

# **Fred Lee, the Industrial Workers of the World, and Heterodox Economics**

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I first met Fred (or Fritz) Lee in the flesh in 1985 at a Post Keynesian conference in Tennessee. At a conference dinner, we found ourselves seated next to each other and the Industrial Workers of the World somehow entered the conversation. For the next 15 minutes or so, all we talked about was the IWW, Big Bill Haywood, Mother Jones, Eugene V. Debs, Joe Hill, and other notables associated with that organization.

Fred had joined the IWW in that year, and maintained his membership until his untimely death in 2014. He was not just a “mere” member, content to demonstrate his loyalty by paying dues, but, to the extent possible in a now-small and rather ineffectual organization, did his best to keep the memory of the IWW alive. There are a number of people in the audience who were cajoled on a yearly basis to purchase copies of the IWW calendar. The latest features a commemoration of Joe Hill—the “Wobbly Bard.”

Three anecdotes follow, and then I’ll turn to the main theme of this discussion.

In 1988, then Chair of the General Executive Board of the IWW, Fred retrieved the ashes of Joe Hill from the National Archives in Washington, D.C. These had been seized by the U.S. Post Office during the infamous “Red Scare” instituted by the U.S. government toward the end of WWI. Hill’s ashes were then distributed to the various IWW locals still in existence.

In 2005, Fred organized at UMKC a small conference to celebrate the 100<sup>th</sup> anniversary of the founding of the IWW—and this is the only such conference I’m aware of. As conferences go, this was a piddling affair and papers presented would hardly advance one’s standing in traditional economics departments. Yet, notable members of the heterodox community were in attendance, several travelling from Australia, England, and lengthy distances in the U.S. Curious, I asked a few, “why?” Why undertake the journey and expense of coming to Kansas City for such an event? To the latter, the answer was, “we owe it to Fred.” The “Heterodox Economics Newsletter” had been organized by Fred the previous year, and people were so grateful for this sole means through which economists of

our persuasion could communicate in a structured fashion that they “owed it to Fred” to participate.

On May 2, Fred’s ashes were scattered at the Haymarket Martyr’s Monument in Forest Park, Chicago. Here, his remains join many others who have fought the good fight—and have lost: SO FAR!

Now, what does the IWW have to do with heterodox economics, and Fred’s place in this development?

In addition to his work in basically every heterodox association, Fred was the main force in the formation of the Association for Heterodox Economics. And it is in this organization that we see a connection to the IWW.

The IWW was structured along the lines of the “Chicago” form of organizing. No single orientation was demanded of its members, but all members had to adhere to a general position that the main objective of the organization was to emancipate labor from “wage slavery” through the elimination of capitalism. Hence, the IWW enlisted Marxists, anarchists, radical trade unionists, etc. in the formation of industrial (rather than craft) unions in working toward that objective. All were loosely socialists or adherents of a “cooperative commonwealth,” but no specific political program was put forward as the only “correct” path to follow. The main point was to bring the disaffected, the discontented, the outcasts together to work for social change.

The AHE has adopted this approach in attempting to fulfill its mission. It does not restrict its membership to those hewing to a Marxist, institutionalist, post Keynesian, Sraffian or any other heterodox theoretical orientation, but welcomes all—with the exception, of course, of straight-arrow neoclassical economists (though even those adhering to a neoclassical line are welcome *if* they are willing to engage in pluralist discussion and debate, and to learn from heterodoxy). That is, the AHE, through open discussion and debate seeks to develop something of a synthetic approach to heterodoxy, one that will advance this program through an ongoing dialogue among non-mainstream economists. As long as the main objective of emancipating economists (and other social scientists) from the intellectual slavery of conventional economics is accepted, and the long-run goal of working for a society in which social provisioning is the main objective, “all are welcome.” After all, we are the disaffected, the discontented, the outcasts of the economics order. It might be noted that it was difficult to categorize Fred himself. On some days, he was mainly a Marxist; on others, an institutionalist, a post Keynesian, a Sraffian. (I’ve even accused him of being a quasi-Austrian!)

