HISTORY OF THE LABOR MOVEMENT

5 December 1957

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MR. HILL: Admiral Clark, Gentlemen: This is the second of this series of lectures on industrial relations.

This history of the labor movement is really a segment of a very large universe. We are concerned only with that part of it which has occurred in the United States, and we are concerned only with that part of it which seems to make sense for our daily needs.

Now, in the first place, like yourselves, I have for a long time been trying to figure out what is labor, what the term means. Those of us who are in this room are in the labor force, and a lot of other people--your wife's part-time maid, for instance, and a lot of people such as farm laborers--don't belong in labor--not the labor we are talking about this morning.

So thanks to a little research by the Bureau of the Census, we have broken down this labor force and, if you can all see this first chart, you will see that, of the total experienced labor force 25 percent are in the so-called independent classes. That includes the professional, technical, and kindred workers, the doctors, the lawyers, the professional military people. They, of course, are not going to be quite as easily organized as people down here in this group, the so-called dependent classes, the white-collar group which involves the clerical-sales workers; but they are not very easily organizable, either, as I can tell you from personal experience.

Here is where you find the real source of labor (indicating). Labor for our purposes is the organizable or organized section of the labor force. Down here (indicating) we have the remainder, which are the unskilled, domestic, and farm labor, and the service trades.

This second chart gives you some idea of the growth of organization, and you will see that beginning in the year 1900 we had less than 1 million workers in the labor force, in the union membership category, and they were only 3 percent of the total civilian labor force. This has grown to a figure which was estimated a year or so ago at 27 percent of the total, or about 18 million people.

I showed you the first initially because, you see, this doesn't give you the full picture, when you are told that only 27 percent of the labor force is organized. You include in labor force the people who are in management, too, and also now, since Taft-Hartley, you have the foremen. Under the Taft-Hartley Act you can't organize foremen. So this picture is for the purpose of giving you an idea of how the organized labor movement has grown.

Now I want to give you a sort of pied-a-terre, an axis of thought. Most of you are not familiar with industrial relations, and perhaps a lot of you don't even know the two acts under which management and labor have to get along together. Those two acts are the National Labor Relations Act of 1935, the so-called Wagner Act, and the Taft-Hartley Act of 1947, which largely negated the effort which was put behind the Wagner Act. I am going to go into those in more detail, but I want you to think now in terms of those two acts as being the law under which management and labor operate. There are other subsidiary laws. In the question period, if you want to take up others such as Davis-Bacon Act, maybe we will have time to do that.

Really, this talk today is a story of action and reaction. Something caused the Wagner Act to be enacted. What was it? It was the behavior of management before the year 1935. The LaFollette committee, which operated in the late twenties, brought out the astounding details of how management had an arsenal, in the millions of dollars, of brass knuckles, sawed-off shotguns, and tear gas. A member of this faculty was at one time in the Breeze Corporation, which was a professional strikebreaking organization.

People from universities, like Columbia, decided to go into a number of the labor movements in the early thirties--they had nothing else to do. It's a good thing that most of them had a football background, because, when these organizers met up with the Service Department at Ford, they were beaten up just as anybody else would have been.

So we have a long story of the struggle between labor and management. We are not going to call any names. I think human nature behaved the same way whether it was on one side of the fence or the other. I will try to show you that later on.

The first type of labor restriction we have was the so-called conspiracy doctrine. Away back in the late part of the 18th century, right after the Revolution, you had the beginning of organization of labor in this

country. It started in Philadelphia, particularly, and it started in the printing trades and in the cordwainers, the shoemakers. There are several dates, and I am a little bit confused myself as to which was the first organization and which was the first striking group. One book will say one group and another book will say another group. It is like trying to see who used the first steam engine. You know what that was like. We do know that in about 1790 there was a strike on the part of the Philadelphia shoemakers, and they were met very quickly by a reaction from society. Society is all of us here, wondering what those scoundrels in labor are going to do next.

