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THE LABOR MOVEMENT IN THE PRIVATE ENTERPRISE SYSTEM

Mr. Samuel S. Hill

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Reviewed by: Colonel J. H. M. Smith, USAF

Date: 10 January 1961

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17 November 1960

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Reporter: Grace R. O'Toole

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17 November 1960

MR. HILL: Gentlemen, the management wishes to announce that the main bout will be on at 10:30. Mr. Finucane's lecture will be at the time I was supposed to begin, so I will take over the preliminary.

This being the jet age, I think we should inject a little something of the flavor of the times. If you read your Wall Street Journal this morning, you saw that after all people are now saying, "Breakfast in New York, lunch in San Francisco, dinner in Tokyo, baggage in New York."

We are going to have a journey this morning, gentlemen, into an undeveloped country and that country is the United States of America. It is the year of 1800. So you see our journey will be one of time and not of distance. We are going back to the year 1800 because that was the beginning of what we call the labor movement in America, which is what we are going to study this morning, with some passing references to the situation in Western Europe, especially the so-called free countries.

The reason for going back to the year 1800 is because I want you to get a long view. Some historians begin later. The industrial revolution didn't really take hold until perhaps the 1830's or the 1840's.

What was the face of the land back in 1800? We had a collection of seaport cities, with a minor development in the hinterland. Communication

and transportation were mostly by sea. However, with the end of the revolution we began to have a great improvement in land transportation. Being a transportation analyst, I am afraid that the transportation industry is the villain in our play today, because it created a great disturbance in the economic setup of the period.

Up until that time you had production by means of crafts. You had the shop presided over and owned by the master craftsman. Under him were journeymen. And of course you had a number of apprentices. Production was made to custom on order, so that the pricing of these products was quite simple. The man knew how many days it took to make a pair of shoes, a sail, to build a house. He added on his raw material costs and his overhead, and that was it.

But, with the beginning of improvement in transportation, two factors entered into the picture. One was competition from the more efficient shops in cities outside of localities which were less efficient. For example, in Philadelphia, about the year 1800, we had perhaps the first recorded walk-out. The cordwainers, or shoemakers, decided that they were not going to work for less than a dollar a day. This was because the price cutting had set in on behalf of the master craftsmen, who were beating competition from more efficient shops located in other towns. Also, we had the itinerant journeymen who came from outlying cities and competed with the resident journeymen in the craft shops.

I want next to show you something of the make-up of the laboring

group.

Slide I

Now you find all the total experienced labor force. First of all are the independent classes. In there we do not find our labor group. Go right straight down under the manual workers, and we find operatives and kindred workers and unskilled workers combined. They take up about 43 percent of the total experienced labor force. The other groups we put over into either the managerial group or the middle group, which we call professional--the small business man, the farmer, and the proprietor. Over on the right-hand side here we have the unskilled workers and the operatives and kindred workers. They are the people who work in the mass-production industries.

I am going to develop this history of labor along two lines. First we will review the organizational history and show how labor began to organize from the year 1800 down to the present time. Secondly, I will review with you what the non-labor element of society did about this attempt on the part of the labor group to organize. But first let us see why there was this need to organize on the part of the labor group.

Analysts of the movement, especially Southey Perlman and Sumner Schlichter, have concluded that it was the feeling of a limited opportunity, compared, of course, to the other groups. All groups have, of course, the great drive for security, but this labor group feels that only through organization can it overcome this limited opportunity.

In the year 1800 we then see the first attempt on the part of the working man in the United States to organize. At that time a group of cordwainers walked out of the shops in Philadelphia and went on strike. We know, of course, that it is difficult to put in terms of present reference what one dollar per day will buy, and we know that a reduction from $1.00 to $.75 a day represents a substantial cut. It is of course difficult to appreciate what it means in terms of purchasing power. The average worker of that day lived a very austere life. His food was inadequate and his housing and clothes were very inadequate and very austere by present standards.

So let's notice first of all that the first recorded walk-out was against a reduction of wages and not an attempt to push them up. The reaction on the part of the non-labor section of society was quick and severe and adverse. These people were brought up before the Police Magistrate, and he said that an action by any combination of people to benefit themselves by harming others was a criminal conspiracy. This doctrine of "criminal conspiracy" was to remain as part of our economic environment for a long time to come.

