

*Labor movement - U.S. - Study and teaching*

# THE LABOR MOVEMENT IN THE UNITED STATES

PENNSYLVANIA

CURRICULUM

DEVELOPMENT

PROGRAM

*A Resource Unit*

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COMMONWEALTH  
OF PENNSYLVANIA

William W. Scranton  
Governor

DEPARTMENT OF  
PUBLIC INSTRUCTION

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Superintendent of Public  
Instruction

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## MESSAGE FROM THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Economic illiteracy is a luxury that we as a nation cannot afford. To function intelligently as responsible citizens within a capitalistic economic system and in a world torn by a conflict of ideas and ideals, it is imperative that Americans understand their own economic system, the one they champion before the entire world. Without a firm understanding of our economic system, it is ridiculous to expect students to compare it intelligently with other systems. Students must understand such concepts as the role of supply and demand, private property, freedom of choice, gross national product, and collective bargaining. Nor can we ignore the roles of major economic groups—management, labor, investors or owners, and farmers.

This Economic Resource Unit is a part of the endeavor to reach the goal of economic literacy by providing the teacher with resources and suggestions for teaching about labor in the United States. Labor as the largest numerical economic group and one of the productive resources has a significant and major role in our economy and society. For these reasons it is desirable for pupils to understand how labor is organized, how and why labor organizations developed, labor-management relations, in what ways labor and the economy are interrelated, and labor's relation to the community. Used wisely by the teacher, this Resource Unit can be a valuable aid to an objective study of labor in America.

The next unit of the Economic Resources Unit Series will be on the role of management in our economy and will provide supplementary instructional materials.

*Charles H. Boehm*

## PHILOSOPHY AND OBJECTIVES

Labor unions have played a significant role in our development, locally, regionally, and nationally. This role has often been neglected; perhaps due to a lack of information or to the controversial nature of the subject. There are certain aspects of the labor movement in which there are sincere differences of opinion, but in order to obtain the general objective of illuminating the past, or a contemporary problem, these issues cannot and should not be avoided. Used wisely, the ideas in this unit should open avenues that will enable the pupil to understand this important phase of the American story in proper perspective.

### *Understandings:*

- To understand the role that labor has played in the historical development of the United States and its efforts to achieve its goals.
- To understand the relation of government to labor and labor problems.
- To understand the purpose, process, and issues of collective bargaining.
- To understand the role of labor in the economy and the effect of changes in the economy upon labor.
- To understand the policies and practices of labor in the community.

### *Skills:*

- To obtain information from a variety of sources.
- To evaluate sources of information.
- To interpret information.
- To work effectively without immediate direction.
- To apply economic principles to specific problems.

### *Attitude:*

- To appreciate the role and complex problems of labor and management-labor problems.

## PREFACE

This resource unit is not mandated but is presented as a suggested unit for the Problems of Democracy course offered in the twelfth grade or in the study of economics. The unit presents suggested content, learning activities, and learning materials only as an aid to the busy teacher in formulating a teaching unit. Although this resource unit is comprehensive and contains more content and suggestions than can be used in a teaching unit, it can be an aid to shorten the amount of work and time a teacher need spend reading and locating material. The wise teacher will select from this resource unit the material that is appropriate for the course goals and the pupils' needs.

There are five suggested approaches or sections to this study of the labor movement. Although the unit is designed to be used as a whole, the five approaches may be used separately or in any combination. As an illustration, a teacher may wish to use the "History of Labor" approach in the American History course and the other four or a combination of them in the Problems of Democracy course. If time is severely lacking, the teacher may decide to use a combination of two or three approaches he deems most necessary.



## SUGGESTED INTRODUCTORY ACTIVITIES

Most pupils are unfamiliar with the history of the labor movement, issues of labor disputes, procedures for settling disputes, the relation of government to labor, and the relation between labor and the economy. The following activities are designed to stimulate pupil interest and explore the subject and attitudes of the pupils:

1. Read a provocative excerpt from a labor-management pamphlet or book. How do the issues affect the pupils?  
Example: "Why Unions?" by Leo Huberman.
2. Discuss a challenging cartoon which illustrates some phase of labor or labor-management relations. How does the issue affect the pupils?
3. Have the class bring in newspaper items involving labor and unions. In class bring out the wide variety of union activities and issues.
4. Show the film *Working Together*. The discussion following the film should emphasize the reasons for organizing, the issues of dispute, procedures for settling disputes, and the benefits of working together.
5. Construct and give an information and attitude test on labor and unions at the beginning and at the end of the unit.