The striking shoemakers were brought up before the Recorder's Court in Philadelphia and the Recorder said, "Now these people are guilty of conspiring to better themselves on the one hand and to injure others on the other, both of which are clearly antisocial." So he imposed heavy fines and long jail sentences. It was in 1806 that this decision occurred. For the next 30 or 40 years we were to have labor faced with this challenge of conspiracy every time it tried to organize, either to increase wages or to organize in defense of a wage reduction.

About the year 1842 we had a decision called "Commonwealth versus Hunt," in which a judge said it was silly--and I think you and I would all agree right now it was silly--to think that people could be accused of doing wrong as a group what they could perfectly well do singly. Out went the conspiracy doctrine.

When we talk about the legal status of labor--and we have had a seminar in our industrial relations group on that subject--we are talking about the legal restrictions that are put on the hands of labor. The next legal restriction that was thought up, and it was a beauty, was the injunction. I was called to task, as you people will recall, in my seminar for calling it an antilabor injunction, so I will accept the reprimand and say it was an injunction. But in its use in labor-management disputes, it worked out something like this: First of all, the judge issued a restraining order. During the time of a restraining order there was no organization, and of course no strike, because you can't have a strike without organization, in most cases. You can, but not always. It was especially difficult to organize labor when management thought up this one--the so-called yellow-dog contract. The yellow-dog contract stated, "I will not join a union if I accept employment with company X." So, when the hearing on the temporary order came up, the judge would either dissolve it or make it permanent. In many of these cases the injunction was dissolved. In other words, the judge said, "Well, frankly, we haven't

got a case here." But, by that time, the one single weapon of labor had been blunted, because in the early days labor could not go very long without a paycheck. So, even when the injunction was dissolved, labor had lost the fight.

But, in the case of the yellow-dog contract--the judge would say, "It says right here that you have signed the contract that you won't join the union. You are licked." That went on until the passage of the Norris-LaGuardia Act of 1932 stated that there would be no yellow-dog contract injunctions. It also put some restrictions on the issuance of injunctions by Federal judges. It couldn't, of course, affect the State courts.

Now, the next one I will list is the Watson-Parker Act of 1926. This was the first step away from restricting labor by legislation, because the Watson-Parker Act, which applied only to railroad labor, and, as amended in 1934, established, insofar as railroad labor was concerned, the right to organize, and the right to strike.

Let's start back again. We've gotten ourselves down to the Wagner Act. Let's go back and trace the history of organization. After the decision of 1806 in the Recorder's Court in Philadelphia, you might have expected that there would be sort of a brake on organization, and it did stop people from organizing and striking, to an extent, I suppose, but, nevertheless, for the first quarter of the 19th century we did see, all along the eastern seaboard, the growth of local labor organization. They were the craft organizations, shoemakers, tailors, hatmakers, glovemakers, and the building trades. I think we ought to examine a rather interesting change in the economic environment which really set off this whole business of industrial relations. It came about through improvement in transportation and communication.

Up until the end of the Revolutionary War, we had a very restricted market. We had people making clothes or shoes only on order. We had a master craftsman who owned the shop, and for him there worked journeymen. And there was a certain stability to this local market. Now, with the improvement in communications and transportation, which developed after the end of the Revolutionary War, we had a new factor enter, a man we shall call the merchant capitalist, and he performed a perfectly sound economic function. His function was to buy in the cheaper market and sell in the dearer market. This was fine for the consumer. But what happened to the shoemaker, the master craftsman, who was pricing his product in a dearer market? The answer was very simple. He had to reduce his price. When he reduced his price, he had to pass on part of

that grief to his workmen. So we had the cause of the first strike in Philadelphia, a spontaneous walk off the job by these shoemakers who would not work for less than one dollar per day.

This local organization, and the formation also of what we call city centrals, or city councils, went on through the first quarter of the 19th century. A city central or a city council is a local A. F. of L. It is a federation of the crafts and of the labor organizations at a city level.