However, in spite of the adverse opinion of the magistrate, people did persist in organizing, and all during this early period of the United States, from the year 1800 until about the year 1837, we had a great drive to organization. At first there were local crafts in the cities. In New York,

for instance, you had shoemakers, tailors, sailmakers, bricklayers, and all the building trades, and similarly in other cities, separately organized by these urban groups.

Then the next step was information of the so-called labor councils. They were labor chambers of commerce which discussed matters of interest to the laboring man. What did the laboring man have on his mind? This wasn't only, of course, the improvement of the wage contract. He also went into the political arena to try to improve his political and social situation.

We find, for instance, that in the 1820's we had a working man's party formed. The goals of the working man's party were first of all a shortening of the working day. At that time men did really work from sun to sun. Thirteen hours and even fifteen hours a day were common. So they thought that a 12-hour day or a 10-hour day would be wonderful.

They also wanted to be franchised. Now, our Founding Fathers were very conscious of the fact that they were being taxed without representation. But the working man of the 1800's could not vote. They wanted free schools for their children. The labor movement is very proud of the fact that this drive for free schools contributed very substantially to our present school system. They wanted restrictions on minimum wages. They wanted to have prohibition on women and children working in hazardous industries and long hours. They wanted a relief from the

draft, because in those days everybody was subject to drafting in the militia. On the laboring man this reacted very adversely. It meant that his family was going to have to live on an inadequate income while he was in the service.

In the year 1837 we find Andrew Jackson, who was then President of the United States, taking an action which resulted in a great depression. He refused to extend the charter of the Second Bank of the United States. This growing country was increasingly in need of a central banking reserve, and Jackson, who was a populist, was with the small men, and he shared their fear of Eastern monopoly capital. He was sure that the Second Bank of the United States was a means by which monopoly would control the country.

This theory of monopoly is very important. It is one of the cardinal aspects of the labor movement—that and this matter of violence. Unfortunately, however, this collapse of the country's economy in 1837 resulted in a depression, and for 15 years the labor movement was very amorphous in character. We call it the Utopian Period. "Utopian" could be misleading, because when they say "Utopian" we have in mind the communal societies which were formed in this country during the 1840's. You may recall Fourier, Lauderdale, Robert Dale Owen, the Shakers of New Harmony, and John Humphrey Noyes, who founded the Perfectionists in New Hampshire. Noyes, for instance, decided that the real cause of this mish mash in the economy was due to the bitter competition of people

setting up stores of wealth for their old age and for their own account and for their families. So that, if in some way he could vitiate this terrific drive to compete, he thought perhaps he could solve this problem with the production of the necessaries of life and with equitable distribution.

So he abolished the idea of marriage and had all of the children of the community owned by the community, if you will, along with the community property. The operation of this new idea caused a great deal of head-shaking on the part of his neighbors, and the society finally broke up. It lasted longer than the rest.

I mention it because it was an important period in the life of America. It was the first time the social philosophers of America took a good look around to see what the country was all about. It was the day of Rousseau in France, of course, and in America of Thoreau and Emerson. It was also the day of the factory barrack. While the utopian societies were trying their experiments, we find in the early 1840's that the textile people, for instance, were having their operatives, the young women of the community, invited in to join the company's operatives, and they lived in very carefully controlled barracks. At first this worked very well. They were very carefully chaperoned. Their wages were low, but they had all their board and lodging and were able to save some money.

But with the great tide of immigration—and that's another great factor in our history--this tended to break down the wage structure, and

we find conditions in these factory barracks becoming very sordid, indeed.

Now I am going to show you a picture by George Luks.

SLIDE II

This is to give you some idea of what we have meant by this term, "labor." This picture, painted by George Luks in the 1920's, is called "The Miner." This was probably in Eastern Pennsylvania, where Luks worked a great deal. It gives you some idea of what the laboring man looked like in those days. He looks less like that now because work is not quite so rugged as it was then.

