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## **‘Aid Where it is Needed Most’: American Labor’s Military Industrial Complex**

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# "Aid Where It Is Needed Most": American Labor's Military-Industrial Complex

Edmund F. Wehrle

## Abstract

Between the late 1940s and mid-1960s, American organized labor emerged among the most enthusiastic supporters of the military-industrial complex. This study examines that emerging relationship, focusing on the efforts of a group of unionists to mold defense spending into a vehicle for promoting employment and addressing social and economic problems.

During the Korean War, labor representatives drafted, lobbied for, and helped administration Defense Manpower Policy #4, a policy channeling defense spending to areas suffering high rates of unemployment. With the advent of the Eisenhower administration, preferential policies fell by the wayside, but organized labor continued to press, with some success for defense spending as a general antidote to economic downturns. Late in the 1950s, the Construction Trades Department of Congress of Industrial Organizations and the American Federation of Labor (AFL-CIO), reacting to double-digit unemployment in their ranks, became an active promoter of fallout shelter construction.

Despite some initial success in reimplementing preferential policies during the early months of the Kennedy administration, organized labor's defense agenda quickly ran afoul of Secretary of Defense Robert S. McNamara's plans to systematize and rationalize the defense sector.

In the end, resistance from military and business leaders greatly impeded labor's progress. At the very least, however, labor's defense agenda reflects a larger social vision and also suggests the very real attraction to many unionists of the military-industrial complex, a malleable economic realm, open to political influence and somewhat removed from the harsh forces of the market.

To its legions of critics, the military-industrial complex represents little more than a tragically inefficient expressway to militarism. During the late 1960s and 1970s, revisionists such as Sidney Lens, Richard Kaufman, and Seymour Melman produced volumes reinforcing this point.<sup>1</sup> Today, scholars such as Andrew Bacevich and Chambers Johnson have updated and lent new sophistication to the revisionist argument.<sup>2</sup> But alongside their contributions, a postrevisionist perspective has emerged. Aaron Friedberg's study of early Cold War years posits that anti-statism and fear of a "garrison state" fundamentally shaped the early military-industrial complex, curbing its most dangerous undemocratic features.<sup>3</sup> Michael Hogan's work on the same period treats the military-industrial complex in the context of

corporatism—as an outgrowth of a New Deal mindset that prized power sharing—again offering an important hedge against militarism.<sup>4</sup>

Labor historians examining the postwar period tend to side with the revisionists. Organized labor's association with the military-industrial complex, most labor historians have argued, represents a dangerous capitulation to the sinews of power. "[T]he independence and shop-floor power . . . won in the 1930s," argued labor historian Nelson Lichtenstein, was compromised by the military mobilization of World War II which "ultimately strengthened corporate hegemony."<sup>5</sup> Organized labor's subsequent embrace of the military-industrial complex during the Cold War, Lichtenstein argues, further weakened its potential to serve its membership and pursue social justice. "By the end of the Korean War," concludes Seth Wigderson, "anticommunist union leaders had been politically marginalized and left with only a junior seat at the table of national politics."<sup>6</sup>

This brief study seeks to situate organized labor's influence on the military-industrial complex in a post-revisionist perspective. Far [End Page 97] from enjoying the free hand and limitless potential in the 1930s some have seen, organized labor's gains in the 1930s remained tentative and transitory. As the political climate grew ever more hostile after World War II, the mainstream of organized labor did embrace the military-industrial complex for the jobs it provided and for the influence that labor might wield in the semipublic defense sector economy. Labor achieved most from the general "pump priming" military spending provide the economy. Still, behind the scenes, playing on its place in the liberal corporate coalition, organized labor fought to direct defense spending to its own purposes: promoting employment, especially in weak sectors of the economy. Labor's achievements were limited, but that initiatives could be mounted at all, reveals nuances not normally associated with the military-industrial complex. Indeed, operating somewhat apart from the free market, the military-industrial economy offered a venue for addressing social and economic problems—potential organized labor recognized and hoped to harness.

This study in no way offers a comprehensive examination of labor's relationship with the military-industrial complex. Rather by focusing on organized labor's defense spending strategies during the Korean War, the fall-out shelter hysteria of the late 1950s and military procurement issues during the Kennedy administration, it seeks to reveal something about the nature of the military industrial complex and the complicated context in which it evolved and operated.

### **Early Initiatives**

By the 1930s, despite tremendous advances, the American labor movement was split not only between the competing Congress of Industrial Organizations (CIO) and the American Federation of Labor (AFL), but also between internationalists and isolationists. Labor's internationalists, committed to anti-fascism, urged greater support for struggling Britain. Increasingly involved in shaping policy, as a loyal

component of Roosevelt's New Deal coalition, some in labor also looked to inject labor-friendly features into the rapidly developing defense industries. Sleeping Car Porters' leader A. Philip Randolph, for instance, pressured President Franklin Roosevelt into issuing an executive order desegregating the defense industries. As a member of the National Defense Advisory Council (NDAC), in 1940, Amalgamated Clothing Workers President Sidney Hillman developed a program that would direct defense mobilization dollars to economically weak regions and businesses. While the NDAC, after some reluctance, did endorse a statement calling for the implementation of Hillman's goals, longstanding hostility between organized labor and the military—which historian Paul Koistinen described as "rife with virulent labor-haters"—combined with the general pressure of wartime mobilization to squelch labor's hopes for implementing the plan.<sup>7</sup>

The postwar years posed grave challenges to both Roosevelt's New Deal coalition and to organized labor in general. Mainstream trade unionists and liberals demanded "full employment" policies after the war. The very term "full employment"—the call for aggressive Keynesian spending in both good and bad economic times to promote high levels of employment and economic growth—took on an almost magical connotation for laborites and liberals.<sup>8</sup> But a wave of postwar strikes generated limited results and stoked public anger against labor. A conservative resurgence allowed for the passage of the antilabor Taft-Hartley Act in 1947. Meanwhile, President Harry S. Truman's Fair Deal initiatives to expand the New Deal met with defeat in Congress.

In 1949, things took a turn for the worse. A sharp economic downturn spoiled the high hopes generated by Truman's surprise 1948 victory, which saw the Democrats retake Congress. By the Fall of 1949, the unemployment rate, which had remained steadily under 4% since the war, shot upwards to 8%. Organized labor had real reason to fear that much-dreaded Depression conditions were poised to return. President Truman, in the face of the downturn, with labor's support, proposed that federal procurement and spending be directed to those areas hardest hit by unemployment. But the program, which never involved defense spending, had little support in Congress and died quickly. Hopes that the new Democratic Congress might adopt Fair Deal programs, such as public works projects and national health insurance, also evaporated.