Let us return to the IWW and its “heterodox” credentials. If one turns to “official” IWW publications, one finds a close affinity to one Thorstein Veblen. Now, if anyone is a registered, card-carrying heterodox economist (or social scientist) it is Veblen.

The Industrial Workers of the World (I.W.W.), “a vanguard of dissent,” was organized in 1905, and Veblen had a very close relationship with this radical organization. The I.W.W.

emerged as the most militant, radical, anti-capitalist organization in the United States, particularly as the “official” Socialist Party had become increasingly conservative. In 1918, Veblen was hired by the Food Administration to investigate agricultural conditions in western U.S. In his memorandum to the Administration, “Farm Labor and the I.W.W.,” Veblen argued that, contrary to the standard propaganda of the day asserting that the I.W.W. was responsible for shortfalls in agricultural output, what the members of the I.W.W. wanted was simply good working conditions at decent pay, and an end to the harassment meted out to them by government officials, “State Councils of Defense,” “Security Leagues,” (and) “Committees of Public Safety” (Veblen, “Farm Labor and the I.W.W.,” in Leon Ardroni (ed.), *Essays in Our Changing Order*, New York: The Viking Press, [1932] 1954, pp. 319-36) All these associations represented instruments of terror, aided and abetted by the U.S. government in smashing radical organizations in the WWI and post-war period.

The relationship between Veblen and the I.W.W. goes further than his evidenced support for the organization in the above memorandum. The I.W.W. itself was very sympathetic to Veblen’s theoretical analysis and call for a “reconstructed” social order. In an official I.W.W. publication, “The General Strike,” Ralph Chaplin specifically uses Veblenian language (e.g., “the Vested Interests”) in framing the I.W.W. position, and writes:

It looks like a far cry from Bill Haywood to Thorsten (sic) Veblen, yet the non-conformist labor leader and suave and erudite professor meet on common ground in advocating the General Strike.

Not only is it true that Professor Veblen is in perfect accord with the industrial philosophy, program and methods of the I.W.W. in regard to the General Strike, but the preponderance of competent technological opinion of America favors that viewpoint also. The advanced technician ... sees in it the quickest and most dependable method of keeping the vital process of production and transportation unimpaired during the impending breakdown of the system of production for profit (Chaplin, Ralph, *The General Strike*.

<http://www.iww.org/history/library/Chaplin/TheGeneralStrike>. Accessed 3/25/2014, [1933] 1985.)

Further, during the wartime and post-war hysteria mounted by the U.S. government, particularly in the establishment of Justice Department’s creation of the General Intelligence Division (the “Radical Division” in common parlance), Veblen came under investigation. An initial investigation was launched in response to the publication of *The Nature of Peace*, strangely because of its supposed pro-German sympathies. (His *Imperial Germany and the Industrial Revolution* was sometimes coupled with the former book.) While such a charge was silly, to say the least, what was not silly were subsequent charges that he was closely allied to the I.W.W. And this organization had been singled out for a vicious attack by government forces as it was comprised of “undesirable citizens.” Indeed, for all intents and purposes, the

government destroyed this organization in the immediate post-war period. This was the first “red scare.” Further charges made by private citizens that were duly investigated claimed that Veblen was a Bolshevik and was acquainted with Lenin and Trotsky. (See Bartley, Sylvia, “Intellect Surveilled: Thorstein Veblen and the Organs of State Security,” *Elegant Technology*. <http://eleganttechnology.com/TVbarSI.html>. Accessed 1/27/2014. 1996 for information on the available government files on Veblen.) While these investigations never reached fruition, they do indicate that Veblen had a strong enough relationship with the I.W.W. and was sufficiently sympathetic to Bolshevism to warrant the attention of the state apparatus.

My last point on this relationship is that when one hundred I.W.W. members were prosecuted in Chicago on charges of obstructing the military draft and hampering the war effort, Veblen signed an appeal soliciting funds for their defense. (Dorfman, [1934] 1972, p.386) Not too much should be made of this, as it was also signed by others—John Dewey among them—who had no affinity for the organization.