Then we go into the period of 1830-1837, and that was a period of tremendous national growth. It was also a period of the occupancy of the presidency by Andrew Jackson, who, as you will recall, was a friend of the workingman and of the small trader. In this period of national expansion we see, naturally, labor trying to expand nationally. Well, in the year 1837 we had the first attempt at a national union. It didn't last very long. Unfortunately, President Jackson was not very fortunate in his economic theory. As Dr. Kress will agree, I am sure, he "did in" the Second Bank of the United States, and thereupon set on a blanket depression.

With this depression, people became very confused. They didn't know what happened to this machinery of production distribution. So, in the 1840's, we had the formation of the early communal societies--the Shakers, the Owenites, the followers of Fourier, of Owen, and of Lord Lauderdale. The most important, I think, for our purposes, were the Perfectionists, followers of John Humphrey Noyes. These were the days of Thoreau, of Walden Pond, of early American men of letters. It was also a day of great depression.

These societies failed. They failed for a good reason, which I am sure you have probably suspected. It is difficult to make the lazy man haul his part of a common load. These societies all owned their materials of production in common. The property was all owned by the society, not by individuals, and they shared equally. Because one man would not haul his part of the load, it did not work out.

Secondly, the idea of private property, as you know, fulfills a number of functions. First of all, it is a reserve on which we may fall in evil times. It is also something we fall back on for our family, our loved ones. If we can't take care of them, we have this fund of private property which will take care of them. It is a perfectly sound institution, certainly. Well, people had no assurance that this private fund would be there if they joined a communal society, and so in most cases the societies did not succeed.

The Perfectionists, interestingly enough, did continue, and they solved a problem by having children owned by the community. There was no more family, as there did exist in most of the other societies. Mating was arranged by a senior council. If there was a handsome young lady who was eagerly sought in marriage by the young men, the marriage was arranged strictly by the council, and the children belonged to the society in common.

This also brought on some interesting methods of birth control, which I won't go into now, but, if you are interested, I will be glad to discuss them with you after class.

You may have heard of Oneida Community Plate, silver plate, in Oneida, New York. That is the single vestige of this society called the Perfectionists, which was founded around 1840 by John Humphrey Noyes.

With the beginning of the 1850's, business began to expand again. The depression was over, and, with the expansion of business, so did labor expand. In 1851, I think it was, the typographical workers organized in Washington, and they are the oldest of the unions to remain as an organization to the present day.

With the Civil War we had a good deal of labor trouble. We unfortunately had the use of troops to put down labor strife. I think it is rather significant to note that President Lincoln did not approve of the use of strikebreakers, the using of troops to break strikes. He is reported to have said, "Thank God, the people have a right to strike."

After the Civil War business kept on expanding. As you know, it was the era of great railroad building. We had the first transcontinental railroad about 1867-68. With this interest in railroading, there grew up an organization called the Knights of Labor. The Knights of Labor was really the reflection of one interesting person, Terence Powderly, who, at the age of 35, was the first Socialist Mayor of Scranton, Pennsylvania. Powderly had this great, tremendous hope and goal that he could make life better for everybody. He was a do-gooder, perhaps. So he made a rather curious distinction between the people who could and could not join his union. Everybody was welcome except bankers and gamblers. When I tell this story to a group of bankers, I seem to see a little resentment.

The Knights of Labor was quite successful, and it organized many of the railroad workers, even before they were successful in the great

southwestern strikes of the 1870's. After they successfully struck the Jay Gould System the membership rose very substantially. However, the Knights of Labor did not come to a good end. That is due to a number of reasons. First of all, they were a secret organization, and they incurred the displeasure of the Roman Catholic Church. Powderly, himself a Catholic, was finally able to convince the hierachy of his good will and his good intentions, and he finally neutralized the church, I believe.

Secondly, the Knights got into a good deal of political activity, and that awoke a certain resentment on the part of society--which again is all of us right here in this room--people like ourselves. The real reason for the resentment and the antagonism toward labor as a political force really came from two misplaced connections between labor and violence. Those of you who come from eastern Pennsylvania will know the term "Molly Maguires." The Molly Maguires were actually an association, the association of the Order of Ancient Hibernians. They were mostly of Irish background, but included a great many of the foreign workers in the anthracite coal regions of Pennsylvania. They were resentful against the very rough working conditions and low pay of the period, and took out a good deal of their resentment on certain mine bosses, and did a certain destruction of property.

