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HISTORY OF THE LABOR MOVEMENT

27 January 1949

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COLONEL BEGGS: There can scarcely be anyone in this day and age who is unaware that labor unions affect the daily life of each and everyone of us. There are few of us, however, who understand how they came to play so important a role in our national and economic life.

As Labor Editor of the Research Institute of America, and from his long experience in labor relations, Mr. Aaron Levenstein is well qualified to speak to us this morning on the history of the labor movement.

Mr. Levenstein.

MR. LEVENSTEIN: I am a little bit disturbed about the topic I have been assigned. I am supposed to give you in thirty to forty minutes the history of the labor movement, covering several centuries. I know you must be familiar with the theologian who was asked to sum up, while standing on one foot, the whole substance of the Bible. He found it very easy. He simply said, "Love thy neighbor as thyself." I have to admit at the outset that I can't sum up the whole history of the labor movement in thirty to forty minutes, even though I am standing on two feet. I do know that the old theologian's summary of the Bible is hardly a resumé of labor's history.

You know, in the long series of labor conflicts that have taken place in our history and in the history of the world, there have been few, if any, who have shown a capacity to love their neighbors as they love themselves. And even though I am going to speak dispassionately about what has happened in labor's history, I have to confess that after examining the incidents that have taken place I have been led, on occasion, to abandon that basic virtue. There have even been occasions when I have looked forward with eagerness to what I might find on the obituary page of the newspaper--and very often with a great deal of disappointment!

In talking to you about the history of the labor movement, there are two possible approaches that I might make. On the one hand, I might begin by giving you a series of episodes and events, the conflicts between individual unions and individual employers. But that approach is not only impossible in the space of thirty to forty minutes, it is also undesirable. I think it would be of greater value to follow a second course; that is, to spend our time in analyzing the conclusions and observations that emerge after a critical perusal of the events. Not the episodes and the incidents but the conclusions to be drawn from them will be my subject today.

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This is not a story of ideal social development. It is a story of violence--in many cases physical violence; in all cases, economic violence. It is a story of conflict between two basic and important social groups within our community.

I think it will be easier to understand the development that has taken place if we divide it into three broad phases. First, we ought to examine the origins, the birth of the movement. Secondly, we ought to see what happened to it in its early development; and, thirdly, observe this movement in its present stage--a point that may or may not yet be maturity, but a point that is certainly beyond the stage of adolescence.

First of all, then, we have the birth or origin of this movement. I think it is fair to say that its birth was illegal but not illegitimate. This labor movement came into our social world with a cloud of illegality hanging over it from generations that went before.

The early American law that related to labor unionism was a relic from British law. The first relevant statute that I know of in British history was the Statute of Labourers, passed in the fourteenth century after the bubonic plague had decimated the population. The ranks of the working people had been so reduced that there was a great shortage of labor.

Under those circumstances the working people had a seller's market. By combining, they were able to exact higher wages. A law was therefore enacted, making it a crime for workers to combine. It became an illegal conspiracy to combine for the purpose of seeking higher wages or improving working conditions. Not only the workers who participated in the combination but the employers, the masters, who were willing to meet their terms, were subject to criminal penalties and answerable to the law.

That was the origin. Born in this atmosphere of illegality, the labor movement that we know today nevertheless survived. I said that it was legitimate, however, even though illegal. It was legitimate because our social and economic pressures made it natural for such a movement to take place. It was legitimate because whenever groups have common interests, they inevitably turn to common action. The unity of interest makes for the existence of a medium through which it can be furthered. That was why it was natural for the labor unions to make their appearance and to remain on the social scene despite the efforts of law to erase them. In the last analysis, no law can erase what is socially inevitable.

We have seen that in still another area. Fairly early in the development of our great industrial civilization in the United States the antitrust laws were enacted. But the whole atmosphere, the whole compulsion for expansion of the American economy, was not consistent

with the antitrust laws. However undesirable it might have been from an ethical standpoint, the social and economic pressures led to the development of large business combinations despite the provisions of law.

And so, too, with the unions. Despite the law, there was a basic compulsion in the economic and social environment to which men responded by organizing unions. The unions were not the creature of a single mind. The unions came about as a result of individuals, here and there, recognizing their common interests and then linking themselves together. Ultimately, these isolated groups, in different industries, in different parts of the country, decided that since their interests were held in common their various organizations ought to band together in one centralized organization. Ultimately, this led to the organization of such movements as the Knights of Labor, the American Federation of Labor, and the CIO. Those were the origins.

What happened in the early development of this movement? One of the basic facts in the economic and social environment in which the American labor movement developed was the existence of our frontier. That factor made a big difference. It is an interesting question to ask why the labor movement in the United States developed at such a slow pace in its formative years. In other countries labor organization forged ahead; here in the United States it lagged behind. The reason was that here in the United States we had a frontier.

