insist upon that one, too.

That's it. Those are just two small suggestions for future American policy. And there is one country in the world that could make it stick, and that is the United States. We don't need the United Nations for the very simple reason that when all is said and done, the United States is the world's market.

*Q: But won't you be accused of being a protectionist?*

TYLER: I don't care what they accuse us of. That's another whole problem in semantics. When they started talking of a Chinese market, I did a quick study to find out where we stood in terms of markets. I looked at the gross domestic product of the United States, five trillion dollars. I looked at the gross domestic product of China for the same year. It was about five hundred billion dollars. So we turned out ten times as much as they did. Okay? Now with their five hundred billion dollars, you had to divide the five hundred billion dollars among a population of one billion and a quarter. We have two hundred and fifty million. Their population is five times as large as ours. By the time I was finished, the typical income for a Chinese for that year was something like two or three hundred dollars. That's a market?

Actually it's lopsided. The coastal cities bring up the average. [They constitute] about one-fifth of the population. You take the other eighty percent of the population, the other billion people, and they are no market at all.

*Q: Well, let me pose these questions to you. One, how do you build a political constituency to change that type of attitude on the part of our government? Secondly, in 1936, when Walter Reuther, David Dubinsky and Gus Tyler faced the issue of whom to vote for, they made different decisions. Reuther, following the demands and the*

*requirements of his constituency in the auto workers, decided he couldn't oppose Roosevelt. His brothers, by the way, did. Dubinsky couldn't oppose Roosevelt. Roosevelt had done so much for the working class. You and I did oppose Roosevelt. Is that a mistake that was made by people, ideological types in the trade union movement, who, if otherwise occupied, might have been building a political constituency within the Democratic Party that could retain a labor interest that is lost today?*

TYLER: I have a simple answer for that one—Yes, it was a mistake. I don't think it profoundly affected the outcome, because eventually just about all of the old socialist elements became active elements in the Democratic Party.

*Q: So we're not guilty?*

TYLER: No. The question of constituency is another thing. There will be a constituency on this whole question of trade, but I think it is not going to be quite as sophisticated as I would like it to be. If we go into a serious depression in the United States, I can tell you that within six months we will be the most protectionist nation in the whole world. Why? Because people will say, "What the hell are we doing here? I'm out of a job and we're allowing stuff to be brought in from other countries?" We'll just go straight protectionist, blindly, maybe wildly protectionist.

*Q: Overly protectionist.*

TYLER: Overly protectionist. Not only will we bar everything from coming in, we are very likely to take foreigners and throw them out of the country, which we started to do in the last depression. We picked up anybody who looked like he might be a Mexican and just deported him. The same thing can happen all over again. As it is, this feeling against the alien and against the foreigner and against the immigrant is growing in Europe, and it is growing in the United States. And, at some point, it will just be blunt protectionism.

May I say, the United States is presently indulging in protectionism, but it is called the "weak dollar." The weak dollar is *crass protectionism*.

*Q: The social dimension of that, as illustrated by what's going on now with these extremist groups, is another danger. What a terrible way to finish an interview!*

TYLER: No, it is on a positive note. I told you that there is going to be a constituency, and the constituency is going to say, "Close the doors. We'll manufacture our own stuff, and anything that comes in from overseas is not welcome." That constituency will have to be programmed so that it does not become an isolationist, xenophobic, siege-minded posse of passionate people without a realistic purpose.

Our first purpose should be to preserve the viability of the American economy not only for self-preservation but to keep the world from falling into a global depression. If American manufacture continues to decline so will wages not only for blue collar workers

but for all workers. As their buying power falls, the economy will once more fall into a depression, but this time, a depression in America will mean a global depression because so much of the rest of the world, especially the third world nations and the NICs (newly industrialized countries, like Mexico) are dependent on the American market.

To protect the American economy, I would suggest that we be guided by Adam Smith, the guru of free enterprise economies. Smith believed in free trade. But he also believed that there were exceptions to the rule. If any aspect of the economy had to be preserved because it was vital for the national defense, that sector of the economy should be "protected." That's why Smith was for the Navigation Acts that used governmental power to "protect" British shipping. A merchant marine was necessary for the defense of the British isles. If we apply that principle to the United States, we would have to protect a variety of sectors: iron, steel, aluminum, electronics, ship building, arms, chemicals, oil, autos, airplanes, textiles, pharmaceuticals, footwear, etc.

Smith made a second exception. Wherever a tax was imposed on a domestic producer, a like tax should be imposed on the products of a foreign producer. In the United States, that would mean imposing a tax on imports to establish a more or less level playing field to compensate for the costs of an American producer who must pay a minimum wage, jobless insurance, social security, medicare, occupational health and safety, environmental protection, bargaining with unions in good faith, etc. Conditions need not be identical in all countries, of course, but certain minima might be established.

A good starting point would be the labor rights spelled out by the International Labor Organization (ILO). To enforce such minimal rights and standards, the World Trade Organization (WTO) could be called upon to police conditions globally. The optimum solution would be collective action, started by the Big Seven, in consultation with other significant powers on how to allocate the world's work and establish conditions so that there will be a global improvement in the earnings of working people everywhere. That would reverse the present trend in the course of which nations are racing to the bottom, competing with one another to attract investments by offering ever cheaper and chattel labor.

Such a collective effort would have to address itself seriously to the question of whether post-war "development" programs have really helped to develop the billions who live in the third world. In too many cases, a forced march to industrialization has meant the neglect of agriculture, the desertification of giant tracts of land, the deterioration of the environment, the dumping of once self-sufficient farmers and communities into cities where their lives are much worse than when they were living on the land. What is needed in the third world is a long-range plan that would allow the tillers of the soil to start with subsistence farming and then move on to a higher level so that they, like the farmers of America, would have an adequate income to provide a market for our market economy. In America it was *that* market of the farm families that provided the base for the growth of American manufactures. And, as Alexander Hamilton planned, the growth of manufacture provided the market for American agriculture.



The process called "development" after World War II has destroyed small scale farming. It has driven millions from the land into overcrowded cities. It has kept wages at starvation level. It threatens the stability of the world economy.

We do not have to choose between protecting America immediately, establishing global minimum rights and standards, and encouragement of agriculture in the third world. We can pursue all these objectives simultaneously. They are all interconnected.

*Q: Thank you very much, Gus, on behalf of me, personally [and the Labor Diplomacy Oral History Project].*

*End of interview*