With the 1840's came a new era of the working class movement. It was an amorphous one. At that time we find that the railroad construction period was beginning. That was the period of our merchant fleets. We were a trading nation, exporting and importing agricultural commodities, but not much manufacturing. We were just beginning. The factories, forges, and furnaces, particularly in Eastern Pennsylvania, were just beginning to be built.

Then we come to the 1850's, and for the first time we see that trade unionism as we know it now, began to take hold. In the 1850's we find, for instance, the International Typesetters Union being founded in Washington. It is now proud of being the oldest union in the United States.

We go on through the Civil War period and we find that trade union organization goes on apace. Wages, of course, were lifted to some extent

by the purposes of the Government during the war. Employers grumbled at increasing wage demands, but by and large the Government was going to pick up the bill, and so they passed on the charge.

Then, after the Civil War, we find that we had to eat the results of the greenback boom of the 1860's. We had two very severe depressions in 1873 and 1877. The 1877 depression was much the worst. We had what was tantamount to social revolution in the country for a short time. People were unable to find work. The whole economic system had bogged down again, and, because men were frustrated and were not able to buy food and clothes for their families, they resorted to violence. This violence is very important, as we shall see later.

One of the reasons why this middle group, which is neither management on the one hand nor labor on the other, has always had a distrust of the labor movement is this violence. This is not always a proper deduction, however, of what happened. For instance, in the 1870's, we also had the phenomenon of the Molly Maguires in Pennsylvania. Those of you who come from that part of the country will know what I mean. The Ancient Order of Hibernians was started by the Irish miners, partly as a protest against the harsh working conditions of the time and against whimsical mine bosses who hired and fired according to rules strictly of their own. They were a very violent sort, and the President of the largest railroad company in the country--as a matter of fact it was located in the anthracite region--took as a personal project

the prosecution of the leaders of that society.

Just in the last few years the railroad has released papers which indicated that Mr. Gowan, the President, pursued his prosecution into persecution, and hanged many people who should not have been hanged. So again this matter of violence comes up.

And people in this little group wonder about the labor movement because of the connotation of violence. At this time we see the first great struggle for a national federation of labor unions. We have, for instance, the Knights of Labor, founded by Silvus and carried on by Terrence B. Powderly. Powderly has always been associated with the Knights. His idea was to construct one great cooperative organization of producers, distributors, and consumers. He made a curious exclusion. He wouldn't allow lawyers, bankers, or gamblers to join. I think the first two might be a little bit surprised to find that they were included with the third group.

He made one mistake and was the victim of another necessity. His mistake was his inclusion in his society of the non-skilled. It has always been difficult to organize the non-skilled labor, because it is so easily replaceable. Secondly, because of the attitude of the period, he was forced to have his society organized on a secret basis. This antagonized many groups, especially the Roman Catholic Church. He was finally able to convince the hierarchy that his motives were the best, and for a time succeeded. He, for instance, organized the railroad workers on

almost all the lines in America. He was successful in defeating Gould in an attempt to reduce wages. And finally he succumbed only because of the distrust of the middle group in this matter of violence, because the Knights of Labor were connected in the public mind with the Haymarket Riot of the middle eighties.

The Haymarket Riot was again a matter of violence. Somebody threw a bomb and labor was blamed. Now, responsible labor union leaders are very seldom committed to violence.

Out of the ashes of the Knights of Labor rose our present American Federation of Labor. Samuel Gompers, who was a real founder of the movement, was a cigar-maker by trade. As you may know, cigar-makers were accustomed, when cigars were made by hand and rolled, to have one of their number read to them while the others worked, so Gompers read a great deal, especially of the social philosophy period—Carl Marx, Hegel, and Rousseau--but he was a very, shall we say? hard-headed man. He did not believe in any long-range social revolution. He founded what is known as business unionism; that is to say the improvement of the wage contract with the employer on the best terms possible and with no nonsense about any reform movement.

Gompers was quite successful. The membership of the AFofL continued to grow until his death in 1924. It was helped, of course, by pre-World-War-I activity which increased its membership. Prosperity

was the order of the day, and prosperity has always meant an increase in union membership, and depression the reverse.