Contrast our development with that of Great Britain. In England, fairly early, you had a drawing of economic lines. A man who was born into the family of a worker realized that he would never be a "gentleman"; that he would never cross class lines. Here in the United States the existence of our frontier postponed for a long time the congealing of that feeling in individuals. If conditions were bad in the East, there was always space out West. You could go out there and start a new venture. It was an Englishman, James Bryce, who recognized this distinction and pointed out that the real test of our American democracy would come when the frontier no longer existed.

Now the physical frontier ceased to exist in America, beginning about 1900. But there is a cultural lag--we don't become aware of major social changes until some time after they have occurred.

When the depression of the thirties broke upon us, we began to learn that there was no new frontier to which we could escape from the depressed local conditions. That brought about the same kind of reaction that you had among the British workers. Of course, some individuals can cross the line from poverty to wealth, but the attitude has become: "By and large we are workers, and our destiny is linked up with the welfare of other workers." Once that changed outlook developed, it became desirable for the worker, acting in his own self-interest, to join hands with other workers.

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So long as an individual thought, "I may be able to build my own business. I may be able to become a millionaire. John D. Rockefeller started out on a shoestring"--as long as he thought that, there was no reason to join a union. But once a man accepts the idea that his status is permanently that of a worker, he says, "I want to join a union."

It was at this point in American history that unionism really began to develop. But, I must add, it developed with certain differences because, again, our atmosphere, our culture and environment were different from the rest of the world. Our unions developed on an individualistic basis, in keeping with our national identity. For instance, American unions--the international unions like the machinists, the automobile workers, the garment workers--still insist on maintaining their own autonomy. The American Federation of Labor and the CIO have only limited authority over the individual international unions. The International Ladies Garment Workers Union was in the AFL, then the CIO, then back in the AFL. Lewis' miners have been in the AFL, the CIO, then in the AFL again--and are now independent. This is the result of the American individualistic atmosphere.

Or take another example of this individualism, manifested in a phenomenon that is much more exaggerated among the American unions than you would find elsewhere. The jurisdictional disputes that frequently tear industries apart are the result of the individualistic, competitive spirit that still characterizes our unions, even though the concept of the union is one of cooperation rather than individual effort.

Or take still another factor into consideration. Because our unions sprang up in the atmosphere of American individualism, they were very suspicious of Government in their early years of development. They were opposed to Government action in any sphere related to their interests. That attitude is explained by the fact that in the early period of American unionism, the injunction was a weapon used by industry to get the Government to come into a labor-management dispute and exercise the power of the state in behalf of management. That fixed labor's attitude toward Government. But even in the area where the Government could be of help to labor, the unions were opposed to its intervention. Why? Well, take this very illuminating fact from American labor history.

As late as the thirties the American Federation of Labor was on record against unemployment insurance. That is a fact that we tend to overlook now because of the change which has since taken place. Originally, the unions reflected individualistic attitudes. After the depression, however, the unions turned to Government for assistance; they wanted legislation to help them meet their problems. So we began to get unemployment insurance and the various devices of social welfare coming through the state.

I think that change was an important one. It was important because it marked a new period not only in labor history but in our national history. Once the unions became aware of the fact that they needed more than their own power, new forces were launched in American history. You see, the trade unions originally had the idea that if there was a minimum-wage law, under which the Government would require industry to meet basic wage demands, the unions would lose their function. That was an old fear that was to be found in AFL thinking: "Why should a worker join the union if the Government is going to take care of wage conditions?"

That was one of the reasons that labor legislation was slow in coming, because labor itself was not pressing for it. But under the impact of the depression in the thirties, with the country confronted by many problems of great magnitude, labor found that it did not have enough resources, enough power on its own, to meet the problems of its rank and file. What could a union do about unemployment? What could a union do about relieving the economic distress of its members who had no jobs and who, incidentally, were paying no dues? The business cycle was beyond the reach of the unions. Consequently, they had to turn to a power that could, in some way, influence the operations of the business cycle.

Now we could spend a great deal of time discussing the rightness and wrongness of, and the economics involved in, the decisions made. I daresay that in any group of eight people you will find at least nine opinions on that subject. But putting aside the rightness and wrongness, looking over the development that has taken place with an eye to analyzing where we have been and what we have done--and, consequently, where we may be going--we find these facts:

In the early years of the depression, the economic theory of the Government was that we could lift ourselves out of the trough by increasing mass purchasing power. If we could get purchasing power into the hands of the people, they would begin to demand goods. And if they demanded goods--"demanded" in the economic sense, that is, backed up by purchasing power--then the wheels of industry would begin to turn again and jobs would become available once more.