In the face of mounting challenges, mainstream organized labor sought, as best it could, to protect gains and meet the growing material needs of its rank-and-file. While dreams of expanding New Dealera programs were dead, the emergence of the Cold War—an enterprise in which the anticommunist wing of American labor was an active participant—offered opportunity. Compared to the perceived threat of expanded New Deal programs, business leaders were infinitely less hostile to military Keynesianism. "Military spending doesn't really alter the structure of the economy. It goes through the regular channels. . . . But the kind of welfare and public-works spending that Truman plans. . . creates new institutions. It redistributes income," opined *Business Week* in 1949.<sup>9</sup> Planners in the organized labor

movement, however, hoped and plotted to turn Business Week's equation on its head—to harness defense spending as a vehicle for addressing pressing economic and social problems.

Such an approach appealed to labor on a number of levels. With many trade unionists increasingly dedicated anticommunists, a strong defense and Cold War posture had resonance. Likewise, the defense sector operated partly in the public sphere, and as such was less driven by market forces and more open to political influence.<sup>10</sup> In the face of determined opposition, this semi-public realm, many in labor believed, offered the only viable venue through which to pursue equitable economic growth. By the late 1940s, organized labor, to varying degrees, had retreated philosophically from its earlier flirtations with state cooperation. Many trade unionists now recognized the state as a potential hindrance. Increasingly they turned to military Keynesianism—in which government's function was to spend while labor and capital handled industrial relations.

#### **Korean Crisis and Defense Manpower 4**

Opportunity to push ahead came in the form of the Korean crisis beginning in the summer of 1950. The expansive increase in military outlays already called for in the NSC-68 plan, drafted in part by labor-friendly Council of Economic Advisors Chairman Leon Keyserling, had won strong support in the labor movement. With the invasion of South Korea, both the AFL and CIO, increasingly concerned by what they saw as communist gains in the Third World, joined the chorus of calls for a firm response. With billions of dollars about to be spent, Korea offered the occasion to revive Hillman's program of molding the military-industrial complex to address problems of economic inequality. Labor became insistent on having a voice in the shaping of defense mobilization—a real voice that would not be drowned out by competing interests, as they believed had been the case during World War II.<sup>11</sup>

Indebted to organized labor for his 1948 victory and eager to keep it a content member of the Democratic coalition, Truman welcomed labor participation in defense mobilization planning. The AFL and CIO—putting aside their often bitter differences—formed a joint committee, the United Labor Policy Committee, to deal with the crisis. Additionally, Truman ordered each major defense agency to take on a labor advisor. A Committee on Defense Manpower and National Labor-Management Policy, with several representatives of organized labor, convened within the Labor Department to oversee the nation's manpower requirements.<sup>12</sup>

Organized labor members of the manpower committee immediately set out to formulate policies to direct defense spending to "labor surplus areas."<sup>13</sup> Jacob Potofsky, Hillman's successor as president of the Amalgamated Clothing Workers, forcefully argued for accelerated procurement of textiles and policies that would mandate "respect for labor standards" in the awarding of contracts.<sup>14</sup> Other factors—insisted Potofsky and organized labor—besides optimal efficiency and lowest cost had to be considered in the awarding of contracts. He sought specifically

to aid the severely slumping textile industry, and, by mandating labor standards, slow the drain of textile jobs to the non-unionized South. The aim of organized labor, however, went well beyond the textile industry. Ultimately, unionists hoped to commandeer the entire emerging warfare state, with the goal of making it as responsive to the goals of promoting employment and meeting social needs as to fighting the Cold War.

Although the first several months of the Korean mobilization went smoothly for organized labor, by late 1950, it became clear to Truman that the war would last longer than he had hoped and that full mobilization required greater organization and centralized authority. In a sweeping move, Truman consolidated control of defense production in one office within the Executive Department under General Electric President Charles Wilson. Labor's fears that a businessman, committed to the bottom line, might not be sympathetic to its agenda for the military-industrial complex, quickly proved well grounded. Taking office, Wilson established his own manpower policy committee staffed with nonlabor advisers, and, while he permitted the Labor-Management committee to continue its work—it was to operate only in a limited advisory capacity. When the Labor- Management committee met on February 13, 1951, at the Department of Labor, both labor and management representatives exploded over what they saw as Wilson's usurpation of power. Potofsky inveighed that the existing board's mission had been undermined. He feared that his efforts to accelerate textile procurement and address other economic problems would be threatened by the newly streamlined regime. Incited by Potofsky, en masse, the members voted to dissolve the committee.<sup>15</sup>

Several days later, the joint AFL and CIO United Labor Policy Committee called upon all labor representatives in defense mobilization agencies to "resign immediately," and declared themselves "thoroughly disillusioned with the conduct of the defense mobilization."<sup>16</sup> Although wage and price stabilization ranked as central issues, labor's strong desire to have a say in manpower and procurement issues contributed equally to the unprecedented walkout.<sup>17</sup> Labor intended the walkout to be a clear statement that—unlike the previous war, when many felt labor was relegated to a minor decision-making role—this time it was prepared to use every means at its disposal to ensure that it have a real policy-making position.

Labor's high-profile boycott and its political influence put pressure on Truman to address the situation. The president, in turn, pressured Wilson. After a several month-long standoff, in late April 1951, the mobilization czar agreed to substantial labor participation on policy-making bodies as well as to a new formula for price and wage controls.

Wilson's concession provided organized labor with the forum it needed to press forth its agenda; hence, labor dropped its boycott. But as the Office of Defense Mobilization hashed out the new representation arrangement, all sides recognized that the CIO and AFL remained too divided to share power effectively. Instead one

labor office was established within the Defense Production Agency (DPA) headed by AFL Vice President Joseph Keenan, while a separate office was created in the National Production Authority (NPA) under O.A. Knight of the Oil Workers-CIO. The arrangement caused problems of "over-lapping authority," but it allowed both offices to function free of rivalries.<sup>18</sup>

Of the two offices, the Labor Office in the NPA quickly established itself as the more aggressive. The NPA moved with dispatch to publicize the problem of distressed areas and industries—decrying regrettable idleness at a time of national emergency and mobilization. The labor office held a high-profile meeting with CIO-affiliated textile workers from hard-hit Lawrence, Massachusetts, pleading for preferential treatment for the textile facilities in their city. To build support, the office also conducted a survey of area unemployment focusing on the plight of Belmont and lower Jefferson counties in Ohio—coincidentally the district of influential congressman Wayne Hayes, who eagerly sought help for his beleaguered constituency. The survey uncovered distressing industrial stagnation. It concluded that the situation required "immediate emergency action" and that "procurement agencies should be directed to place contracts in these areas. This should be done through negotiation rather than through the advertised bid procedure."<sup>19</sup> With the study, the NPA established the groundwork for policies that would elevate larger economic and human considerations to the forefront of military procurement policy—over concerns for efficiency and cost.