However, the Reading Railway has, within the last few years, released a great flock of papers which show that most of the crimes for which people werehanged, mind you, were the work of provocative agents--the French term is agents provacateurs--hired by a certain gentleman named Franklin B. Gowen. A man named Marvin Schlegel has put these papers into a book, which is called Franklin B. Gowen, Ruler of the Reading. If that man wasn't crazy, we are, because, when his own policies had led the Reading Railroad into bankruptcy, he sailed over to England and went to Baring Brothers and had the temerity to propose to Baring Brothers that they issue debentures junior to the common stock equity.

The second violence was that called the Haymarket riots. The Haymarket riots occurred in Chicago after there had been a public meeting to protest against labor strife at the McCormick Works, where some people were killed. The meeting was perfectly in order. The crowd was about to disperse and go home when somebody got trigger happy. Who it was, we don't know; but, when the shooting was over, a number of police and members of the crowd were dead.

So these two incidents of violence were connected in the public mind with labor. There were not only those, but we have other incidents. We

have, for instance, the strikes of 1877. The railroad strikes of those years were very serious in their effects. All along the line, particularly on the Pennsylvania Railroad, from Baltimore to Pittsburg you had riots and stations being burned. So, one reason for labor being in the doghouse is their association in the mind of the public with violence.

Now, with the death of the Knights of Labor in 1890, there grew up the American Federation of Labor. Samuel Gompers, who is always associated with that organization, realized that there should be a federation of crafts, but he tried to avoid the mistakes of the Knights of Labor. First of all, he tried his best not to take in unskilled labor. Secondly, he tried his best not to get linked up directly with political action.

His policies have more or less been maintained down to the times of the separation of the CIO from the Federation in 1935. The reason for the creation of the CIO is important. The Federation was craftminded, but it did not suit the needs of people who were operatives in the mass production industries, like automobiles, steel, glass, and rubber. The Federation, rather reluctantly, attempted some organization of these people. They created what were called Federal unions, which were nothing more than shelves onto which people were put until they could decide where to put somebody who operated a drill press and make him into a carpenter, or a machinist, or something. The whole thing did not work out well, and accordingly the CIO was formed in 1935.

The CIO, of course, succeeded in organizing the mass production workers because of the Wagner Act. Now, the Wagner Act, which I mentioned very briefly in the beginning, first of all, stated for the first time that, at the Federal level, workers had a right to organize; secondly, that they had a right to bargain collectively; third, that there was to be no coercion by the employer when they went about this business of organizing and bargaining. Up until that time there had been coercion--if by coercion we mean not only attempting to dissuade employees, but beating them up if they decided to organize; fourth, there was to be bargaining by a majority of employees for all employees; fifth, there was the creation of the National Labor Relations Board, which would prevent unfair labor practices by employers, such as coercion or refusal to bargain.

This was passed in 1935, but shortly thereafter a group of corporation lawyers meeting in Washington decided that they didn't want any part of the Wagner Act, which was understandable. They figured that this type on the part of Government legislation was more than the people would stand.

They did not think the Government really could get behind labor and give it a good boost. So these lawyers, and they were the cream of the crop, reported back to their corporations. They said, "Don't worry about the Wagner Act; it will never be sustained as to its constitutionality by the Supreme Court." You thus, had management proceeding in its usual way of dissuading people from joining unions by any means which seemed good. However, a great surprise took place in April 1937, when the Wagner Act was declared constitutional. But even then management did not give in without a fight.

One such fight took place in south Chicago which resulted in a number of deaths of striking workers. These were the days of the Mohawk Formula. The Mohawk Formula was very simple. The employers would get the good people of the community together and they would say, "Now, these strikers are up to no good." In many cases they were up to no good, and they did do violence. They were human beings. In many cases the acts were those of provocative agents. But in many cases this Mohawk Formula worked very well indeed, and there was a public resentment against the unions.