Acting on that theory, the next question became, "How do you increase the purchasing power of the masses?" Well, one answer was to strengthen trade-unionism. The function of a union is to increase the purchasing power of its members. In a period when a large volume of purchasing power is desirable, strengthen the trade unions. And so we did it legislatively. There was the National Industrial Recovery Act, with its famous Section 7(a), which guaranteed the right of collective bargaining.

When the National Industrial Recovery Act passed out of the picture, it was followed by the Wagner Act. Again there was the machinery for increasing purchasing power by strengthening the worker's right to collective bargaining. What the Wagner Act did, in effect, was this: It said the workers are entitled to bargain collectively and have the right to select their representatives to deal with management. The law places management under a compulsion to bargain with the union. That was the basic objective of the Wagner Act.

It followed automatically that if we were going to require employers to bargain with the majority representative of the workers, we had to know who the majority representative was. So the law set up administrative machinery by means of which elections could be conducted, when necessary, to find out whether or not a given union represented a majority of the workers.

Once the idea of a free choice of bargaining representative was introduced, the law had to take the next step. If we are to have freely chosen representatives of the workers, there must be no coercion on the workers influencing their choice. Employers were therefore forbidden to bring pressure on the workers as they proceeded to make their choice of a bargaining agent. The law therefore made it illegal for an employer to use threats, coercion, or favoritism to influence workers in their choice.

The act did not require employers to sign any specific type of contract or grant any specific demands. It merely said the employer must bargain with the union that represents a majority. It must bargain on questions of wages, hours of work, and working conditions.

The act was one of the most significant things that happened to the American labor movement. It proved to be the instrument by means of which millions of workers, formerly unorganized, could be brought into the trade unions. Before the Wagner Act, the American trade-union movement, as organized in the AFL, never numbered much more than three million. Today the labor movement, represented by the AFL, the CIO, and some large independent unions, numbers more than 15 million.

This high degree of organization was accomplished because the Wagner Act gave the unions a legal instrument by means of which to go about organizing--the legalization of collective bargaining and the imposition of a duty on the employer to bargain. Before that, we found considerable violence in the labor scene as a result of "recognition strikes." The unions had organized the workers, but management refused to sit down and talk with the unions and bargain with them. As a result of the Wagner Act, recognition strikes were no longer necessary. As soon as a union has a majority, it is a legal duty on the part of the employer to bargain with the union. The recognition strike was virtually eliminated.

When you couple that legislative policy with the economic developments that took place during the war, you see why labor has grown strong. During the Wagner Act days, preceding the war, unions were given an instrument by means of which to organize. When the war came along, having used that instrument, the unions were in a position by virtue of the economic conditions prevailing to entrench themselves as organizations that had a permanent life.

During the war, you recall, a great deal of pressure was generated by the economic consequences of military requirements. There was a shortage of labor--as there was in the fourteenth century in England when the first combinations of workers began. The cost of living was going up--made inevitable by the process of war. Under the pressure of the rising cost of living, workers felt the need for higher wages. The organized workers had an instrument at hand--the union. The unorganized had no instrument. Since wage and other employment questions now had to be settled in government bodies, there was an added incentive to join a union. The organized worker had a spokesman who could appear for him before the War Labor Board. The unorganized worker was at a disadvantage. Who would be his spokesman in dealing with the Government? The necessity for all kinds of regulations relating to wages made it quite advisable for the workers to have a union representative. That was one of the main reasons why the unions were able to entrench themselves during the war.

When the war was over, a great deal of consideration was given to methods of whittling down the strength of the unions. But collective bargaining was now a permanent institution. Very few people had any idea that it could be eliminated from our economy. There are few today who could even argue that it is desirable to eliminate collective bargaining.

Nevertheless, in the development of the trade union, as in the development of any social institution, some problems appeared. There were many situations in which the general welfare suffered adversely as a result of a concern with the individual welfare, or a concern with the welfare of an individual organization. We began to run into a kind of problem that could be summed up in these terms:

Just as the individual businessman is preoccupied with making those decisions that will benefit his own business and, therefore, may well overlook the consequences of his individual decisions on the community as a whole, so, too, the labor unions, concerned with their own welfare as an organization and with the interests of their own rank and file, may overlook the welfare of the larger community.

Such situations led to congressional action to whittle down the power of the unions. The Taft-Hartley Act was passed. Now it seems destined to take its place among those experiments in legislative history that failed. It failed not only by virtue of the events that took place

on Election Day, but it failed also because of the fact that it was aimed at a condition which no longer existed.