The release of the survey, essentially the Office of Labor's opening salvo, was not greeted warmly by military officials, who feared a new level of bureaucracy and complications that labor's program might engender. The Army had no authority, military officials insisted, to award contracts on any basis other than lowest cost. The Office of Labor cleverly countered by producing an apparently forgotten memorandum written the previous year by Secretary of Defense George C. Marshall, advising that "availability of manpower in distressed employment areas or in areas of manpower shortages" should be among the factors considered in defense procurement.<sup>20</sup>

Still, the Office of Labor and the Defense Department continued to bat the issue back and forth. Wilson, chastened but still no fan of labor's agenda, finally arbitrated the dispute by sending a request to the Comptroller General for a ruling on whether contracts could be awarded "in specific instances at prices other than the lowest which might be obtainable." To the chagrin of the Defense Department, the Comptroller General ruled in favor of the NPA's viewpoint.<sup>21</sup>

With political pressure from labor and interested congressmen building, Wilson issued Defense Manpower Policy 4 (DMP4) on February 7, 1952.<sup>22</sup> The policy directed that special consideration be given to regions officially designated "labor surplus areas" by the existence of an unemployment rate of 6% or more and mandated the creation of a Surplus Manpower Committee (SMC) to oversee the certification process. Wilson assigned veteran New Dealer and labor sympathizer

Arthur Flemming the job of chairing the committee. In spite of resistance from both the military and business interests, organized labor had managed to impose, on paper at least, its own program onto the military-industrial complex.

Armed with the new policy, Knight and his able aide, veteran CIO-staffer Ted Silvey (who soon took over the day-to-day operations of the Office of Labor), quickly moved to address the distressed areas problem. The most pressing issue was how contracts would be awarded under the new system. Again tension surfaced with the Defense Department. Clearly, no one wanted to see the government paying excessive defense production costs to accommodate distressed areas—such arrangements most certainly would produce negative publicity and potentially undermine the entire project. The SMC preferred to "set-aside" certain portions of defense contracts for labor surplus area firms. Such set-aside contracts would be negotiated directly with firms in distressed areas with every effort made to keep bids within the general price range of the open bidding process. However, the rules and procedures to govern DMP4 were left largely to procurement offices, and the Department of Defense chose simply to ignore Wilson's directive. After just a few meetings of the SMC, Assistant Secretary of Defense Anna Rosenberg—dismissively explaining that she did not believe DMP4 placed the Defense Department under any obligation to direct contracts to areas where unemployment was not a result of defense conversion—stopped attending.<sup>23</sup> Without statutory power behind the mandate, officials like Rosenberg could sidestep the policies. Yet, organized labor was not politically in a position to propose a law or amendment codifying DMP4.

Alongside their procurement efforts, the NPA Office of Labor exerted influence in other ways to help depressed areas. Government restrictions on the use of copper and other metals created real hardships for Oneida, Ltd., an upstate New York firm specializing in flatware and silver, and located in a labor surplus area. Lack of raw materials had idled some seven hundred workers at the Oneida plant, and the firm expected to lay off more workers. The Office of Labor successfully appealed on behalf of Oneida under provisions recognizing the hardships that rationing created for certain communities. As a result, workers in Oneida returned to their jobs.<sup>24</sup>

Within a year, Silvey and Knight were relatively pleased with their progress. Between late March and December 1952, procurement officers awarded more than \$1.5 billion in defense contracts to labor surplus areas, although only roughly \$48 million involved preferential arrangements. Of sixty localities originally certified by the SMC as surplus areas, the situations in twenty-one of the sixty already had allowed for their removal from the distressed list by March 1953.<sup>25</sup> Beyond this, Silvey believed that in many cases, the Office of Labor's initiatives to publicize opportunities paid off simply by informing firms in distressed areas of available contracts that they often won by submitting winning bids without preference. More clinics and greater cooperation from the Defense Department, Silvey and associates believed, would draw even more dollars into distressed regions.<sup>26</sup>



In practice, however, numerous factors continued to complicate the process. For instance, procurement officers accepted multiple bids on many products at different price levels. In cases where firms in distressed areas were extended the opportunity to meet bids, Silvey in the Office of Labor felt that a labor surplus area bid should have to meet only the highest bid, whereas military procurement officers insisted on the lowest bid. An ongoing battle, thus, raged between organized labor and the military over the administration of the defense spending policies.

In addition to persistent tensions over administration, the benefits of the preference programs seemed to be bypassing some sectors. One area, in particular, showed little improvement: the textile industries in distressed New England, where unemployment had soared as firms moved south in search of cheaper labor. The concerns of Potofsky of the ACW and of the CIO Textile Workers Union for the faltering textile industry provided the original inspiration to aid labor surplus areas, but the preferences had done little to help New England. By early 1952, the textile industry was in a deep depression, and New England mills were hit the hardest. Worsted and woolen mills in New England operated at roughly 40 percent capacity.<sup>27</sup> The rules of DMP4, however, required that before preferences were granted, a national public hearing be held to assess the impact of regional preferential treatment on the national health of the particular industry. With the textile industry split between the largely unorganized South and the dying northern mills, the industry hearing on March 20, 1952, where southern firms vehemently opposed preferences, yielded a bitter stalemate. In place of preferences for particular regions, the Office of Defense Mobilization developed a weak compromise formula of favoring plants operating eighty hours or fewer per week. But the eighty-hour arrangement proved complicated and difficult to administer. Factories working at a limited capacity were hard put to meet low bids, and the Defense Department preferred simply to ignore the preferential policy when it came to textiles.<sup>28</sup>

With New England textile towns such as Lawrence clearly suffering, Ted Silvey saw the compromise as a betrayal. "To exclude the textile industry entirely from area preference," Silvey wrote to the acting head of Defense Mobilization, "would not assure giving aid where it is needed most . . . the Communist party has seized on the acute distress in Lawrence for propaganda purposes as evidenced by their attempts to attract people to a communist rally in that city." Not even Silvey's evocation of the "great fear," however, could help New England's textile industry.<sup>29</sup> The Office of Labor continued to press the issue and managed to extract some promises to use set-asides, but overall New England textiles received little to no help.<sup>30</sup>

The failure to truly aid New England's distressed areas underscored an always present recognition within the Office of Labor and in the labor movement in general: that preferential programs "are only a partial and temporary solution to the problems of these declining areas."<sup>31</sup> Real change would mean a much larger, more fundamental commitment to full employment policies, but even the Employment Act of 1946, constantly cited by organized labor, contained no real mandate for action.