In the years between 1937 and 1947 we had, of course, World War II. During World War II we had labor signing a no-strike pledge. By and large the pledge was kept. I think the figure shows something like 1 percent of man-hours lost in the worst year, 1943. We had some bad strikes. Mr. Lewis drew out his mineworkers, casting aside this pledge, which I am not so sure he signed, and it was unfortunate.

After the War, we had this pent-up demand for goods, and labor having had to be content with the Little Steel Formula of a 15 percent maximum rise in wages, decided that this was the time to cut loose, and they did. You all know about the rounds and rounds of wage increases. Now, my experience with the War Labor Board, was limited, but it served to back up a feeling which I had toward it, and I will pass on my personal contacts for whatever they may be worth. My theory about the War Labor Board has always been that its main purpose, its unspoken, unwritten purpose, was just to put a brake on any wage increase.

During the war I was making a survey of some transportation firms, and I ran into a case which was presented to me--I didn't ask about this. A man came to me and said, "You know I have a bookkeeper here. She was a clerk at $25 a week before the wage freeze. The man who was the bookkeeper has gone to war, and she's got his job. I promoted her to the job of bookkeeper. She's worth $50 a week, and perhaps a good deal more,

because wages have gone up. I am worried about her. I think she ought to get a raise." I said, "Well, what can I do?" He said, "You are a Government clerk. When you get back to Washington, why don't you call on the Labor Board and see what they can do?" So I did. In 48 hours she had her raise. She had been waiting for that raise for six months. That happened in two other cases. So I wondered about the War Labor Board and what it was up to, except to just sit down there and not do anything on wage increases. Of course there was more than a 15-percent increase because of fringe benefits and upgrading in many cases, which were not always justified.

When we come to the postwar period, as I said, we find labor, which had been held down by the no-strike pledge, demanding benefits. You must recall that labor must use these periods of stress and scarcity as the times when they are going to make their demands for more. Samuel Gompers said, "Labor wants more and more and more." This is, of course, significant but, at the same time, that's what we all want. But this postwar behavior got it really in the Nation's doghouse. So they put the Taft-Hartley Act on it.

Now, the Labor-Management Relations Act of 1947 was again this reaction to action. Just as the Wagner Act was a national attempt to correct the abuses of the past, so was the Taft-Hartley an act to again swing the pendulum back into balance and to give the poor employer, for the first time in 12 years, an even break.

The first thing it did was to limit the jurisdictional strike. Of course a jurisdictional strike is really a pain in the neck to any employer who is perfectly willing to deal with a union if they can only make up their minds which way they want to deal. Now factional disputes occur in management as well; the wisdom of outlawing this action is not proved. The second feature of Taft-Hartley was the outlawing of the secondary boycott. The secondary boycott means that members of a union will not patronize an employer who is associated with a struck company. There is the famous Danbury Hatters case of the early 1900's when the strikers were trying to close up Lowe and Company. The members of the union and all through the Federation of Labor refused to buy caps from stores which were handling Lowe and Company's products. That is a secondary boycott. There are several famous cases. There is the Bedford Stone case, the Duplessis Machine case. They really bring out the Sherman Anti-Trust Act of 1890 and the Clayton Act of 1914. I'll go into those in a minute. The third provision of the Taft-Hartley Act was to prohibit union coercion and high membership fees. Fourth, it required a non-Communist affidavit from union

officers, or the National Labor Relations Board would not take jurisdiction over that particular union. Fifth, very important--it restored the right of free speech to employers. Up to this time, under the Wagner Act, employers' hands were tied. They could not open their mouths regarding proposed unions in their plants. Of course we see why that platform was put in the Wagner Act, because you will find that the CIO organizers down South say that they find that all the plant owner has to do is to say, "Well, I don't think you boys had better join that union, because if you do, I'll have to shut down, and we'll have to move the plant. Also, you see what happened when the boys tried to organize a plant in the next town."