The Taft-Hartley Act, if it had been in effect in the period when unions were organizing, might very well have prevented the large scale organization of unions. For instance, the Taft-Hartley Act prohibits the closed shop, the provision under which everybody who is employed must belong to the union. The institution of the closed shop grew up as a weapon that the unions used in organizing and building their membership. But once everybody in the plant is in the union, the closed shop is an academic question.

To be sure, the unions still do not want a law against the closed shop. In a period of organization, a ban on the closed shop can hurt the union. But once the union has been well organized in an industry, that kind of legislation can have no influence on it.

Or take the matter of the employer's free speech--the freedom of an employer to criticize a union that is conducting a campaign in his plant. That was important in the years of early organization. It becomes academic once organization is widespread in the economy. The Taft-Hartley Act could not halt the development of unionism. It came too late--it came after the unions were already entrenched.

This brings me now to the important question of the future. All of these events and developments out of the past have no significance except as they are useful in terms of looking ahead. What is going to happen next?

Now I know how easy it is for people to make judgments about social movements in terms of what they think is right or wrong. You are for unions or you are against them. I think that the student of social affairs has to take the same position towards unionism that he takes toward any other social institution.

First of all, he has to realize what brought it about. Secondly, he has to realize where it is leading. And then he has to see what relationship it has toward the ultimate goals which we as a society have.

When you take the trade unions, a good deal depends on your own personal prejudice and personal background. You hear that a union is doing something. If you like unions, well, almost automatically you are ready to support what the union has done. If you dislike unions, no matter what virtue is displayed, you are ready to criticize it.

Approach it, however, as a scientist would approach any phenomenon. He does not ask himself whether oxygen is good or bad. He does not ask himself, as his initial question, "Is a split atom a good thing or a bad thing?" In the last analysis, a split atom is a good thing if it is used

for good purposes. It is a bad thing if it is used for bad purposes. The same thing is true of social institutions. A union is a good thing if it is used for good purposes. A union is a bad thing if it is used for bad purposes. You have illustrations of both.

In terms of the long-range history of our country and the kind of problems we will face in an emergency, what is a union? A union is an instrument by means of which a group of people get together for common purposes. By virtue of getting together, they sometimes subject themselves to the possibility of manipulation for purposes that may not be their own. That is true of any social group.

Today, people are concerned with the fact that along with the existence of unions we find periodic conflict in the form of labor disputes. There are some people who assume that the trade unions caused the grievances and disputes. Actually, it was the existence of these grievances and disputes that brought about the trade unions.

When you examine the nature of the disputes, you begin to approach what seems to me to be the basic fact. You start out with a trade union organization that has objectives, purposes, interests. It wants to serve the welfare of its members. Why does it exist? Why do the workers think it is necessary? They think it is necessary because they think they have a claim that someone doesn't want to grant.

People ask, "What is the solution to this problem of labor conflict?" We all know the consequences it has for the community. What is the solution to labor disputes?

Well, the answer isn't simple. First of all you have to analyze the nature of the dispute. Secondly, you have to recognize that you are dealing with two parties who have adverse interests--a buyer and a seller. The buyer wants to get as cheap a price as he possibly can. The seller wants to get as high a price as he possibly can.

Where you have hostile interests, you will have disputes. It is inevitable. The astonishing thing is not that we have disputes between labor and management, but that people try to pretend there is no reason for disputes in the economic arena.

But there is a basic difference in economic outlook. There is a basic difference, just as there is between seller and buyer. In that case, however, we have learned how to arrive at an ultimate agreement between the two parties without an expression of evidence. In the Oriental market-places, for example, you will find the buyer and seller bargaining with each other, and it very often looks as if they are coming to blows. But even there they finally arrive at an agreement. In our civilization, whatever difference exists between such parties is expended verbally.

When it comes to buying and selling in labor relations, we have bargaining for a union contract. But here we often go beyond a verbal clash. We get into the area of direct economic conflict. The parties try to bring to bear on each other whatever economic pressure they have at their command: the worker, by walking out of the plant and stopping the manufacturer's flow of profit; the employer, by putting pressure on the worker through cutting off the wages he would otherwise be receiving.

The labor dispute expresses itself in a more violent form. The reason is that the buying and selling relationship here is a much more serious one. In the case of the ordinary buyer and seller of a product or an item, the parties can end their disagreement by deciding to have no relationship whatever. And they separate. But in labor buying and selling, the two parties cannot decide that they won't do business with each other. They cannot separate. In a given situation, under present circumstances, they may not be able to live with each other; but they certainly can't live without each other. Possibly because they have to live together they find it so difficult to come to an agreement.