But such a commitment was a political impossibility with the country still very much in a conservative mood. In the absence of social Keynesian alternatives, DMP4 offered vital help, albeit with limits, to struggling industries, communities, and people.

In spite of determined resistance to the policy, the doggedness of labor's representatives eventually allowed for the emergence of two methods to direct spending to surplus areas. The first arrangement offered firms in labor surplus areas the opportunity to meet the lowest bid on a certain contract if their bids came within 20 percent of the lowest bid. The second method reserved contracts or portions of contracts for labor surplus areas. This procedure did not require a contractor in a labor surplus area to meet a lowest bid, although some bidding and negotiations still took place. Thus, the set-aside procedure, placing human needs first, operated somewhat outside of the bounds of market forces.

To counterbalance military indifference, both the DPA and the NPA aggressively worked to spread awareness of the new system of distressed area preferences. With agencies actively resisting, simply having policies on the books was not enough. Laborites had to promote and lobby actively to make the policies work. The NPA sponsored clinics in twenty-four cities in an effort to place contracts. Meanwhile, the DPA created a Defense Distressed Areas Task Force aimed particularly at helping slumping Detroit take advantage of defense contracts.<sup>32</sup>

### **Stagnation and Sputnik**

By early 1953, the conflict in Korea was winding down, and Americans elected Dwight Eisenhower president partly on his promise to lift wartime controls on the economy. Republicans also took control of the Senate, essentially dooming any social welfare legislation that might arise in Congress. The new president brought a more conservative fiscal approach to the executive branch and a real concern about the impact and implications of heavy defense spending. He was certainly not a military Keynesian—and barely a Keynesian at all.<sup>33</sup>

Things took a downward turn for labor's defense agenda almost immediately. With the national emergency over, the NPA's Office of Labor disbanded on April 13, 1953. As a result, organized labor lost its inside bureaucratic niche from which to fight hostile forces in the battle to enforce preferential policies—a loss from which it never fully recovered. Labor's only hope was that Eisenhower was sincere while campaigning for the presidency in Lawrence, Massachusetts, when he told unemployed textile workers that he favored programs that would direct defense contracts to distressed areas.<sup>34</sup> In office, however, Eisenhower appeared to forget his promise. On August 19, 1953, the Office of Defense Mobilization suspended all preferential policies in the granting of defense contracts. Southern senators, long dismayed by DMP4, which they believed favored northern industry over the South, had moved already to prohibit policies that allowed price differentials on defense contracts based on factors such as social welfare concerns.<sup>35</sup>

Critics derided Eisenhower's cabinet as nine millionaires and a plumber. During his brief tenure in office, the plumber, Secretary of Labor Martin Durkin, tried to develop new policies to favor depressed areas, but the conservative atmosphere in the new administration frustrated his early efforts.<sup>36</sup> By late 1953, however, the economy was losing steam. Reconversion from the war and Eisenhower's insistence on cutting spending, particularly defense spending, weakened the economy. Unemployment edged upward, and the president worried that he, like the previous Republican in office, might be blamed for a Depression. In a pattern that repeated itself with every economic downturn, labor used the slowdown as a pretext to call for higher defense spending and a revival of DMP4. Just after Christmas, Eisenhower responded with a memorandum to his secretary of defense, the chairman of the Atomic Energy Commission, and the administrator of the General Services Administration urging them to cooperate in a renewed effort by the Office of Defense Mobilization to place defense contracts in labor surplus areas.<sup>37</sup> William Pollack, president of the CIO-Textile Workers, breathed a sigh of relief at the news, but pointed to the limits of defense spending as a permanent response to the problem of distressed areas and industries; such actions, he reminded the administration, would only "scrape the surface of mass unemployment in textile towns."<sup>38</sup>

Opponents of preferences, however, were not going to stand by idly. The threatened return of preferential treatment in granting contracts caused a minor upheaval among southern senators. Senator William Fulbright (Democrat—Arkansas) argued that the policies "opened the door to all kinds of favoritism." Senator Burnet Maybank (Democrat—South Carolina) called the president's initiatives "outrageous." But perhaps the scales were tipped when William Knowland, the leader of the Senate Republicans from California (a state in which one-third of nonagricultural workers depended on defense work), added his voice to those protesting preferences.<sup>39</sup> Sensing political trouble, Eisenhower backed away from his commitment. At his January 15, 1954 news conference, the president noted certain "misapprehensions" about his advocacy of preferences and dismissed the "exaggerated idea that entire contracts would be shoved somewhere just because they had unemployment."<sup>40</sup>

Eisenhower did implement a scaled-down version of preferences, but as developments during the Korean War suggested, policy initiatives and directives alone accomplished little (laws might have done more—but were not politically viable). Success required inside bureaucratic vigilance and vigorous affirmative action to overcome hostility from both political parties and the military. With no such group of activists in the Eisenhower administration and virtually no support from the executive, failure almost was guaranteed. In the first quarter of 1954, defense contracts awarded by preference amounted to only a meager \$163,149. Textile preferences came to only \$16,214—virtually nothing.<sup>41</sup>

With the door firmly shut on programs to channel defense spending to meet specific economic needs, organized labor turned to the more generalized aspect of its approach to the military-industrial complex. Still committed to promoting pro-growth military Keynesian spending, labor continued its call for overall increases in defense outlays, which it believed fueled economic growth and spurred recovery from downturns.<sup>42</sup> A stable, growing economy, lifting workers into a more secure middle-class existence remained the primary goal of postwar labor, and defense spending offered a viable route to that destination. Indeed, on this macroeconomic level, labor always enjoyed more success than with its programs aimed at helping specific regions and individuals. After several good economic years following the recovery from the 1954 recession, tight fiscal and monetary policies led to a second Eisenhower recession in late 1957 and 1958. By the spring of 1958, the Labor Department had added twenty-one communities to its list of areas with substantial labor surpluses (unemployment rates of over 6 percent), including Youngstown, Ohio; Bridgeport, Connecticut; and St Louis. In April, unemployment soared above 7 percent nationally and continued to climb. In March, Eisenhower reluctantly agreed to meet with an eight-man AFL-CIO Committee to discuss rising unemployment.<sup>43</sup> The AFL-CIO's answer to the sharp recession of 1958 was, of course, public works and defense spending, along with a recommended tax cut and expanded federal unemployment insurance.<sup>44</sup>