Of course none of these things is as clear cut as all that. If you noticed an article in the Wall Street Journal just the day before yesterday it said that the CIO organizers laid part of the inability to organize the South to the integration question. We must admit that this matter of labor relations is not a simple one. It has its roots away back into social economics, shall we say, into political science, race prejudice, and what have you.

Sixth, union shops were restricted, and actually, closed shops were prohibited entirely. Now, a closed shop is one in which you must be a union member if you are to get a job. A union shop is one in which you may get a job, but you must join the union within a specified length of time, usually 30 days or less.

And the last one--at the individual union level it was prescribed by Taft-Hartley that political expenditures were banned. At the national level we have an interesting provision. The President is allowed to request an injunction against a striking union, if, in his opinion, the work stoppage will affect the national interest and welfare. This injunction, of course, is limited in duration. It is limited, first of all, to 60 days, during which the Board investigates--a special Board which the President appoints--and there is an additional 20 days during which the Board makes its report--a total of 80 days. After that, strikers are free to proceed as before. It is merely a slowing down, a cooling off process.

So much for the history and the present situation. What can we look to in the future? That is where we can really ask for a lot of trouble, as you know. Well, first of all, along the legal path, it seems probable that some change will be made in this matter of the requirement of the non-Communist affidavit. To assume that any labor leader is probably a Communist is very erroneous. Most of them are much more conservative

than the liberal thinkers that you would find at a gathering to which you would go to discuss either politics or economics. Their roots are to be found deep in the present social order. They don't want any change. They are perfectly happy to go along with political action, but only if they can arrange to do it under the law.

Thus I think a second legal change will be to liberalize the power of unions to take political action. If the present trend continues, we are going to end up with ever larger business and ever larger unions. We are going to have huge business, and huge labor. The people like ourselves who are not members of one of the two organizations are going to find that our lot is not a particularly happy one, and eventually there will be a showdown if that trend continues.

However, there are alternatives. For instances, we have these large pension funds, the trusts, the old-age retirements for union members. The teamsters, for instance, had quite a big block of stock in Montgomery Ward, and when Montgomery Ward had this fight with a certain well-known corporate raider, the teamsters were supposed to have gone to Montgomery Ward and said, "How about a deal? We will vote our stock for you, if we get a nice, fat contract." So there is a possibility of some other eventuality other than this unpleasant one of big business and big labor and eventually terrific conflict. It is quite possible that we will have some much more pleasant alternative. It may be that the control will be shifted into the hands of these trustees of the pension funds, for one thing. There may be a tendency toward more ownership by unions directly, or by employees directly. For instance, in many cases it will be possible for the employees, by an expenditure of only $1,000 or $2,000 apiece to buy control of the company. Maybe that's the answer. Let them get into management and see whether they like it or not.

Members of this College went down to Birmingham, Alabama, a couple of years ago, and went through a firm which was owned by the employees--the American Cast Iron Pipe Company. It is a foundry, of course, very unpleasant work. Working conditions and wages were just equal to those of any private firm. In fact, in many cases there may have been differentials against this company. The company did not have quite the capital reserve which it should have had, because a great deal of the profits, when there were profits, were plowed back into employee fringe benefits. They had a wonderful health organization, particularly. There may have been some pecuniary benefits, but I just don't recall. By and large, here you have an experiment in living, if you will, and you find that, by and large, there isn't too much change from the usual private firm.

In the case of labor unions, we find that their treatment of their employees is not always what you would think it would be. You have labor strife there as well as anywhere else.

I don't know how much sense this makes to you. I will probably find out in the question period. The general thought of these units of instruction in industrial relations is first of all to give you a better understanding of what this great, misunderstood part of the social structure is up to. Secondly, we hope that perhaps those of you who are assigned as plant reps, who have to report labor trouble back to Washington, may do so with greater understanding. If so, well, it will be fine.

We will take a ten-minute break, and then come back for questions.

MR. HILL: Gentlemen, Admiral Clark has brought up the most important one of the great omissions in my talk. It is this matter of the right-to-work laws. The right-to-work laws stem from the Taft-Hartley Act. The Taft-Hartley Act specifies that this whole question of membership in a union is referred back to the States. It practically suggests to the States that, if they wish to, they may pass laws which will definitely outlaw the necessity for belonging to a union in order to get a job.