In that relationship, when you get the expression of conflict, do not take the attitude that it is due to unreasonable men. There is a reasonable ground for hostility--diversity of interest--between them. They have this difference over the price which must be settled before they can get together. Don't ignore that fact of conflict. You make a mistake if you do.

We make a mistake if we pretend that there is no conflict between them. Our problem is to find the way to resolve the genuine conflict by nonviolent methods. We have our system of courts of law, based on the assumption that logical people will have differences. We do not set up courts because we want the judges to assure the parties who come before them that there is no reason for them to disagree. Our courts are based on the idea that there is reason for people to disagree. But we want those disagreements settled in a nonviolent way.

So, too, the answer in labor relations will not be found in pretending that labor and management don't have hostile interests. The answer will lie in the development of institutions for resolving in a peaceful manner the differences that exist between them. I suppose our society, ultimately, can develop in the direction of reconciling and minimizing the differences. I do not believe it will ever eliminate or erase them completely.

What is the solution, then? Gentlemen, there is no solution. There is only a process of adjustment. This is not the sort of problem that you "answer." This is the sort of problem you work with. It is a process of living and growing. That process is one of making constant adjustments.

Gentlemen, I think I have exceeded my time. You are fortunate. There is so much more in my notes that I had intended to talk about, but won't. Just let me make one final observation before we get into the discussion period.

If you take the long view--and anybody who attempts to do a historical job has to take the long view--you come to the conclusion that in this country we have been pretty fortunate. With all the violence we have had in our background--a violence born of a rugged, pioneering community faced with the hostility of Nature--we have still been blessed with tremendous resources waiting for the labor and intelligence of men to bring them forth. And we have really had a minimum of violence. I think that we can go on reducing the quantity of violence, but we will do it only on the basis of an honest effort to understand the interests of the different social groups, and a patient effort to adjust those interests for the sake of the whole community.

You have been very patient. Thanks a lot for listening.

COLONEL BEGGS: Gentlemen, we are ready to start the question period.

QUESTION: I would like to ask a question. Did I understand you to state that the Taft-Hartley law is a failure due to the fact that, as you pointed out, what it provides for is now only of academic interest and for that reason it would appear to be harmless. My question is, why is the Taft-Hartley Act a failure, if it is?

MR. LEVENSTEIN: Well, I think that you didn't get the full weight of the comment I was making. What I was trying to point out was the development that had taken place. Any legislative attempt, made at this late date, to get rid of the institution of collective bargaining, even if it was to stand on the books, could not be successful.

Furthermore, as a result of what took place in the political elections, the Taft-Hartley Act has no further opportunity to go into operation. I do not believe the Taft-Hartley Act is without influence on the future course of labor. Don't misunderstand me. I think there will naturally be modifications in our labor law--for instance, with reference to jurisdictional disputes and to unfair labor practices that unions can commit.

In those respects, the Taft-Hartley Act will leave an effect. But in terms of any effort to halt the growth of union power, as such, the Taft-Hartley Act could not succeed any more than the antitrust laws could halt the expansion of large business enterprise in this country.

QUESTION: Does it make any difference to the labor unions whether the Taft-Hartley Act is repealed in one package or two?

MR. LEVENSTEIN: Since you are asking a personal judgment, I think the trade-union movement exaggerated the effects the Taft-Hartley Act would have on its future. Because the trade union started out with grave fears of the act, it is very vigorous in seeking its repeal.

In terms of the effect on union membership, or the ultimate power of the labor movement, it does not make the slightest bit of difference whether the Taft-Hartley Act is repealed and a new act substituted in the form of one package, or whether it becomes a two-step proposition--simultaneous repeal of the Taft-Hartley Act and re-enactment of the Wagner Act and then subsequent amendment.

It's a strange thing about human beings. In any period of social change we take slight situations and magnify them to the point where they become all important. It's the end result that counts in the long run. What difference does it make if the step is taken in one package or in two packages? The goods will certainly be in labor's parlor, anyway. So what difference does it make how it arrives?

At the moment the trade-union movement is expending a great deal of energy to accomplish the desired result. But from the standpoint of the historian looking over the long-range developments, these little details have no real weight.

I know why the unions want it done their way. It would be evidence of their new-found, political prestige resulting from the part they played in the last election. It is a token that has value to them. But the symbol is not so important as the substance.

QUESTION: What machinery in Government during wartime; or what powers, would you suggest to resolve labor-management disputes when free collective bargaining breaks down?

MR. LEVENSTEIN: On the basis of what we know so far in the area of labor-management problems, I see no alternative other than the use of the kind of machinery we had in the last war--a government body. I think, too, that we ought to give more study to the nature of the operation of such a body.