*Examples of the type of questions:*

- a. Labor union activity should be limited to higher wages and shorter hours.  
(a) agree (b) disagree (c) no opinion

- b. One of the goals of unions should be equal pay for equal work for all workers in a given market.  
(a) agree (b) disagree (c) no opinion
  - c. The first and major goal of all unions should be the elimination of corruption within unions.  
(a) agree (b) disagree (c) no opinion
  - d. The Federal government should forcibly stop all strikes that adversely affect the public.  
(a) agree (b) disagree (c) no opinion
  - e. No worker should be forced to join a union as a condition of holding his job.  
(a) agree (b) disagree (c) no opinion
  - f. The best means for a worker to gain better working conditions is to bargain as an individual with management.  
(a) agree (b) disagree (c) no opinion
  - g. Labor unions should become involved in political activities.  
(a) agree (b) disagree (c) no opinion
  - h. Management, in a labor dispute, usually has the advantage over unions.  
(a) agree (b) disagree (c) no opinion
  - i. Collective bargaining rather than individual bargaining should be used by workers to secure better working conditions.  
(a) agree (b) disagree (c) no opinion
  - j. Management should accept unions as an important aspect of our economy.  
(a) agree (b) disagree (c) no opinion
6. Have the pupils write an essay on some topic developed under activities 1-4.

# THE HISTORICAL ROLE OF AMERICAN LABOR\*

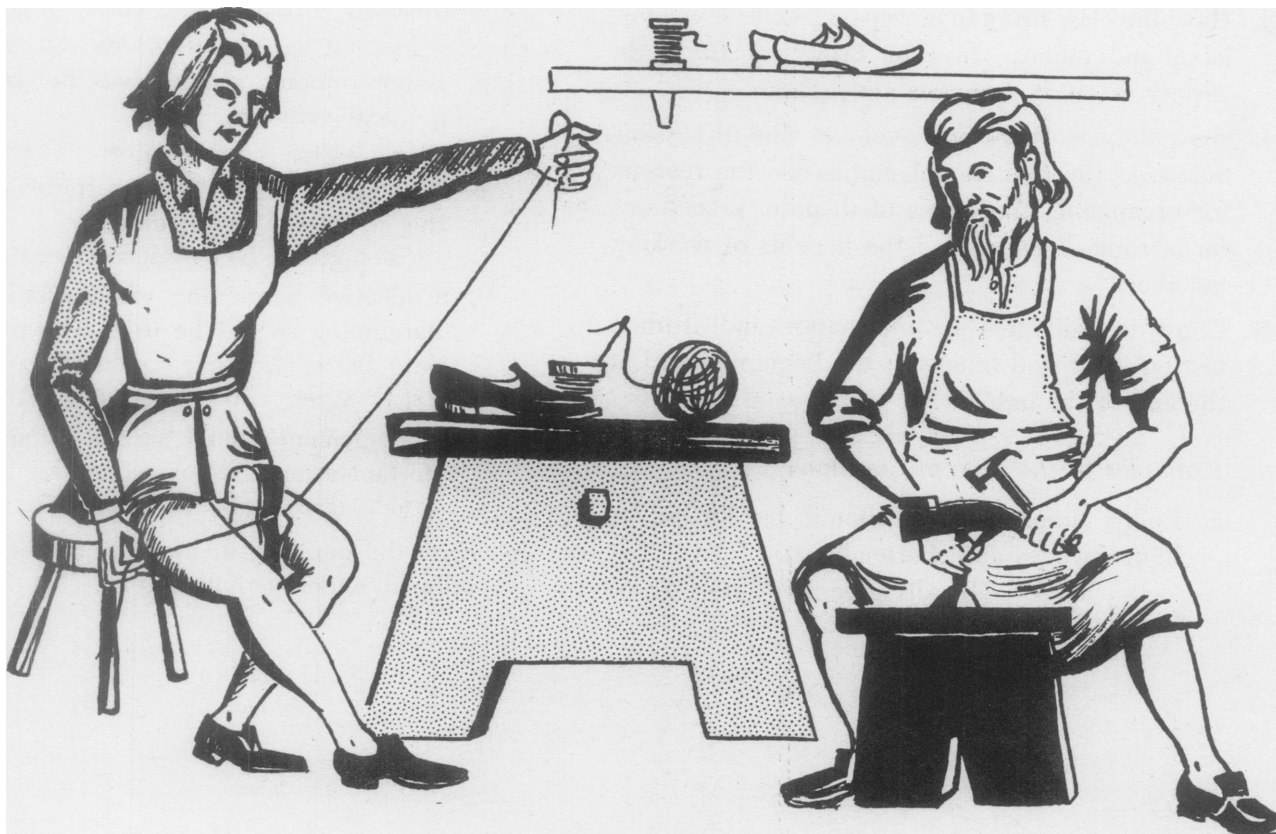
In any study of American labor the student soon becomes involved in a problem of terminology. In an historical study the problem becomes more complex because of the changing nature of terminology over a span of 300 years. To alleviate the problem certain terms are used consistently throughout this account.