A few words must be said regarding the inclusion of (some of) the engineers in the “common man” category. In much of his work, Veblen demarcated the social order in a division between the common man—workers in the main—and the “leisure class” or “absentee owners”—essentially capitalists and their hired lackeys—one might include neoclassical economists in this set. In his *Engineers and the Price System* (1921), Veblen included engineers in his “common man” classification. I do not here intend to become involved in the sometimes rancorous debate among institutionalists on the matter, but merely point out three issues.

Initially, note that the I.W.W.—clearly an organization of the common man—had no concerns in including the “advanced technician” in their ranks. Presumably, “advanced” refers to their progressive political orientation. So, *some* engineers were seen as sympathetic to the objectives of the I.W.W.

Second, the actual training and work of engineers is directed toward industry or the machine process. This *can* orient them toward the same objectives of workers in the industrial enterprises—“serviceability” or the social provisioning process. In the U.S., at least, in the last part of the nineteenth century, training programs in leading schools of engineering (M.I.T., for instance) increasingly were geared toward cost/profit objectives as primary in order to minimize exposure to liberal arts programs that might promote interest in the common good. (See Noble, *America By Design* 1977) But, what is true in the U.S. is not necessarily true in general (though this is an issue that can only be addressed empirically). It does partially explain, though, why so many C.E.O.’s come from an engineering background, particularly if they marry their engineering training to degrees in business administration.

Third, in Veblen’s period, there *were* movements by engineers to break with the pecuniary interests of absentee owners and focus their work on the machine process (or industry). One such group was the “New Machine,” founded by Henry Gantt, an engineer influenced by Veblen and friendly with Leon Ardzrooni, a student of Veblen’s who edited the collection of Veblen’s papers, *Essays in Our Changing Order*. Gantt wrote: “We can no longer follow the lead of those who have axes to grind, disregarding economic laws; but must accord leadership to him who knows what to do and how to do it for the benefit of the community. This man is the engineer” (quoted in Spindler, *Veblen and Modern America*:

*Revolutionary Iconoclast* 2002, p.69). Morris Cooke was another engineer who associated with Veblen. As vice-president of the American Society for Mechanical Engineers, Cooke led a faction of this organization dedicated to reforming the society and severing its ties to business. By 1919, this association did break its connections to big business, and developed an ethical code which specified that the “first professional obligation of the engineer was to the standards of his profession, not to his employer” (Ibid., p.70).

So, while many (most?) engineers of Veblen’s day were politically conservative and primarily oriented toward pecuniary interests, others were progressive and oriented toward the machine process. And it is this segment that Veblen included in the ranks of “the common man.” Is this not equivalent to those “technicians” of heterodox economics who strive to make this a better place in which to live?

Now, Fred was not a student of Veblen. Indeed, at some point I finally got him to read Veblen’s *Theory of Business Enterprise*. Fred remarked, “there’s nothing new here. It’s all been said.” I reminded him that Veblen wrote the book in 1904, and one of Fred’s heroes, Gardiner Means, drew from Veblen’s work in his own approach to administered prices. That is, the book was written early in the century before all the work on administered prices that followed World War I. Fred said in so many words, “oh, yeah.” But this doesn’t really matter. What does matter is that Fred was in accord with I.W.W. principles, and these carried over into his life’s work in developing a viable alternative to conventional economics, his attention to the development of students who would carry on this duty, but, more importantly, to his commitment to making this a better world for the majority of the population—those who had an actual interest in the social provisioning process and in a viable, decent, form of social organization in which people could actually become human beings. And that is not the world of a capitalist order.

I close with a quote from Fred, October 2, 2014, shortly before he died:

The 2015 Solidarity Forever Labor History Calendar is now available. It features Joe Hill. If you do not know who Joe Hill is, I suggest you do a little bit of work and find out or better yet hum to yourself, “Would you have freedom from wage slavery”.... You either walk the walk or you do not; and my career...has indeed walked the walk to ensure that heterodox programs exist and heterodox economists have jobs. And this has meant significant hardships for students and colleagues...to critically study the mainstream theory that calls into question the argument that supports the 1%. And it also means that you have to go beyond the critical and develop an alternative that draws upon the different heterodox approaches.... Do something—give a damn!