When voluntary collective bargaining breaks down, there are two alternatives that are opened up to the parties: One, to fight it out in the economic arena, using whatever economic pressures possible to beat the other to his knees. That is one alternative. In a war economy, we cannot allow that to happen, because while one side is beating the other to his knees the Nation, as a whole, might find itself weakened.

There is a second alternative: Take the issue away from the parties and give it to some other authority for decision. That can be done in either of two ways: You can have it done by voluntary arbitra-

sion, the two parties agreeing on the arbitrator; or you can have it done by compulsory arbitration, which is what we did in the last war. The War Labor Board had compulsory arbitration powers. Industry and labor didn't like it because it meant that they surrendered the power of decision. But under the circumstances of a war, I see no other possible method of resolving the conflict.

QUESTION: We have recognized collective bargaining nationally, I think, and we have a Department of Labor of which the duties are to protect and promote the welfare of the worker. Why, then, is it necessary that our government policy should continue to be to promote larger unions as opposed to smaller unions?

MR. LEVENSTEIN: I do not know that it is government policy consciously and deliberately to promote larger unions as against smaller ones, any more than it is deliberate government policy to promote large businesses as against small ones. I believe that the economic consequences of certain government policies are to promote large businesses. The economic consequences of certain other policies tend to favor small businesses.

From the standpoint of the economist, however, the net effect of these conflicting policies is to leave a balance which apparently does favor the bigger enterprise. Why? Because of the very nature of our economy. We are living in a day and age when technology requires a merging of individuals and groups into large entities. You need a big enterprise in order to get anything big done. That's why you have big business.

Now if you are going to have big business, you are going to have big unions. A big employer like General Motors, for instance, with hundreds of thousands of workers, will have a union with hundreds of thousands of members. And in an economy where wage decisions fall into a general pattern for the whole industry, the workers are going to centralize their bargaining through a large, closely knit organization.

You see, these are consequences that flow not from legislation but from the economic factors in the scene. The kind of economic world in which we live is one of bigness, with vast interdependent enterprises in operation. The result is vast interdependent unions.

QUESTION: I seem to get the impression from your remarks about the Taft-Hartley law that you feel it is an effort to break down collective bargaining; that there is a trend in that direction.

If I am correct in my assumption, would you expand your comment, please?

MR. LEVENSTEIN: I do not believe that the authors of the Taft-Hartley Act had any idea that they could eliminate collective bargaining. Their stated objective was to bring about a new balance in the collective

bargaining relationship, and that new balance was to be effected by whit-  
tling down the present position of the unions. The idea was to cut the  
unions down to size.

Now the remarks I made before were aimed in this direction. I  
was trying to point out that the provisions of the Taft-Hartley Act,  
while they had that objective, were aimed at a situation that is long  
past in American labor history. The effect of the legislation would have  
been to reduce the efficiency with which a union could carry on an organ-  
ization drive. But our labor unions today are beyond the organization  
period.

In this environment, the figure of speech that comes to my mind  
is that of planning a Maginot Line as a defense against war in 1949.  
Such a defense is obsolete because it no longer reflects the objective  
conditions. The Taft-Hartley Act aimed at conditions that prevailed in  
American labor history in the thirties, but it could hardly affect sub-  
stantially the conditions of the forties. In the thirties you had an  
organizing labor movement; in the forties you have an organized labor  
movement.

I hope that that makes the distinction clear.

QUESTION: There is just one other question on that. Then, if  
that is true, why is there such forceful opposition to it from the stand-  
point of labor?

MR. LEVENSTEIN: I think I indicated before that the trade-union  
movement has exaggerated in its own mind the possible impact of the law.  
I can see why that happened. The enactment of the law injured labor's  
prestige and dignity. That effect was immediately felt. It resulted in  
greater resistance by employer to union demands. The law did contain  
provisions that were harassing and annoying; that presented obstacles and  
difficulties in the immediate path of the unions. For instance, the  
unions had been developing a system of welfare funds. The Taft-Hartley  
Act placed certain restrictions on that type of collective bargaining  
demand. In the past a union was free to set up a fund, completely under  
its control, and require the employer, through collective bargaining, to  
contribute to it for the welfare of the members. Under the Taft-Hartley  
Act such funds would have to be set up under the dual control of manage-  
ment and labor, with a joint trusteeship in charge of the fund.

Well, I can see why the unions would feel they had lost influence  
But for practical purposes, taking the long-range view, what difference  
does it make? Actually, in practice, what has happened in most cases--  
even where you had joint administration--the employer had to leave the  
responsibility for administering the fund in the hands of the union.

No, I think the outcry was exaggerated. It was important in terms of prestige, of dignity; but in terms of substantive, permanent damage, in the sense of destroying unions, labor still had a future.