Most often used is the term "labor." Since there is no adequate dictionary definition of this word, let us define "labor" to mean that group in society which gains its livelihood by the direct creation or distribution of economic goods or services, which receives an economic compensation for its efforts, and which owns neither the materials which it transforms nor the products which it creates or distributes. This definition is intended to encompass all workingmen or laborers whether they are organized, disorganized, or unorganized; skilled, semiskilled, or unskilled. The definition also includes the labor movement—but not all of it. The labor movement includes all those persons who have joined together in labor organizations to

pursue common goals. Common synonyms for the term include "organized labor," the "trade union movement," and the "trade unions." It should be understood, however, that the labor movement includes people who do not fit the definition of labor used above; e.g., entertainers and teachers, some of whom are organized into trade unions and are affiliated with the AFL-CIO but do not "create or distribute economic goods or services."

## Colonial and Revolutionary Period

For American labor the Colonial and Revolutionary Period was marked by the existence of a simple workshop economy. Work, whether skilled or unskilled, was manual—with an occasional assist from animals, wind, or water in the hauling of goods or in the manufacture of a few products like lumber or flour. Workshops were small, averaging about two employees, and relations between employers or masters and workmen were unusually harmonious.



\* The material in this section is a précis of *A History of American Labor*, written by Joseph G. Rayback, and published by the Macmillan Company, 60 Fifth Avenue, New York City. The special contents of this section are copyrighted by the author, 1963.



There were two kinds of workingmen: indentured, first developed in Virginia (1611); and free. Indentured servitude, created to fill a labor need, started to disappear during the American Revolution and was completely gone by Jackson's administration; as an institution, it had no permanent influence on the development of American labor.

Originally, free workingmen in the colonies were regulated by codes, promulgated first in Virginia (1621) and Massachusetts Bay (1630). The codes provided for compulsory labor, for restraint on dismissal of workingmen by employers, for strict observation of a labor contract (which by implication made strikes illegal), for *maximum* wages and *minimum* hours, for an apprenticeship system; they also prohibited the formation of combinations of workingmen to raise wages. These restrictions, however, were never well enforced; because of the employers' desperate need for labor, the provisions of the codes were soon forgotten. Within two generations of the first settlements in America (circa. 1676) the American workingman had become really free—various successors were instrumental in fighting for American rights against British encroachments, in bringing on the Revolution, and in persuading several colonies to declare for independence. While workingmen were not the leaders of the movement that ended with the establishment of the United States of America, they provided the supporting force which leaders of the resistance needed to make their goals achievable.

During the Revolution the previously started movement for democratization of colonial governments was partially completed. Workingmen, however, made few gains. Although the electorate was enlarged by lowering qualifications for voting, the new qualifications were still property qualifications which workingmen could not meet. Although colonial assemblies were reapportioned, it was the frontier areas and not the under-represented cities which received greater representation. There were two major reasons for the failure of workingmen to make political advances: (1) Constitutional conventions which formed new state governments were controlled by conservative landowners and merchants; while they were willing to enlarge the electorate by permitting farmers to vote, they mistrusted the propertyless workingmen of the cities and refused to extend the vote to them; (2) Permitting farmers to vote granted greater representation to the farm counties; like the conservative element, however, the farmers mistrusted city influences and denied greater representation to the seacoast cities.

## First Trade Unions

During the first seventy-five years after the American Revolution, there occurred in the United States a transformation of economic enterprise which seriously affected American workingmen. The transformation, which started immediately after the close of the Revolution, was caused fundamentally by an expansion of the market (this was a period of extensive road and canal building), brought American employers into competition with one another and made them cost-conscious. The harmonious relations that had existed began to disappear as masters separated themselves from their workingmen and as new employers (merchant capitalists who appeared in number after the War of 1812), who knew little about their workingmen, began to secure control of industry.