After World War I we had a reaction against labor, which was quite similar to that which we had after World War II. This middle group again got to worrying about what labor was up to. Of course, while labor was fairly cooperative during World War II, we had some strikes. You will recall that Lewis struck his miners in 1943 and we had to get the Supreme Court to put him back in his place. We had a threatened railroad strike. But after 1945 labor then began to do what it usually does in times of national emergency, namely, improve its position. You had the sit-down strikes in General Motors, which were copied from the French workers' custom against Fiat.

So the Taft-Hartley Congress, the 80th Congress of 1946 and 1947 was set in, with practically a man named from this little group, to spank labor. And so it did.

Now, we find that in 1935, as the result of the depression, labor was again finding a decrease in membership. But there was also something wrong with the philosophy of the American Federation of Labor. It was devoted to the craft union system. Now, the AFofL has its foundations substantially in the building trades, and this did not fit in with mass production industries, with glass, rubber, textiles, steel, and automobiles. Lewis and others realized that you should have industrial

unionism. That means organization of a plant by one labor group--in fact a whole industry. While the AFofL was fumbling the ball and creating what it called Federal unions, which were share holders and where they put in people that they just didn't know what to do anything else with, Lewis finally, in the Convention of 1935, walked out with about eight of the crafts and they set up what we know as the Congress of Industrial Organization. For 20 years we had the house of labor divided, until, partly as a result of the Taft-Hartley Act of 1947, which forbade jurisdictional strikes, one of the great bones of contention between the two, they decided to join up again. For the last five years we have again had a united house of labor.

So much for the history of the organization of labor. Let's go back and see what the reaction was of the non-labor group. You recall that the cordwainers stubbed their toes in the Recorders Court, and they were told that they were guilty of a criminal conspiracy. This was to remain unchallenged for some 30 years. I think in the late forties Chief Justice Shaw put out an opinion in a very famous case, Commonwealth versus Hunt, I think, saying that it was ridiculous to say that what men can do legally by themselves is criminal if they do it together.

This was only one jurisdiction. Even there the temper of the country was, as it has always been, business minded. This is one key to this question. This is the land of opportunity, where everybody who works

hard and has the courage of his convictions can always make a way for himself. That is one reason why, as people, correctly or incorrectly, feel that their opportunity is limited, they find a position. As long as there was a frontier in the country, there was an escape valve. People who didn't want to work for the wages being offered in the cities could go West and take up homesteads.

We can cover this period by pointing out two things: First, you had an adverse climate in the law courts; and, secondly, you had at the national level laws which were turned against the labor movement. What was this adverse opinion of the court? The opinion of the court was that you had to hew the line. You could not have any action whatsoever. Later we find the "yellow dog contract." The yellow-dog contract persisted for a long time. It was offered to an applicant for a job who was required to sign a statement to the effect that he would not join a union, before he got the job. This, of course, made it very easy to keep a union organizer from coming into the locality and inciting people to a breach of contract. That, of course, to a lawyer is very bad, and the judges took a very sour look at this kind of action. People getting off the train, for instance--and this is in the memory of all of us here--near the coal fields of West Virginia were given very rough treatment. They never even got to the law courts in the first place. The sheriff deputy saw to that. Here again is this matter of violence, and it was not only on one side.

The other method used by the employer to restrict this drive of the labor movement was the use of the injunction or restraining order. As you know, if you feel that someone is going to do something which injures you, you go to a local court of jurisdiction and apply for a restraining order, giving your reasons, and without more than a very preliminary hearing, you will get it. It will remain permanent only upon the proper showing.

The employer would go into the local court of jurisdiction and get a restraining order against his employees' striking. The delays of the law being what they are, it was often quite sufficient to have this restraining order in effect for a matter of weeks , and this blunted the only effective economic weapon which the employees had to exercise in their drive for whatever they wanted, usually the right to organize and after that the right to go on legally.

At the national level we find again this fear of monopoly, resulting in the passage, at the request of the Granger Movement of the 1870's and the 1880's, of the Sherman Anti-Trust Act of 1890. Again there was this fear of monopoly. The worker was not really worried about his employer. He could see him. He was a nice guy. But somehow, something was wrong, and he thought it was the monopoly. So they passed the Sherman Anti-Trust Act of 1890. But curiously enough it was first turned against labor movement in the Pullman strike in 1894. There Eugene V. Debs tried to call out the American Workingmen's Union to support

the Pullman strikers. All he told them to do was not to handle Pullman cars. It's very easy to cut out a Pullam car and run along with the mail car, the coaches, and the express. But the President, for reasons best known only to himself, decided that he would call out the troops if necessary to deliver a postcard going from New York to Chicago. That was President Cleveland.