QUESTION: It occurs to me there was another point in connection with the problem of abolishing the closed shop and that was to give an individual the opportunity to get a job without first having to join a union and pay an initiation fee.

Would you consider that the trend is going to be to require every man, before he can even get a job, to join a union first?

MR. LEVENSTEIN: You are asking me to speculate, and I am going to speculate now for your benefit, but I am doing it without possession of all the facts.

I don't know what will happen to the closed shop. Legislatively, I believe it will be restored with the repeal of the Taft-Hartley Act. But I am not quite sure in my own mind as to whether or not labor will persist in its demand for the closed shop. Throughout Europe, labor movements have developed and grown quite powerful without ever relying on the closed shop. I believe that in the United States, after this brief experience with the Taft-Hartley Act--I am still speculating--the trade unions themselves may feel that the closed shop is not worth-while as an issue in collective bargaining.

John L. Lewis, for instance, is now involved in a fight on the union shop, which means that anybody who goes to work has to join the union after a certain period. Under the closed shop, as you know, you have to be a member of the union before you can go to work in the plant. Well, John L. Lewis has been demanding the union shop.

When you stop to think about it--I say that in the absence of Mr. Lewis from the rostrum because I know I would be thundered down if he were present--when you have 98 percent of the members in the union anyway, isn't it silly to raise a fuss about the remaining two percent? Why, the social pressure of the 98 percent is enough to bring in the remaining two percent in a fairly short period of time.

No, I think that issue may ultimately disappear in future collective-bargaining negotiations. It has acquired an artificial importance by virtue of the Taft-Hartley Act. It is not fundamental. The powerful British labour movement which finally succeeded in taking over His Majesty's Government, grew up without using the closed-shop device. In the Scandinavian countries where trade unions are powerful enough to play a direct and important role in government, they have not had to rely on the closed shop.

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It is a good device in an organizing period. But once the bulk of your workers have been organized, the social pressure in the plant is enough to get the few who are not members to join up.

I don't think you will find that an important issue in the long-run future.

QUESTION: Mr. Levenstein, in connection with what you just said, you gave us a figure of 15 million now in organized labor and indicated that the organizing drive is over. I understand that there are some 60 million people in the labor movement. That would leave out a rather large segment.

MR. LEVENSTEIN: Don't use that 60-million figure. That includes your agricultural and farm workers, those who would not ordinarily come within the province of the unions. When I speak of 15 million who are organized in the trade-union movement, I may be doing an injustice to those who are still unorganized. But once you have a base of 15 million, you have such a powerful percentage of the eligible working population that you just can't be considered an unorganized group. Just think of 15 million people in organized labor! They are already such a solid base of operations in the American economy that it is just a matter of time before they spread out and include larger and larger numbers.

For all practical purposes, we must consider the United States organized now on the basis of this army of 15 million people already participating in the collective-bargaining process. Bringing in the rest is just a matter of time. It is a question of their getting their organizer there. True, there will be resistance here and there, but we would be doing an injustice to our own understanding of the future if we still had any doubts as to the permanency of organized labor in America.

QUESTION: You mentioned, sir, the fact that within the labor unions themselves there is still a great deal of individual action. I think this was evidenced during the war as, for example, the coal strike we had in which the United Mine Workers violated their anti-strike pledge.

Do you feel that this situation calls for tighter controls in a future war to insure that such individual action will not imperil our war effort?

MR. LEVENSTEIN: I would, of course, have to see what the specific tighter controls are before I could give any evaluation of them.

But in terms of the experience we had in the last war, the low percentage of strikes is really a great tribute to the American people as a whole because, remember, the incidence of strikes is affected by at least three factors. The first factor is the reaction of labor. The second factor is the reaction of management. The third one is the reaction of the public.

Strikes are occasioned when either of the first two takes an adamant stand. Even when that occurs, a strike may not take place because of the pressure of public opinion. All three parties had a very good statistical record in the last war.

Since your question revolves around the different individualistic characteristics that you find within the trade-union movement, I think it is important to indicate that any given dispute has to be examined for at least four factors. All of them are individual, different, peculiar to the specific union.

First of all, you would want to know the economic pressure that is in operation--the economic pressure on the individual members of the union, a pressure which transmits itself to the leaders of the union.

Second, in handling the situation you would have to know the past bargaining history of the specific union and the specific employer. Your solution will depend on the kind of relations they had in the past; the degree of violence that has occurred in previous disputes; any special technological facts that relate to the specific parties; and the attitudes they have displayed toward each other in the past.