In an effort to hold down cost of production and make a profit, employers tried various expedients. They persuaded workingmen to accept lower wages for products sent to distant markets; they organized workingmen into teams, pitting one against the other; they divided jobs into operations; they hired half-skilled workers, women, and children. These actions had several results: they began to destroy the value of skills and brought a reduction in real wages.

The threat to their standard of living caused workingmen to organize associations which they expected would become permanent. The cordwainers (shoemakers) of Philadelphia (1792) and the printers of New York (1794) created the first locals, starting a cycle of organization which spread to other trades in the major cities of the Northeast and lasted until 1818.

In their structure these first locals were remarkably like present-day locals of skilled craftsmen. Their major aim was to maintain wages. Generally, they used individual bargaining and the strike to achieve their goal. They also originated several important labor institutions: the first collective bargaining was undertaken by Philadelphia shoemakers (1799) and the first closed shop was established by New York shoemakers (1805).

The success of these early locals ultimately led employers to organize and to attempt to destroy the workingmen's associations through the courts. Their efforts resulted in the first Cordwainer Conspiracy Case (1806) in which a Philadelphia court, acting under the British common law of criminal conspiracy, declared that the shoemaker's organization was illegal *per se*. Subsequent conspiracy cases (which questioned the legality of trade association *methods*) and the depression following the War of 1812 destroyed

the workingmen's associations that had been created since 1792.

With the lifting of the depression in the early 1820's, workingmen—whose standard of living continued to be threatened by the enlarging market pattern and the changing industrial structure, a threat increased by a slowly growing factory system—once more began to organize locals. Geographically more widespread and involving more trades, these associations worked for higher wages to maintain their living standards and the ten-hour day. Although they had some success, they found that they were unable to check a growing decline in the workingmen's standard of living and in their social status. Employers, moreover, were able to use the courts to curb some of the activities of workingmen's associations. In an effort to combat the greater power of organized employers, a number of locals in Philadelphia established the Mechanics' Union of Trade Association (1827), the first city central body. Before the union could take any effective action, however, a depression (1827-1828) destroyed most of the labor movement. Workingmen turned their attention to political action.

### Early Political Activity

Between the Revolution and the late 1820's, workingmen had given very little attention to politics. New York City mechanics, nominating their own assembly ticket (1785) as a protest against the aristocratic attitude of local politicians, had elected a blacksmith and a carpenter. During the period when the new Federal Constitution was being ratified (1787-1788) many workingmen had supported ratification by parades and demonstrations; others had revealed their strong interest in civil liberties by joining the Society of Federal Republicans, which worked for the addition of a bill of rights to the Constitution. In Washington's administration many workingmen had joined the Democratic-Republican Societies which were organized (1793) to combat the so-called "monarchical tendencies" of the government and which became a part of the Jeffersonian political movement. On the whole workingmen were satisfied with the political situation throughout the early years of the nineteenth century.

After the War of 1812, however, many workingmen—in common with other elements in the nation—grew restless. As they became aware of their declining standards of living and their growing loss of status, they began to develop a series of goals intending to arrest their decline and to establish themselves on an equal basis with other elements in American society. The goals, which became known as the Workingmen's

Platform, provided for political, social, and economic reform; in great measure the platform remained the factor which unified the workingmen and the labor movement until the 1850's and gave to most workingmen's activities their singular character during that period.

Specifically, the Workingmen's Platform called for a ten-hour day; universal white male suffrage; a universal, tax-supported educational system; abolition of imprisonment for debt; abolition of the compulsory militia system; mechanics' lien laws; and abolition of chartered monopolies (banks). In the 1830's and 1840's two other planks were added to the platform: the free grant of public lands to actual settlers, and the amelioration of the condition of women and children in factories.

As this platform developed during the 1820's, workingmen turned to the Jeffersonian Republican party for aid in putting it into effect. In a few cases the party responded: the voting qualifications were lowered in Massachusetts and Connecticut, and universal white male suffrage was provided in New York (1826). But workingmen soon began to realize that their party was coming under the control of employers who also were battling them on the economic front. Unable to make headway either by economic means (above) or through regular political channels, workingmen attempted solution of their problems by turning to independent political action.

A Republican Political Association of the Workingmen of the City of Philadelphia (1828), and the New York Working Men's Party (1829) sparked the movement which quickly spread through many of the industrial centers of the North (records exist for thirty-three such parties). The movement brought some results in New York where the legislature established the nation's first mechanics' lien law (1830) for New York City, abolished imprisonment for debt (1832), and reformed the militia system (1832). It also brought promises of help for workingmen from the newly organized Democratic party in other states. By 1832 the Workingmen's parties disappeared; it is generally assumed that their membership had been absorbed by the Democratic party.