The Clayton Act of 1914 was designed to get labor out from under this matter of the Sherman Act, by declaring that labor was not a commodity. Of course it is, in the large, and has been treated as such. It completely failed to keep the secondary boycott theory from keeping labor from throwing in its shock troops to the weaker portions of the line.

Again in 1904 we had the famous Danbury Hatters Case, where the Union tried to force the Lorne Company to allow organization by means of a letter which said, "We do not patronize." Well, this was a secondary boycott. The Supreme Court took a very sour look at that and fined the union and members, and they were ruined financially.

Now, for the first time, in 1926, we see that the Government took a position in this matter of the right to organize and the right to bargain collectively. The Watson-Parker Act of that year gave to railroad labor that privilege. An interesting feature of that bill is that it was written partly by railroad management, because railroad management had been

happy to deal with organized labor since 1874 or 1875, when the trainmen's organization began.

The right was extended to all labor by the Wagner Act of 1935. After bitter opposition on the part of the employers it was declared constitutional in 1937.

Then we find the Taft-Hartley Act, which, as I have said before, was passed as a result of the suspicion on the part of this great middle group that labor was really getting out of hand.

I think it is important to know exactly what the Taft-Hartley Act says. Really, what I want to get across to you is something of the flavor of this whole business. You have to go over this business by leaps and bounds, and you can't get into the details, but the Taft-Hartley Act is really important. So I think we should see the Taft-Hartley Slide No. 1.

SLIDE

The first provision is probably an excellent idea, except that this matter of the filing of a non-Communist affidavit was really quite an insult to the average union leader. He was no more a Communist than any one of us here in the room.

Now, management may not interfere with organizing attempts. It may not attempt to dominate the union. It may not discriminate against union activities. That is important, you see, because very frequently one of the policies of management is to fire employees if they attempt to form a union.

Now you see here we come to the secondary boycott. That's definitely out--no secondary boycott.

Here's No. 4. They may not indulge in jurisdictional strikes.

It outlaws featherbedding. Now, featherbedding is a very controversial proposition. It exists in the sense that men have working rules which require that they be hired where they perhaps are not needed. One of the cardinal examples is the matter of the fireman on a diesel locomotive, the idea being that they have to have him there in case the engineman has a heart attack or gets a cinder in his eye. But, since the Central New Jersey accident, when the engineman had a heart attack and the helper was apparently not looking where he was supposed to be looking, and the train ran through a drawbridge, there is some doubt as to what the second man on the engine does.

This is important, this free speech business, because, not so much under the wording of the Wagner Act but by the policing of the Act by the National Labor Relations Board, you practically silence management in its attempt to speak out and tell workers the truth. You see, management had been so aggressive that in 1935 we decided we would tie management's hands, and it has come, too. But here it gets its come-back.

No. 7 is quite important, because here you see it opens the way to strike-breaking on a great scale. When workers strike for higher wages or for better working conditions but not for the need to organize, we call them

economic strikers. There can be organizational strikes on the one hand and economic strikes on the other. This, of course, means that you hire your workers and you break the strike and you are in business.

Now, No. 8 is pretty important. That's the portion of the Act which gives us the national injunction privilege, under which the President began to take action in the steel strike. It really delays the strike for 80 days. After that you go ahead and strike.

No. 9, of course, provides that the Board decides the appropriate bargaining unit. That's of course a matter of considerable concern to everybody, and it should be policed carefully. Also note that the Act does not protect organizations of foremen. They are the agents of management.

No. 10 provides that both sides must bargain collectively in good faith.

No. 11 takes NLRB out of small disputes and limits their operations to only the big cases.

No. 12--no more closed shops. It does permit the union shop. The closed shop means that you can't hire anyone unless he is a member of the union. This gives you complete control. The union shops means that you have people only from the union, but they may be hired as non-union people and later join the union.

