

March 25, 1934

[Settlement of Auto Strike]

FDR Speech File

THE WHITE HOUSE  
WASHINGTON

March 26, 1934

MISS LE HAND:

This is the original of the  
President's statement given to the press Sunday  
evening, March 25th, announcing settlement of the  
strike in the automobile industry.

STEPHEN EARLY

For the Press

Immediate Release

March 25, 1934

STATEMENT BY THE PRESIDENT.

~~March 25, 1934~~

# After many days of conferring in regard to the principles of employment in the automobile industry the following statement covers the fundamentals:

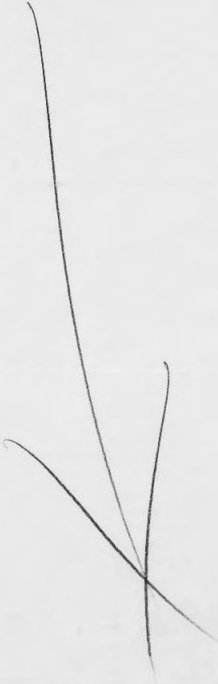
1. Reduced to plain language Section 7a of N. I. R. A. means - -
  - (a) Employees have the right to organize into a group or groups.
  - (b) When such group or groups are organized they can choose representatives by free choice and such representatives must be received collectively and thereby seek to straighten out disputes and improve conditions of employment.
  - (c) Discrimination against employees because of their labor affiliations, or for any other unfair or unjust reason is barred.

A settlement and statement of procedure and principles is appended hereto.

It has been offered by me to, and has been accepted by, the representatives of the employees and the employers. It lives up to the principles of collective bargaining. I hope and believe that it opens up a chance for a square deal and fair treatment. It gives promise of sound industrial relations. It provides further for a Board of three of which the Chairman will as a neutral represent the government.

2

In actual practice details and machinery will of course have to be worked out on the basis of common sense and justice, but the big point is that <sup>this broad purpose</sup> ~~it~~ can develop with a tribunal which can handle practically every problem in an equitable way.



3

~~PROPOSED~~ PRINCIPLES OF SETTLEMENT.

Settlement of the threatened automobile strike is based on the following principles.

1. The employers agree to bargain collectively with the freely chosen representatives of groups and not to discriminate in any way against any employee on the ground of his union labor affiliations.

2. If there be more than one group each bargaining committee shall have total membership pro rata to the number of men each member represents.

3. NRA to set up within twenty-four hours a board, responsible to the President of the United States, to sit in Detroit to pass on all questions of representation, discharge and discrimination. Decision of the Board shall be final and binding on employer and employees. Such a board to have access to all payrolls and to all lists of claimed employee representation and such board will be composed of,

- (a) A labor representative
- (b) An industry representative
- (c) A neutral

In cases where no lists of employees claiming to be represented have been disclosed to the employer, there shall be no basis for a claim of discrimination, ~~and~~ no such disclosure in a particular case shall be made without specific direction of the President.

4. The government makes it clear that it favors no particular union or particular form of employee organization or representation. The government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint or intimidation from any source.

(4)

5. The industry understands that in reduction or increases of force, such human relationships as married men with families shall come first and then seniority, individual skill and efficient service. After these factors have been considered no greater proportion of outside union employees similarly situated shall be laid off <sup>a</sup> than of other employees. By outside union employees is understood a laid-up member in good standing, or any <sup>one</sup> legally obligated to pay up ~~no~~ <sup>10</sup>.  
An appeal shall lie in case of dispute on principles of paragraph 5 to the Board of three

5

In all the hectic experience of N. R. A. I have not seen more earnest and patriotic devotion than has been shown by both employers and employees in the Automotive Industry. They sat night and day for nearly two weeks without a single faltering or impatience. The result is one of the most encouraging incidents of the Recovery program. It is a complete answer to those critics who have asserted that managers and employees cannot cooperate for the public good without domination by selfish interest.

In the settlement ~~which the President has suggested~~, there is a frame-work for a new structure of industrial relations - a new basis of understanding between employers and employees. I would like you to know that in the settlement just reached in the automobile industry we have charted <sup>d</sup> a new course in social engineering in the United States. It is my hope that out of this will come a new realization of the opportunities of capital and labor not only to compose their differences at the conference table and to recognize their respective rights and responsibilities but also to establish a foundation on which they can cooperate in bettering the human relationships involved in any large industrial enterprise.

It is peculiarly fitting that this great step forward should be taken in an industry whose employers and employees have contributed so consistently and so substantially to the industrial and economic development of this country in the last quarter century. Having pioneered in mechanical invention to a point where the whole world marvels at the perfection and economy of American motor cars and their wide-spread ownership by our citizens in every walk of life, this industry has indicated now its willingness to undertake a pioneer effort in human engineering on a basis never before attempted.

In the settlement just accomplished, two outstanding advances have been achieved. In the first place we have set forth a basis on which, for the first time in any large industry, a more comprehensive, a more adequate and a more equitable system of industrial relations may be built than ever before. It is my hope that this system may ~~be~~ develop into a kind of works council in industry in which all groups of employees, whatever may be their choice of organization or form of representation, may participate in joint conferences with their employers. *and I am assured by the Secretary that such a system is also their goal & wish.*

In the second place, we have for the first time written into ~~an~~ an industrial settlement a definite rule for the equitable handling of reductions and increases of forces. It would be ideal ~~and we are working~~ toward that end if employment in all occupations could be more generally stabilized, but in the absence of that much desired situation, if we ~~could~~ <sup>can</sup> establish a formula which ~~would~~ give weight to the human factors as well as the economic, social and organizational factors in relieving the hardship of seasonal layoff, we shall have accomplished a great deal. My ~~view is that we have measurably done so in this settlement.~~ *& that of both Employers & Employees too.*

I deem it advisable to make clear that the Administration favors no particular employee organization or form of employee organization or representation. In the practical working out of the machinery for collective bargaining under the Recovery Act, employers and employees may equally enjoy the benefits which the Act is intended to confer upon both.

The law says men and women in industry must be accorded the right of free choice of representatives to bargain collectively and to organize for the purpose of exercising that right most effectively.

The law does not say what that organization shall be nor does it attempt limit the number or kinds of organization.



This is not a one-sided statute and organizations of employees seeking to exercise their representative rights cannot at the same time be unmindful of their responsibilities.

Industry's obligations are clearly set forth and its responsibilities are established. It is not too much to expect organizations of employees to observe the same ethical and moral responsibilities even though they are not specifically prescribed by the statute. Only in this way can industry and its workers go forward with a united front in their assault on depression and gain for both the desired benefits of continually better times.