The Soviet launching of Sputnik in the Fall of 1957 shook Americans profoundly—just as the U.S. economy collapsed into recession. AFL-CIO President George Meany eagerly equated geopolitical and domestic issues by insisting that high unemployment "could very well lead to a situation for which the Kremlin has been hoping and expecting—the collapse of the U.S. domestic economy which could give the Soviet Union a victory over us without firing a shot."<sup>45</sup> Responding to the concurrent military and economic crises, the AFL-CIO Executive Council concluded in February 1958 that in each problem lay the solution to the other. "[T]he time is now—not tomorrow—for a bold program to lift the economy out of its slump and national defense out of its dangerous lag," blasted the Executive Council. "Prosperity and strong national defense are both feasible."<sup>46</sup> Eisenhower, while privately bemoaning "Sputnik complexes," met the AFL-CIO halfway by cooperating with Congress to raise defense expenditures roughly \$1.1 billion in 1958 and requesting a \$5 billion increase in the national debt limit, thus easing his restrictive fiscal policies.<sup>47</sup> At the same time, the Federal Reserve Board reacted to pressure by easing the discount rate, another demand of organized labor.<sup>48</sup>

Eisenhower's new outlays combined with new expenditures for a federal highway system and other spending pulled the country out of the recession, at least temporarily. Before Congress the next year, Walter Reuther credited the increase in defense spending with generating the recovery.<sup>49</sup> Sputnik and the recession provided a powerful lesson to laborites and Keynesians alike: while unemployment alone did not seem to move the government to action, economic worries combined with national security concerns, such as those provided by Sputnik, created a climate ripe for spending initiatives.

## **"A Family Fallout Shelter in Every Home"**

Although unemployment leveled off at around 5.5 percent by the late 1950s, the problem of chronically depressed areas persisted and increasingly drew the attention of the larger public.<sup>50</sup> The AFL-CIO became a strong supporter of Senator Paul Douglas's Area Redevelopment Bill, which would provide loans and job training directed at distressed areas.<sup>51</sup> But Eisenhower, eager to keep a handle on public spending, consistently vetoed the bill.

Alongside the problem of distressed areas lay the problem of depressed industries. From a postwar high in the early 1950s, housing construction fell off sharply by the end of the decade. In 1960, the unemployment rate in the building and construction trades stood at 12 percent. AFL-CIO Building and Construction Trades Department head C. J. Haggerty hoped that increased federal spending on airport and highway construction would help ease the unemployment situation. But, in his quest for federal support, Haggerty did more than just hope. With the arms race growing evermore dangerous in the late 1950s, public fears of a nuclear exchange grew. To deal with the threat, the federal Office of Civil Defense Mobilization, which included a labor advisory board, began promoting the construction of fallout shelters. To Haggerty, desperate to find work for his unemployed legions, shelter construction meant jobs. Together with Michael Smith, the Office of Civil Defense labor liaison, Haggerty developed a nationwide promotional program in which AFL-CIO Building and Trades affiliates combined with local suppliers to build "demonstrator" shelters designed to raise awareness of the need for such designs. Haggerty neatly summarized his goals in his shelter program slogan: "a demonstration fallout shelter in every city and a family fallout shelter in every home."<sup>52</sup>

The AFL-CIO Building and Construction Trades Department and the AFL-CIO advisory committee to the Office of Civil Defense aggressively lobbied Congress to follow up on the demonstrator program with massive subsidies for fallout shelters. The advisory committee also insisted that all construction on fallout shelters financed or subsidized by government money would be subject to Davis-Bacon Act provisions, mandating certain standards for labor. Both Haggerty and Smith candidly explained that their efforts, while aimed at the nuclear threat, also addressed pressing economic concerns. "[A]s a result of this vitally needed protection, by the construction of family shelters in the homes," wrote Haggerty to affiliated locals, "a definite increase occurs to the workload in the form of new construction in the areas involved."<sup>53</sup> Like DMP4, the shelter drive brought only temporary relief to workers suffering the slings and arrows of the sputtering economy of the 1950s. The panic that drove the shelter program passed by the early 1960s. Likewise, as the economy improved, construction workers were able to look to other less gloomy employment.

## **"Buying Only What We Need"**

Laborites greeted the election of John F. Kennedy in 1960 with high hopes of more vigorous spending policies to spur economic growth. Representing Massachusetts in Congress, Kennedy had been a strong advocate and beneficiary of programs such as DMP4. During the 1960 election, Kennedy had profited both from the dismal state of the economy, with unemployment nearing 7 percent, and from a general sense that America was losing the Cold War. He promised "to get America moving again" and to expand American military capabilities. As Kennedy assumed the presidency, labor anticipated an active voice in the allocation of new defense dollars.

The help was very much needed. The high rate of unemployment and the second recession in three years as Kennedy took office gravely concerned labor. "The country stands today on the threshold of the gravest economic crisis since the great depression of the thirties. The current statistics are alarming . . . the long-range outlook is ever grimmer," warned George Meany in early 1961.<sup>54</sup> Alongside higher defense spending, the AFL-CIO called for a thirty-five-hour week and an aggressive public works program. The twin factors of a sympathetic president and an economic downturn boded well for a revival of programs such as DMP4.

President Kennedy moved quickly to address the issue of unemployment. He signed the Douglas Area Redevelopment Act in early 1961 and unshackled defense spending.<sup>55</sup> After several years of neglect, Kennedy also moved to revive the effectiveness of DMP4. He instructed his secretary of defense, Robert S. McNamara, to begin a vigorous program of directing defense contracts to labor surplus areas, a program dubbed "Operation Booster."<sup>56</sup> Kennedy and McNamara applied pressure to their subordinates to insure that they made every effort to enforce the revived policies. The Army's Quartermaster General in turn issued a memo to procurement officers explaining that it is the "duty of the Department of Army to respond to this request by exerting every possible effort to alleviate this most pressing economic problem."<sup>57</sup> The deputy assistant secretary of defense for supply and logistics likewise ordered that "active steps" be taken to place contracts in labor surplus areas.<sup>58</sup>