The final provision, of course, is really the Pandora's Box of the

whole business, because this right-to-work law strikes at the very foundation of the whole right to organize. About 17 States, most of them in the South, have adopted right-to-work laws. That means that the State can pass a law which will prohibit any contract requiring union membership.

Now we come to the end of a 45-minute period. I think that, rather than going into the Landrum-Griffith Bill at this time, which really was directed at the non-ethical side of labor and is not really a part of the normal stream of what we are talking about today, I would like to sum up what I hope I have given to you.

First, we have seen that the labor movement has arisen because of the conviction on the part of this group of skilled and unskilled people that their opportunities were limited.

Secondly, they have this drive for security, but that is not all. This I didn't bring out before. In this matter of security we have not only the question of economic security but of psychological security and emotional security as well. People want to be treated as people. They want to have satisfaction in their jobs. To the extent that management can have a working force which is perhaps not the best paid in the industry but is happy in its operations, in the sense of being taken care of and being recognized, you have successful industrial relations.

Now, I think there is a practical application of this matter of labor relations discussion to you, not only in your general preparation for your

positions, when you want to know something of what makes the other side of the social body tick, but if you are put in the position of responsibility at a plant getting out production for the Armed Forces, if you know something of what this labor relations business is all about, perhaps you can do a better job. Perhaps you can report back to the Pentagon what the real issues in the matter are and make up your own mind as to who is really in the right in any particular strike.

Now I think we'll close the lecture and take a 10-minute break. Then I'll see you back here for questions. I'll be glad to try to answer any questions you have.

QUESTION: We were interested in discussing in the break the question of who is involved in this middle group that you speak of. Do you have a definition of that group?

MR. HILL: The definition of "home" is that is where a man is found if he is nowhere else. I think the same general characterization will have to cover this, in the sense that you have on the one hand the managerial group and on the other hand you have the labor group. In between you have the professionals--doctors, lawyers, brokers, real estate men, the white-collar class, mostly. Until recently the white-collar class has had no part in what we call labor movement. It includes the small business men, the corner grocery people, the cigar store, and the farmer, and the doctors, and the lawyers. They are not part of management and they are not part of labor. But it is their opinion

which really calls the turn.

QUESTION: There has been a lot of talk about changing the Taft-Hartley Act, assuming that we have a Democratic President, which we might have. What do you see in the way of changes in the labor legislation or in the labor movement in the next 10 years?

MR. HILL: No. 1, I didn't get to give you the Landrum-Griffith Bill, which, of course, did revise the Taft-Hartley Act. Would you like to see the Landrum-Griffith Bill?

STUDENT: Yes, sir.

MR. HILL: O.K. We'll have the slide on the Landrum-Griffith Bill.

The anti-Communist oath was repealed. Thank goodness. It got the insult out of the way.

Economic strikers may vote. I forgot to mention that under Taft-Hartley, if you fired economic strikers and put in strike-breakers, they could vote, which was pretty nice for the employer. This cuts that out.

Recognition of picketing is permitted, and also organizational picketing, if the secondary boycott is not involved. The so-called "hot cargo" is taken up in No. 4.

Here you see that the garment workers and the construction workers may include the secondary boycott idea. That shows what lobbying will do.

Now the trusteeship of local unions is disallowed or restricted.

That opens up the range of a great many abuses. That is what Mr. Hoffa does, and he doesn't like the "honest" (I mean that) organization of a local union. He revokes their charters and puts them out of his way. Of course that is a matter which could lead to abuses. That's very carefully restricted.

The "No Man's Land" between Federal and State jurisdiction was a tremendous loophole before, and now that has been taken care of.

The rest there control the use of non-ethical practices, especially the scandal, as you know, in the Teamsters' Union.

No. 10 can be quite expensive. That's one of the restrictions of Landrum-Griffith to which the unions object very strenuously. It can be very expensive, and the unions feel that it doesn't accomplish anything.

QUESTION: During some parts of this labor movement, certain big organizations were never unionized--Bell Telephone, Ford Motor, and some of the others. What was the significance of organization where all the same factors were involved if they didn't get involved in the labor unions? Would you discuss that? Why?

