

Mr. Thurston
Mr. Leonard

I think this is
enough to say in
reply to this former
letter

?

✓

OK RFA

Mr. Leonard:

Mr. Leonard:

*Dear you me
a way. RFL*

Here is a suggested draft of a

reply along the lines I think might be
useable.

K.B.W.

Kent

April 10, 1945.

Mr. Lewis Merrill, President,
United Office and Professional
Workers of America,
1860 Broadway,
New York 23, New York.

Dear Mr. Merrill:

As Mr. Eccles is temporarily absent on a visit in the West, I wish to acknowledge receipt of your letter in regard to the problem of the white collar and professional worker.

Mr. Eccles' views in connection with this general subject were set forth in an address before the National Industrial Conference Board in New York last November, and I enclose a copy for your information.

Sincerely yours,

Elliott Thurston,
Assistant to the Chairman.

Enclosure

ET:b

Form F. R. 511

TO Mr. Leonard

FROM Mr. Thurston

REMARKS:

4/5/45

Could you not handle the attached
yourself on behalf of the Chairman?

A handwritten signature in black ink, appearing to be 'E. T. Thurston', written over a horizontal line. The signature is stylized and slanted upwards to the right.

CHAIRMAN'S OFFICE

April 9, 1945

Mr. Lewis Merrill, President,
United Office and Professional Workers of America,
1860 Broadway,
New York 23, New York.

Dear Mr. Merrill:

Chairman Eccles has been away from Washington for two weeks and in his absence your letter was referred to me for reply.

Mr. Eccles is on record as favoring higher wages for the great mass of relatively low paid workers. This group unquestionably includes a large number of white collar workers, many of whom have failed to share proportionately in the general increase in earnings during the war. It is Chairman Eccles' view, if we are to maintain the level of national income necessary for full employment after the war, markets for business must be large and consumer income high. Wages and salaries constitute such a large proportion of total income, that unless average earnings of workers are high enough to purchase a fair share of the goods and services produced, markets and employment will be reduced.

Mr. Eccles is also on record as strongly favoring continuing economic stabilization during the remainder of the war and as long thereafter as is necessary to prevent rising prices from dissipating the people's savings and hindering the attainment of full employment after the war. Proper timing of wage increases is, therefore, critically important and neither the nation nor the workers will be served if wage increases are too sharp or occur at such a time as to result in inflation. It is desirable to eliminate inequities and to improve the general structure of wages whenever and to whatever extent possible within the limits of the economic stabilization program but I am sure Mr. Eccles would disapprove of increases that resulted in further material advances in prices and living costs.

I should prefer that this letter not be used publicly as a statement of Mr. Eccles' views since he may not wish to accept responsibility for my statement of his position. If you care to quote him directly, I suggest you refer to his speech before the National Industrial Conference Board which is published in the Federal Reserve Bulletin for December, 1944. In this speech, Mr. Eccles outlines his views more clearly and fully than is feasible in a letter.

Sincerely yours,

Elliott Thurston,
Assistant to the Chairman

United Office and Professional Workers of America

LEWIS MERRILL, President • LEON W. BERNEY, Vice-President • JOSEPH H. LEVY, Vice-President
JOHN J. STANLEY, Secretary-Treasurer (on leave to U. S. Army) • RICHARD LEWIS, Acting Secretary-Treasurer

Affiliated with the C. I. O.

1 8 6 0 B R O A D W A Y

C i r c l e 7 - 4 3 9 5

N E W Y O R K 2 3, N. Y.

Mr. Marriner S. Eccles, Chairman
Board of Governors, Federal Reserve System
Federal Reserve Building
Washington, D. C.

Dear Sir:

There has been an awful lot of talk about the plight of the white collar and professional worker but no one has done anything about it. Meanwhile, the depressed status of the salaried employees constitutes a growing menace to our nation's postwar prosperity program and unnecessarily slows us in the execution of our wartime tasks.

We in the United Office and Professional Workers of America-CIO have come to the conclusion that the problem must be dealt with on a non-partisan basis. Therefore, without requiring employees to take up membership in our union and without requiring employers to enter into contract with us, we are making available the not inconsiderable facilities and experience of this organization to all employers and employees for the purpose of securing salary increases in accordance with government regulations. The widespread belief that salaries are frozen is not sustained by the facts. There are some eighteen different methods of securing increases for salaried employees under the decisions of the National War Labor Board. Where it is desirable the mechanism for negotiating salary increases can be a one-purpose employee's representation committee provided for in the National Labor Relations Act.

We are undertaking to provide this service in the belief that continued misuse of white collar labor adds to the difficulties before management and that actually proper compensation of white collar workers makes possible considerable saving in administrative costs. Costs can be stabilized and at the same time a salary structure can be provided to sustain maximum efficiency, eliminating the catastrophic turnover characteristic of white collar employment at this time. Salaries therefore, can be raised without threatening existing profit levels. If the course we urge is followed the national well-being will have been served and employers and employees alike will be the gainer.

On April 9th in the 200 communities in which our union is located, a campaign will be initiated by us drawing attention to our proposal and urging a concerted effort to deal with it at the community level. We are certain that our campaign will secure wide support.

It would be extremely helpful to us to have the benefit of your personal reaction to our proposal. We will not make any public use of your comments without your express permission. The economic and political stability that would accrue to the nation if the problem of the white collar workers were rationally and promptly handled is apparent. We do hope you agree that the time has arrived to do something about it.

Sincerely yours



President

April 9, 1945

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New York 23, New York.

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Elliott Thurston,
Assistant to the Chairman