Despite Kennedy's urgency, within a year the tide had turned against "Operation Booster." By early 1962, Secretary of Labor, Arthur Goldberg, complained openly about a missile contract going to an area of California with a skill shortage rather than to a Baltimore corporation in a labor surplus area.<sup>59</sup> The AFL-CIO was soon assailing the Kennedy administration's "timid" approach to economic problems.<sup>60</sup> By mid-1962, Senator Jacob Javits (Republican—New York), frustrated by the failure of labor surplus areas in his state to receive preferences, lamented that the administration's neglect of its own policy of channeling defense contracts to distressed communities had "reached appalling proportions."<sup>61</sup>

The partial recovery of the economy clearly took pressure away from the need to implement "Operation Booster." More than just neglect, however, was behind the desertion of preferential policies under Kennedy. Influenced by President Eisenhower's farewell address warning about the military-industrial complex, and

the increasing expression of concern on the part of economists such as Seymour Melman, President Kennedy—through Robert McNamara—initiated an effort to depoliticize, modernize, and reorganize defense procurement.<sup>62</sup> Under Budget Director David Bell, Kennedy ordered an extensive study of defense contracting, with the help of a grant from the Ford Foundation. The Bell report, issued in 1962, uncovered significant inefficiency and waste in defense contracting. While such factors never ranked high among labor's concerns, McNamara was determined to bring organization, efficiency, and a new business spirit to the military-industrial complex.

Using the Bell report he helped craft, McNamara—like Charles Wilson before him, an automobile industry executive with little patience for organized labor—set out to impose his vision on the defense establishment. He consolidated the far-reaching procurement offices of the military into one body, the Defense Supply Agency (DSA), within the Defense Department. The guiding principle of the new DSA was keeping inventories low, "buying only what we need," and "buying it at the lowest price possible." To promote absolute efficiency, McNamara set out to change fundamentally the nature of defense contracting. Most military contracting had been previously placed through a system known as "cost-plus" contracting, in which a contractor could charge for costs incurred plus a guaranteed profit. In certain cases, as McNamara persistently pointed out, a contractor might actually risk part of his profit if he reduced costs. In place of such contracts, McNamara proposed "fixed-price" or "price-incentive contracts" in which contractors took greater risks and earned rewards for efficiency.<sup>63</sup>

McNamara, former president of Ford Motor Company, saw little reason to consult a "special interest" like the AFL-CIO in decision making and saw little to be gained from labor officials operating in his department at cross purposes with his efficiency-driven efforts. The secretary flatly rejected George Meany's nomination of AFL-CIO Vice President Joseph Keenan to be the assistant secretary of defense for manpower issues.<sup>64</sup> Throughout the Kennedy presidency, organized labor complained loudly, as they had during the Eisenhower administration, about lack of representation on key defense decision-making bodies.<sup>65</sup> Without official representation in the Defense Department, labor could do virtually nothing to prevent McNamara from pursuing such policies as reversing the 1933 "Buy American" Act and opening up bidding for the construction of small naval vessels to foreign competition.<sup>66</sup>

Given his almost singular focus on cost cutting and efficiency, McNamara had little patience with those who sought to use defense dollars to address problems such as chronic unemployment in distressed areas. In spite of his early endorsement of "Operation Booster," McNamara later publicly disavowed any social role for defense spending. "We don't propose to turn the defense industry into a WPA. We are going to buy what we need and only what we need," he explained.<sup>67</sup> In 1964, McNamara turned down a proposal to revive "set-aside programs" from their dormant state. AFL-CIO economist Nate Goldfinger lamented that "there is apparently a feeling on

the part of McNamara that the defense program should not be called upon to cope with problems of the economy."<sup>68</sup>

To those seeking limits on the military-industry complex, McNamara was, at least momentarily, a hero.<sup>69</sup> In 1964, McNamara claimed to have saved the nation \$4.1 billion dollars.<sup>70</sup> The secretary closed bases, streamlined operations, and reined in contractors. But the AFL-CIO saw only job losses at a time when unemployment remained well above full employment levels due to automation, increasing foreign competition, and slow economic growth. George Meany worried about the 8,500 civilian jobs eliminated in 1963 due to base closings.<sup>71</sup> "Thousands of jobs are being wiped out by this cut in spending," complained Goldfinger in 1964.<sup>72</sup> In a speech at a DOD industry briefing, AFL-CIO Secretary-Treasurer William Schnitzler responded to McNamara by insisting that "[w]e in the labor movement don't want a new WPA whose first two initials stand, not for 'Works Progress' but for 'Weapons Production.'" Like McNamara, Schnitzler insisted that the AFL-CIO was concerned about waste, but added: "we are against the kind of waste represented by unemployment and community bankruptcy. We do not believe that eliminating waste on one front ought to create waste on another."<sup>73</sup>

Although military spending remained an enormous portion of the national economy during and after the McNamara era, the nature of the military-industrial complex changed significantly. With the shift to more stringent contract provisions, defense dollars no longer guaranteed profits. Between 1965 and 1969, the profits of defense contractors Lockheed Aircraft, General Dynamics, and General Electric all fell in spite of the Vietnam conflict. The effects of increasing inflation after 1965 made fixed-price contracts an ever-greater risk.<sup>74</sup> By the mid-1960s, contracts granted to labor surplus areas could not insure the temporary economic relief on which more permanent recovery might be built.<sup>75</sup>

Thus, on the eve of the Vietnam War, organized labor's hopes of reviving its defense spending agenda essentially came to naught. The war in Southeast Asia introduced new complex dynamics into the equation. Philip Foner and others have linked the AFL-CIO's "unstinting support" for the war to its desire to create jobs for its membership.<sup>76</sup> While the AFL-CIO's anticommunism was grounded in an idealistic hatred for communism separate from economic issues, the logic of military Keynesian certainly undergirded the labor federation's calls for a hardline on Cold War issues. Organized labor deeply believed that the American economy could thrive producing both guns and butter—preferably with the guns produced in such a way as to promote a plentiful and equal distribution of butter. But the McNamara-controlled defense establishment hardly offered an ideal atmosphere in which to pursue such an eventuality.

## **Conclusion**

In the end, an effort to assert greater civilian control over military spending undermined organized labor's agenda for the military-industrial complex—an



agenda it managed to implement only piecemeal and temporarily. Trade union leaders hoped to harness military Keynesianism—as one might Social Keynesianism—to counterweight the harsh effects of the market-driven capitalistic economy—to make the state a broker and equalizer responsive to the needs of weak elements of society. Hardly a "lackey of militarism," as some have charged, labor showed an innovative persistence in trying to meet the needs of its membership—even if it meant embracing military Keynesianism.<sup>77</sup>

That trade unionists enjoyed any success at all suggests the military-industrial complex emerged the product of a pluralistic democratic system. It served many masters and its character ultimately was determined by compromises between competing visions. Hardly a garrison state departure from American tradition, the military-industrial complex, although large in scale, fits comfortably within the twentieth-century model of American governance—in which multiple influences compete, shaping eventual outcome. Like all parties vying for influence, labor enjoyed some successes and suffered setbacks. No single vision dominated the outcome, and the process often appeared chaotic. But that the military-industrial complex allowed organized labor the space to lobby for and implement some programs that helped some people is undeniable.