MR. HILL: You had in some cases the company union. That was the case in certain industries, the organization of workers at the company level. That, of course, is now outlawed.

STUDENT: Is this true of Bell Telephone Company?

MR. HILL: Yes. They now, of course, have the Communication Workers' Union. Mr. Lorin Behren is the leader of that.

QUESTION: In writing in Reader's Digest Mr. Goldwater expressed the opinion that the unions have grown too large to become too much of a monopoly. Would you care to give us your views on that?

MR. HILL: Yes. The feeling on the part of labor is that basically the only way that the individual workers--you and I, for instance--who start out to get a job with, say, the U. S. Steel Corporation, can do better is by belonging to the USW, CIO. They feel that this is much better than trying to bargain with the Vice President for Industrial Relations, who is probably 40th in line.

How big is big? I don't know. We are now in the era of big labor and big government and big business. I think the facts show that the organization of labor has been able only in the last few years to make bargains which we feel are equitable on both sides. So I do not agree with Senator Goldwater in his thought that labor unions are too big. They are too big in the sense that they constitute a threat to this middle group, you see, of the professionals and the small business people.

Of course they naturally have some fear of the organized labor movement because it means they can raise prices to them. They are not organized, and so it is a threat. They are too big from the standpoint of some people, but from the standpoint of the national economy I think not.

QUESTION: Have we had too many strikes, or not enough? Do they

have any affirmative value in our labor relations picture?

MR. HILL: The strike is an unfortunate concomitant of the labor movement. It is the only weapon which labor has to enforce its demands, whether those demands are good or bad. Now, any strike is regrettable. One strike of one man for one day or part of a day is not constructive, certainly, and nobody wants it. So that the answer is that strikes in themselves are not good. Nobody wants them.

But it is very dangerous to outlaw them, because, when you outlaw strikes you take labor's weapon away.

May I consider that thought for a minute and perhaps give you an answer which will help you in your thinking. The strike is characteristic of only the United States and Canada. They have strikes in Europe, but they are not the same kind of strikes. By and large they are strikes for very short periods--one day, a few days. Sometimes they are longer. There is no general rule covering the whole waterfront.

But United States strikes are economic strikes and for a very serious purpose. The steel strike of 1959 was such a strike. The encouraging thing is that as the labor movement matures management and labor are getting closer together, and you are having a diminution in the number of strikes measured by the number of worker strike days per union member.

It is the thought of most students of the labor movement that the strike is going to pass out of the picture. That is very important. Usually one of the questions I get in order-session hours here is, "What about the

So and So strikers in the middle of a war?" You've got a point. I have to say, "My gosh, you can't destroy the liberties of workers. If Joe Blow is not satisfied with his wage bargain he's going to strike." What people don't realize is that a strike is merely the inability of two people to bargain. It isn't just a matter of the dissatisfied worker who walks off the job. The employer may be offering him a lousy contract. Mean while, during the war, he is making so much money that the worker gets a little restive under the circumstances.

QUESTION: I noticed on the chart on the Taft-Hartley Act that it outlawed jurisdictional strikes and featherbedding. Those things seem to continue. Could you tell us what effect that has on those things and what the present law is and how it is working on the control of featherbedding and jurisdictional strikes?

MR. HILL: That's a good question, and the answer, very bluntly, is that it hasn't had much effect. Nobody can put his hand on a featherbedding practice, you see, and make it stick, without a good deal of argument and discussion. In the case of jurisdictional strikes, again, they are outlawed and they do appear. Of course they have been cut down. What happens is that the people are punished very severely if they don't act in accordance with the law. But it sometimes takes time to enforce it.

QUESTION: The GE strike is the most recent example. Is this an indication that management is becoming more mature and that the

union officials are possibly becoming less potent? Was this strike settled, apparently, even though the union officials didn't wish it to be settled?

MR. HILL: That's a good question. I would say, no, because the GE management is one of the best in the country. I think that they do a simply superb job in labor management relations on the one hand, and Mr. Carey, the President of the UE, is not the best labor leader on the other hand. I think that the position of the management of GE was so fair that the workers were happy with it. Carey has always had a grudge against GE. He once came down here and said, "The GE management is Communist." I don't think so. What he meant was that GE was bargaining with the IUE. The IUE is an independent union which has been alleged to be Communist led or Communist infiltrated. But, under the law, the GE has to bargain with the certified labor union in its plants. It has no choice.