You have three types, of course, of union membership--the closed shop, which is of course now outlawed completely, although it still exists because of mutual understanding; the union shop, as I said before, requires membership in a union, if you have a job, after 30 days or less of employment; then there is one called the maintenance of membership, which means that, if you belong to a union which has a contract, you must maintain that membership.

Now, Mr. Barbash, our next lecturer, is here, I think, to keep me honest. May I introduce you to the class, Mr. Barbash. Jack, do you recall whether there are 16 States that have the right-to-work laws? It is 17 States, he says.

QUESTION: Mr. Hill, I understand that the Taft-Hartley Act prohibits foremen from joining labor unions. I am just wondering what protection they would have against employer abuses. Of course, being members of a union, people can perhaps get some protection that way. But, since a foreman is prohibited from joining the union, what is his status in that regard?

MR. HILL: He has no status. The answer is, none. He has no rights. Foremen who have joined unions and attempted to retain part of the cultural pattern they had before when they were workers have been fired because they joined the unions.

Of course the philosophy of the Taft-Hartley law is that foremen are a part of management, that they are the long hand of management going right straight down to the man at the machine. Of course management is perfectly logical in their attitude. They say, "If the foremen are against us, who is really going to keep these Indians in order?" There is something to it.

QUESTION: Mr. Hill, you were conjecturing about what was going to happen in the union movement in the future. You did not delve into such things as social pressure and what not, which caused all these changes in laws in the past. Isn't it safe to say that in general the workingman, through the unions, got most everything he wanted in the past? Really what is going to happen to the union in the future is what the union wants in the future. Unions have got about everything they wanted, subject to the restrictions of the Taft-Hartley Act. It all depends on what they want. If they want participation in management, they are probably going to get it.

MR. HILL: Who knows?

QUESTION: Recognizing the problems of the academic curriculum, of obtaining speakers and speaking availability, I would like to ask a question that a number of students have asked in informal discussions. It is: Why do we not have some of the top labor leaders appear before the class to discuss the labor problems, comparable to the top management representative that we had in Mr. Boulware?

MR. HILL: A good question. They have been asked, sir, and I have been turned down. We have asked George Meany on several occasions. Mr. Reuther has not been asked by me, but he has been asked by previous people who worked in this labor relations group, and he has refused. We have had people like Al Hayes, who is president of the Machinist Union and who I think is a spokesman for labor. We have had George M. Harrison, who is president of the Railroad Clerk's Union. Mr. Carey has come down and has spoken before us. The president of the Steel Workers' Union, Mr. McDonald, has been down here. That was wonderful. Andy Kress got him down to talk about price and wage regulation. He got that off in about 15 minutes, and the rest of the time he talked on my subject.

So we have tried to get the political leaders of the unions to come down. Mr. Barbash, I think, will give you a comparable angle. He is an intellectual in the labor movement. If you read Pearlman you will find out where the intellectuals are in the labor movement. You get the feeling in both ways, whether you have the political leader or the intellectual observer. It adds up to about the same thing, I would say.

QUESTION: One of the distinctive characteristics of American labor in contrast to European labor is the tremendous treasury, the amount of funds they have at their disposal, which makes it possible for them to do things such as try to coerce Montgomery Ward or to engage in these long strikes because they have funds to support the workers. To what extent is there Federal legislation which would serve to curtail the use of these funds, other than a few things like the political expenditures that you mentioned? If there is no particular Federal legislation, other than the broad legislation which would apply to any corporation, are there any States which have effective patterns of laws to prevent misuse of these funds?

MR. HILL: So far as I know, Colonel, there are no laws specifically directed toward the control of those funds. Our legal eagles in the class can describe much better than I can the usual liabilities of a trustee for malfeasance in office. If you have ever been the beneficiary of a trust fund, you know that the trustee must make a report to you of how he has handled your funds. He is very much on the spot if he has not hewed right straight to the line. There are restrictions, for instance, on the type of security he can buy. You may have noticed that the union trust funds are invested with a good deal of care in order to comply with State statutes regarding the handling of trust funds.