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## **Footnotes**

1. Lens, *Military Industrial Complex*; Melman, *Permanent War Economy*; Kaufman, *War Profiteers*; Mills, *Power Elite*. The "military-industrial complex" as used here refers to the private and public interests surrounding the U.S. military. This article obviously focuses on the issue of employment within the military industrial complex.

2. Bacevich, *American Empire*; Johnson, *The Sorrows of Empire*.

3. Friedberg, *In the Shadow of the Garrison State*.

4. Hogan, *A Cross of Iron*.

5. Lichtenstein, *Labor's War at Home*, 4-5.

6. Wigderson, "The Wages of Anti-Communism," 226.

7. Fraser, *Labor Will Rule*, 452, 256-458. On both Hillman's plan and the antilabor bias in the military see Koistinen, *The Hammer and the Sword*, 128-239, 336.

8. Wehrle, "Guns and Butter," 730-748; Brinkley, *End of Reform*, 227-264.

9. As quoted in Waddell, *The War Against the New Deal*, 158.

10. On the nonmarket nature of the military economy see Peck and Scherer, *The Weapons Acquisitions Process*, 55-66, and Noble, *Forces of Production*, 332-335.

11. Zieger, *The CIO*, 294. As Robert Zieger argues that the CIO, at least, had plans that extended beyond a mere voice in policy making: "CIO leaders hoped to translate

their support for war into a partnership in the management of the economy upon which the military effort rested."

12. Minutes of Defense Manpower Committee Meeting, December 14, 1950, Interdepartmental Committee on Defense Manpower and National Management-Labor Policy, 1950-1951, box 1, General Records of the Labor Department.

13. "Confidential Minutes of Meeting 2," December 27, 1950. Interdepartmental Committee on Defense Manpower and National Management-Labor Policy, 1950-1951, box 1, General Records of the Labor Department.

14. "Memoranda to Management-Labor Policy Committee," January 25, 1951. Interdepartmental Committee on Defense Manpower and National Management-Labor Policy, 1950-1951, box 1, General Records of the Labor Department.

15. Minutes of Committee on Defense Manpower and National Management-Labor Policy, February 13, 1951. Interdepartmental Committee on Defense Manpower and National Management-Labor Policy, 1950-1951, General Records of the Labor Department.

16. ULPC Statement, February 28, 1951, NPA, Labor Participation in Production for Defense, appendix E. My discussion of defense spending and labor during the Korean War is based largely on two unpublished histories of the activities of the NPA produced by the agency's Office of Labor in 1953: Labor Participation in Production for Defense: A History of the Office of Labor, and Defense Manpower 4 and the History of the Surplus Manpower Committee. Both reports contain a narrative history of NPA Office of Labor activities and appendices of documents relating to NPA work. Ted Silvey, one of the authors of the reports, deposited both histories in the AFL-CIO Library, now located at the George Meany Memorial Center for Labor Studies in Silver Spring, Maryland.

17. Stieber, "Labor's Walkout," 239-253.

18. NPA, Labor Participation in Production for Defense, 3.

19. Knight and Wayne Morgan, "Unemployment and Distress in Belmont County and Lower Jefferson County," November 8, 1951, Defense Manpower Policy #4.

20. General Marshall to the Secretaries of Army, Navy and Air Force, December 18, 1950. Defense Manpower Policy #4 Committee [Appendix 2].

21. Lindsay C. Warren to Charles Wilson, January 14, 1952, Defense Manpower Policy 4.

22. Zieger, 299. Robert Zieger argues that despite the success of the walkout, organized labor was "still locked-out of major decision-making forums." But the

adoption of DMP4, which Jacob Potofsky had identified as a key ideal in the mobilization effort, did represent a major achievement for labor.

23. Defense Manpower Policy 4, 16.

24. Defense Manpower Policy 4, 14.

25. New York Times, March 7, 1952.

26. Ibid; 42-43.

27. John Herling's Labor Letter, February 9, 1952.

28. "Important Actions Affecting Textile Procurement Under DMP4 as of March 10, 1953," Labor Participation in Defense Production, Appendix U4.

29. Defense Manpower Policy 4, 30-31.

30. Ibid; 38.

31. "Important Actions Affecting Textile Procurement Under DMP4 As of March 10, 1954," Labor Participation in Defense Production, Appendix U4.

32. Memorandum from O. A. Knight, February 20, 1952, Appendix G. Labor Participation in Production for Defense.

33. Morgan, "Eisenhower and the Balanced Budget," 122. Morgan writes, "[a]t best Eisenhower was a passive and half-hearted Keynesian." Fearful of inflation and deeply committed to a balanced budget, Eisenhower also sought to limit defense spending. On these issues see Morgan, 123 and Stebenne, Arthur Goldberg, 155.

34. Washington Post, October 22, 1952.

35. New York Times, August 27, 1953.

36. New York Times, February 2, 1953.

37. Eisenhower, Public Papers, 1953, 861.

38. New York Times, December 31, 1953.

39. New York Times, December 30, 1953. On southern opposition to DMP4 and the transforming impact of defense spending on the South see Schulman, From Cotton Belt to Sunbelt, 139-73.

40. Eisenhower, Public Papers, 1954, 51.

41. The New York Times, May 26, 1954.

42. Despite the Eisenhower administration's resistance to broad policies directing defense spending to distressed areas, the AFL-CIO continued to lobby the Defense Department, often successfully, on behalf of worker interests in the defense industry. George Riley to Jack Curran, October 28, 1957, 13/40, AFL-CIO Department of Legislation. The AFL-CIO lobbied, for instance, on behalf of defense contractors in the Suffolk-Nassau area of Long Island who were upset by Secretary of Defense Wilson's policy of placing procurement orders on a month-to-month rather than long-term basis. George Riley to Andrew Biemiller, June 12, 1958, 13/40, AFL-CIO Department of Legislation. In mid-1958, the AFL-CIO arranged a meeting between procurement officers at the Pentagon and union representatives from the Blaw-Knox iron casting company from East Chicago, Indiana. The union members successfully used the meeting to plead for subcontracting work for their plant. For similar labor efforts during the Kennedy administration see Cook, *The Warfare State*, 178-9.