You may have heard the phrase "Boulwarism." Mr. Boulware at my invitation came down and I think he gave an excellent review of GE's management policies, three years ago in a horrible snowstorm. I got to know Mr. Boulware very well on the big airplanes and two trains and my car and snowdrifts.

This GE attempted strike is an exhibition of how good management can destroy the reason for striking.

QUESTION: It is my understanding that the union under Communist

pressure has an entirely different role than it has in the United States. Would you comment on that?

MR. HILL: You mean the Communist union in Russia?

STUDENT: YEs, sir.

MR. HILL: Yes, indeed. I think we can bring out this role of labor in the free enterprise system by bringing that out. They do have trade unions in Russia and they belong to the WFTU, the Workers' Federation of Trade Unions, to which our own CIO once belonged as well. The AFofL never bought it. I think the Federation may be happy about this decision, and I think that the CIO may be a little chagrined. The position of the AFof L, which is now being upheld, is that there is no trade union movement in Russia. They have trade unions but they are instruments of the state. Here, of course, they are obviously not.

In Russia you have the trade union setup. They have a plant committee. They have an organization, as I know it, both at the plant level in industry and nationwide. Actually the negotiations are only about certain help and factory working hazards. Wages are set by the government.

STUDENT: One particular point was the reason I brought this up. In reading material I found that the social security program is administered by the union in Russia.

MR. HILL: Well, I am not too well acquainted with the entire workings

of the Russian system. I know more about the free enterprise system. But that, of course, would be logical, since the original philosophy of the trade union movement was one of voluntarism. That is to say that the member of a trade union should look to only the organization for all his claims on society. The state should not do it; it should be done by the union.

I am prepared to accept the fact that that is done by the trade union. Of course you have many non-trade-union-members in Russia. So of course they've got to get social security benefits, too.

QUESTION: With a union of the size and with the wealth of CIO, and the leading factor it has, it appears to me that it is becoming a very formidable opponent for a company to deal with. In Europe they have employers' associations and the federations of unions deal with the employers' associations. Do you see a trend in that direction in this country?

MR. HILL: Of course we do have employers' associations here. We have not only the NAM but we have also the Chamber of Commerce. We have regional associations of employers, associations citywide and industrywide. So we have many employers' associations. We had a whole seminar on that several years ago.

STUDENT: But the unions do not deal with these associations. They deal with the companies.

MR. HILL: Sometimes they deal with the associations. Indeed they

do, many times.

QUESTION: In my opinion, at least, the Democratic Administrations of Mr. Roosevelt and Mr. Truman followed a policy of intervening in strikes to arbitrate them. When Mr. Eisenhower came in, he put in a policy of having them settle their own problems, which I think has been very helpful. Has there been any firm indication on the part of Mr. Kennedy on which way he is going to play this thing?

MR. HILL: I haven't seen any. I am sorry, gentlemen. I think we will have to close the question period. As you know, Mr. Finucane will speak at 10:30. I would like to mention very briefly the fact that this is an introductory lecture to a series of talks and seminars on this whole question of labor-management relations.

We are going to have a talk tomorrow by my good friend, Bill Caples, Vice President of Inland Steel Company, Chicago, a man for whom I have the highest regard and who is a good friend of this College. On Monday we will have Neil Chamberlain, who has been down many times, and whom I am very happy to have back. He is a member of the Yale faculty and was formerly in the Ford Foundation. He will discuss current developments as he sees them. I have tried to bring you up to date with a long view of history. Chamberlain will talk about current developments and perhaps give you a look into the ten years from now. On Wednesday we will have the President of the Machinists' Union, Mr. Albert Hayes, who will lecture to us in the morning on Wednesday. In the afternoon

we will have a series of section seminars, presided over by one of Mr. Hayes's associates.

It is General Mundy's and Admiral Patrick's desire that we should have a good course in this subject, and I am, of course, very much pleased that they want to do this.

Thank you all very much.