QUESTION: Mr. Hill, again on these funds, are those welfare funds taxable, or are they exempt from all Federal taxes?

MR. HILL: They are exempt; they are not taxable.

QUESTION: Why do you believe the Taft-Hartley Act has largely negated the Wagner Act? What changes, if you had your way, would you make in it?

MR. HILL: As an individual, I am perfectly happy with it. I am a member of society which looks on labor with a jaundiced eye and says, "What are those people in labor up to?" I am not carrying a torch for anybody. I am trying to tell you what has happened. I will try to tell

you what labor says is wrong with the Taft-Hartley Act. Taft-Hartley, when it gives the right of free speech to the employer, according to the CIO organizers in the South, it stops organization, because it is so easy for the employer. You know how hard it is to get a job. If the employer says, "Well, now, I would go awfully slow about joining that union," what would you do? So the unions want to have several revisions in Taft-Hartley. I think they would like to see the employer again put under the proscription of the Wagner Act so that he can't say too definitely, perhaps in a very quiet tone, that he would not like to have his employees organize. Is that right, Jack?

MR. BARBASH: I think that is generally true, Sam. It would depend on the situation. In some situations, employers can be given the unlimited right of free speech, but, in other situations, where the union is weak or nonexistent, even a frown can have a coercive effect. I think you are right, that the unions would say that, so far as the unorganized workers are concerned, the Taft-Hartley free speech provisions have had the most devastating effect and have virtually blocked organization. I think that is correct.

MR. HILL: There is another aspect of Taft-Hartley which I think we should look into. That is this matter of the whole philosophy of the National Labor Relations Board's handling of the union. Of course, No. 1, the secondary boycott proscription is not very popular, and I am sure that labor would be delighted to have the General Counsel of NLRB relieved from the necessity of requiring an injunction against every secondary boycott, because the secondary boycott is labor's way of bringing up storm troops against weak parts of the line. Sure, somebody gets hurt. If you are a retailer selling Lowe and Company's hats and people don't buy your hats, and you go broke, it's tough. No question about it. You didn't get into a strike with Lowe and its workers, and you are the victim of the secondary boycott. The law now says that that is outlawed.

Of course another item would be the proscription against the closed shop. I think labor feels that without a closed shop it is pretty well limited as to its strength. It would like to have the closed shop, and have the restrictions on the union shop also removed.

Then in NLRB we have the political change. We have the Republican Party now in power, and the people who operate NLRB have a different philosophy. In the old days, for instance, if the union lost the election, whereas under the law you had to wait a year before you got another election, the Board would, under certain circumstances, allow a second

election if it thought that the work force had changed quantitatively or qualitatively, if there was complete change on the part of the employees, or if the force had been expanded very largely.

Now, under Taft-Hartley, you see, an employer can replace economic strikers. An economic striker, Colonel, is one who is out because he doesn't like the wages and working conditions--as against the striker for recognition of the union. It is very easy in many cases to replace striking workers with strikebreakers, and these strikebreakers can be easily coerced, or more easily coerced, we'll say, or persuaded by the employer, that they should join a union which will give them a contract which they will like better than the contract which the old union put in.

I think that about covers Taft-Hartley changes.

QUESTION: Right after the Taft-Hartley Act was passed, it was characterized by the labor leaders as a slave-labor act. Various polls were taken in Look Magazine among the rank and file of labor. They were asked to vote on whether they liked Taft-Hartley or not. They voted that they did not like it. But they were segregated out and asked if they preferred this or preferred that. My understanding is that the rank and file supported the provisions of the Taft-Hartley Act--but not under the influence of the labor bosses. What is the opinion of the rank and file today, versus the opinion of the labor bosses?

MR. HILL: I think, sir, you ought to ask that question of Mr. Barbash. That is really part of his empire, and I would not want to invade it.

MR. BARBASH: I will answer that question right now, Sam. Who knows?

MR. HILL: Thank you very much.

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