43. The New York Times, March 15, 1958.

44. "Statement of the AFL-CIO General Board," April 28, 1958, 1/5, Stanley Ruttenberg Papers.

45. Transcript of George Meany speech on NBC radio, January 8, 1958, 60/1, Meany Papers.

46. AFL-CIO Press Release, "Statement of the Executive Council: Defense and Economic Growth," February 9, 1958.

47. Stein, *The Fiscal Revolution*, 320.

48. Sloan, *Eisenhower and the Management of Prosperity*, 122.

49. "Balanced Economic Growth and Full Employment" draft of Walter Reuther statement before Joint Economic Committee, October 30, 1959, 2/12, Ruttenberg Papers.

50. Vatter, *The U.S. Economy in the 1950s*, 24-26.

51. In its original 1955 version, the Douglas bill included language directing defense and government procurement to distressed areas. Douglas, however, removed the provisions at the vehement insistence of Senator William Fulbright.

52. "Current Statistical Information Affecting Building Trades AFL-CIO and Related Organization," March 17, 1961, 7/7, Schnitzler Papers.

53. C. J. Haggerty to State and Local Building and Construction Trades Councils, July 6, 1960, 7/7, Schnitzler Papers, GMMA. Michael Smith to William P. Durkee, November 1, 1962, 7/8, Schnitzler Papers.

54. George Meany to Sam Rayburn, January 9, 1961, Office of the President, Copy Books. Also see "Report of the AFL-CIO Economic Policy Committee Submitted to the Executive Council," February 23, 1961, in Fink, ed. AFL-CIO Executive Council Statements and Reports, 759.

55. See Levitan, Federal Aid to Depressed Areas for a history of the Area Redevelopment Act.

56. Kennedy to Secretary of Defense, Secretary of Labor, Administrator General Services Administration, February 2, 1961, Procurement Policy Branch, General Correspondence, 1961, Office of the Quartermaster General. In issuing his directive, Kennedy pointed to previous problems with such policies: "Although for a number of years there has been a government policy to provide assistance to those areas of the country suffering from chronic heavy labor surpluses, very little actually has been done in the way of channeling government procurement contracts to those areas. Perhaps the major reason for this is the ineffective machinery that has been set up to accomplish this objective."

57. Memorandum from Major General and Quarter Master General A. T. McNamara, 5-2-61, Procurement Policy Branch, General Correspondence, 1961, box 3, Office of Quartermaster General.

58. R. V. Lee, Major General, USA, "Subject: Procurement in Labor Surplus Areas," 1-19-61, Procurement Policy Branch, General Correspondence, 1961, box 3, Office of Quartermaster General.

59. New York Times, January 5, 1962.

60. "Statement of the AFL-CIO Executive Council on the Economy," February 23, 1962, in Fink, AFL-CIO Executive Council Statements, 910.

61. New York Times, July 1, 1962.

62. For a sense of the impact of Eisenhower's farewell address see Patterson, "The Legacy of President Eisenhower," 217-36. In spite of its support for defense spending, the AFL-CIO, like Eisenhower, recognized its limitations and problems. See AFL-CIO News, August 10, 1963, where AFL-CIO News columnist Edward P. Morgan praised Seymour Melman's view that the defense budget could be cut by \$22 billion without harming the economy.

63. "News Conference of the Honorable Robert S. McNamara," July 11, 1963, 13/41, AFL-CIO Department of Legislation Nieburg, In the Name of Science, 343.

64. Gannon, Joseph D. Keenan, 138.

65. For examples of labor complaints concerning lack of representation see "Summary of the Labor Advisory Committee to the Office of Emergency Planning," September 20, 1961, RG 1, Micro 7, US Government Departments. Also see the comments of Machinist president P. L. Siemiller to "The Advanced Planning Briefing for the Department of Defense," AFL-CIO News, April 16, 1966.

66. Nieburg, *In the Name of Science*, 362.

67. *Ibid*; 356.

68. Nathaniel Goldfinger memorandum for Marvin, "Resolution on Cutbacks and Shifts in Govt. Contracting," July 14, 1964, 13/41, Department of Legislation.

69. Duscha, "Arms and the Big Money Men," 39-47. Duscha notes that "McNamara and his coterie of civilian aides have been the only force in Washington trying too throttle the military-industrial-complex." Other works lauding McNamara's efforts include Nieburg, *In the Name of Science*, and Kaufmann, *The McNamara Strategy*.

70. Nieburg, 356.

71. Meany to Fred Rhodes, December 17, 1963, Office of the President.

72. Goldfinger memorandum for Marvin, "Resolution on Cutbacks and Shifts in Govt. Contracting," July 14, 1964, 13/41, Department of Legislation.

73. William Schnitzler to "Advanced Planning Briefing for Industry conducted jointly by the DOD and National Security Industrial Association," April 29, 1965, 8/8, Schnitzler Papers. Statement of the AFL-CIO Executive Council on Awarding of Defense Department Contracts, May 6, 1966. The AFL-CIO was further infuriated by McNamara's granting of \$24 million in procurement contracts to the antilabor textile firm J.P. Stevens & Co.

74. Berkley, "The Myth of War Profiteering," 15-18; Moise, "JFK and the Myth of Withdrawal," 162-164.

75. By the mid-1960s, public policy makers shifted their concerns away from class issues to focus increasingly on race. This development, no doubt, also contributed to the decline of DMP4. Paul R. Ignatius to Willard Wirtz, June 28, 1967, box 434, RG 174, General Records of the Department of Labor, Secretary of Labor. Assistant Secretary of Labor Paul Ignatius noted in 1967 that there was increasing interest in the "possibility of using federal procurement contracts to expand job opportunities for the disadvantaged." He noted that some changes would have to be made in DMP4 to allow for the addressing of such concerns. "News from the Department of



Labor," December 6, 1968. In the final months of the Johnson administration, the Department of Labor joined other agencies in sponsoring Project Value, a program in which five-thousand six hundred "hard-core jobless youths and adults" were given training and jobs in Defense Department facilities in forty-one metro areas. The program focused primarily on race. For instance, organizers of the Salt Lake City-Ogden Project Value program trained and employed only Native American youth. The program appears to have died with the end of the Johnson administration.

76. Foner, *American Labor and the Indochinese War*, 20-22. Foner argues, "Guns brought butter to many hitherto unemployed or underemployed and lulled them into support of, or at least indifference to the war."

77. Rice's "lackey" comment as quoted by Ellen Schrecker, "The Legacy of Charles Owen Rice," 66.