The third thing you will want to look at is the particular type of leadership in the union. The leaders are, in many cases, just a reflection of the rank and file, drawn to a larger scale. A moment ago reference was made to John L. Lewis. It is a significant thing that everywhere in the world organized miners display the same characteristics as the United Mine Workers of America. They produce the same type of leadership. The fact that the individual worker is exposing himself day after day to the hazards of the coal mine makes him a more reckless individualist, and he will produce a reckless kind of leader. The union leader reflects his rank and file.

In the auto workers, you will find the same thing. There you get young workers, many of them migrants who came into the industrialized section of Detroit during the depression period. Many of them came from the South and from the Midwest, all of them coming together looking for new jobs because of the economic pressure. They are young. They are a sort of pioneering group. They are a polyglot group. They have a psychology of "We're on the make!" Isn't that a picture of Walter Reuther? You get that kind of a leader.

You take the garment workers, both the AFL International Ladies Garment Workers Union and the CIO Amalgamated Clothing Workers. Both of them reflect a membership that was largely constituted of immigrants to this country. They came with the desire to make a new adjustment to a new world. That kind of union will have different characteristics from those that you find in other industries. You get the eager, bockish type, like Dubinsky or Hillman, as a reflection of the rank and file.

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Then, in addition, there is another factor you have to examine in any given situation--the power status of the particular parties to the dispute; their importance to the economy; and their relative endurance in the event of a strike.

You have to take into account all of those factors when you face a given situation. We have spoken of John L. Lewis and the United Mine Workers. That union is really sui generis in American labor history. It stands at the crossroads of our major industries. It is willful with the willfulness of men who do dangerous work. It has a history of tough bargaining.

How should a specific situation be handled? Again I say there is no solution--no automatic solution. What you have to do in a given emergency is to keep available the machinery that inquires into these factors I have just been enumerating. It may be voluntary arbitration or mediation that is made available in peacetime. Or it may be Government machinery that is set up beforehand in wartime.

What kind of penalties you impose when a decision is flouted is the most difficult question of all to answer because you are not concerned with the enforcement of authority, but with getting production. In the case of a mine strike, your primary objective is coal--not the maintenance of dignity in Government. Your courts can give you contempt of court orders, but what you want is coal. That is why, in any such situation, you have to take into account all of the social factors and you attempt not to apply a solution but to make an adjustment.

QUESTION: Would the long-term trend of labor-unionism be considered the same in America as it has proved to be in England?

MR. LEVENSTEIN: I don't think you can draw any automatic parallels. I believe that, on the basis of what we have seen so far of American labor's behavior, there will be a duplication of certain features of the British development.

I indicated earlier that American labor started out by rejecting the idea of government participation in the collective-bargaining setup. This was true up until the thirties. American labor was more individualistic than British labor. When the thirties rolled around labor began to look to Government. Now the effect of looking to Government is that you are ultimately led to the conclusion, "If Government makes the basic decisions that affect my welfare, then I want to be in a position to control the Government and its decisions."

That development occurred fairly early in British history. It has come late in the United States. But I do believe it will be duplicated. Labor's activity in the last election was additional evidence of that. I think labor is going to participate more and more in politics and ulti-

nately will follow the British pattern of setting up a labor party. But, here, I speak as the sociologist who projects the future on the basis of what he has been able to observe so far.

QUESTION: Would you care to comment on the developments that put the labor unions in the position of labor contractors rather than bargaining agents? I am thinking of some of the practices of the stevedores out on the west coast, and some of the Amalgamated Clothing Workers.

MR. LEVENSTEIN: The development to which you refer is one that results from a given set of conditions within a particular industry. I do not believe that that is ever going to be the dominant trend throughout the whole country.

Unions very often become the funnel through which all hiring is done. That has been true wherever you have had irregular employment. In a highly seasonal type of industry you will get a development in the direction of the union seeking control because it wants its members to be the first to be rehired. That is, being replaced, however, by the development of the seniority institution, which controls layoff and rehiring.

In some industries, where the workers are essentially a floating population, the only kind of control that the union can exercise is through the hiring hall. That is why in the shipping industry there has been such insistence on it. The impetus for the hiring hall is generated wherever you have a surplus of labor. It is a particularly critical issue now in shipping because as a result of the expansion of the merchant marine during the war there are a lot of seamen and water-front workers who face ultimate unemployment. The union is greatly concerned about keeping competition for jobs at a minimum. If there is a heavy surplus of unemployed, the inevitable economic effect is that you get declining wages.

So the union, you see, has an interest in the hiring-hall process and therefore gets into what you call the contracting of labor. I do not believe that that will become general. I think it is typical only of those situations where you get the kind of economic conditions I have just described.

COLONEL BEGGS: Mr. Levenstein, You have done so fine a job of increasing our understanding of labor that I am sure you are due for some real applause this time.

Thank you very much.

MR. LEVENSTEIN: Thank you.

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