### The Jacksonian Period

Meanwhile the return of prosperity and a rising cost of living started workingmen on another organizing cycle. Between 1831 and 1837 workingmen in seventy trades organized locals; it is estimated that membership in these locals reached 300,000 (out of an industrial working population of 1,000,000). The movement in the thirties was marked by the growth



of city central bodies—which became the real leaders of labor—by the development of a labor press, and by a partially successful campaign for the ten-hour working day (in the mid-Atlantic states). Several new labor developments occurred at the time: the printers organized the first national trade association (1833); workingmen in Providence organized the first industrial union, known as the New England Association of Farmers, Mechanics, and other Workingmen (1831); and a number of central bodies established the first national federation, the National Trades' Union (1834), which persuaded President Jackson to establish the first Federal ten-hour day for mechanics and laborers in the Philadelphia Navy Yard (1835). This whole structure, however, was destroyed by the panic and depression of 1837.

Although the workingmen's trade union movement was very extensive during the Jackson administration, its political activities—involving a movement to change the state and national banking structures—were probably more significant. Since workingmen regarded the existing banks as monopolies and enemies of free enterprise, they tried to force the Democratic party in the industrial states to pledge itself to vote for free banking laws in the state legislatures and for a divorce of the Federal government from all banks in Congress. This effort led to a five-year quarrel (which carried over into Van Buren's administration) inside the Democratic party. Workingmen—who were nicknamed *Locofocos* during the period—ultimately forced the Democratic party in the industrial states to adopt their attitude.

Beginning with New York (1838) most of the industrial states adopted free (as opposed to monopoly) banking laws, which ultimately became the basis of the whole banking structure of the United States. Congress, in turn, separated the Federal government from the banks in the Independent Treasury Act (1840).

This triumph of the workingmen was underlined during the 15 years after 1838 by the enactment of the major portions of the original Workingmen's Platform into law in the industrial states: white male suffrage and a compulsory, tax-supported public school system became almost universal in the Northeast; imprisonment for debt and the compulsory militia system were abolished; mechanics' lien laws were enacted. In the same states the ideals and principles involved in these measures also led to other laws which lowered the qualifications for holding office and for jury duty, provided for popular election of most state officials (many of whom had been appointive) and for free incorporation of business enter-

prises, laying the basis for future corporate growth. The workingmen's rise to influence also was marked by the promulgation of a ten-hour day for all mechanics and laborers employed by the Federal government (1840) and by the decision of the Massachusetts Supreme Court in *Commonwealth v. Hunt* (1842)—a decision in which the court held that labor organizations were legal.

## **The Reforming Impulse**

While this political movement was reaching fruition, the depression of 1837 began to lift (1842), and the nation entered a period of low-grade prosperity (low prices—low wages). Although no strong revival of trade unionism occurred, workingmen from southern New England—who had made fewer advances economically and who were more seriously threatened by the rapidly developing factory system and by cheaper immigrant and female labor entering the factories than workingmen in the mid-Atlantic and Ohio Valley areas—began an organizing campaign. Joined by female operatives from the factories of the Merrimac and Piscataqua valleys, they created the New England Workingmen's Association to secure a ten-hour day and to eliminate child labor from factories.

In the late forties, as a result of a sudden rise in the cost of living, probably caused by the Mexican War, workingmen in other industrial areas also began sporadic organization movements which by the end of the 1840's brought about the establishment of city and state central bodies, known generally as industrial councils. Like the New England organization these mid-Atlantic and Ohio Valley workingmen engaged in a movement for a ten-hour day—not for themselves but for factory workers—and for elimination of child labor.

The result of this campaign was the enactment of laws by eight Northeastern states making ten hours the legal working day—except where the workingman signed a contract for longer hours—and limiting in various ways the labor of children under twelve, except where parents granted permission for evasion of the limitations. It is doubtful that any of these laws had any significant effect.

During the forties many workingmen, reflecting the reforming impulse of earlier decades, also became involved in a movement led by George Henry Evans, a former leader of the New York Working Men's Party, to give away the nation's public lands. Ultimately the movement was taken over by western farmers and resulted in the enactment of the Homestead Law (1862).

Some workingmen also became concerned over the issue of slavery in the territories. Although they showed little sympathy for the abolitionists' efforts to free the slaves, many workingmen did oppose extension of slavery because they feared that extension would eventually mean the strangulation of free labor. Their fears led many of them to desert their traditional friends in the Democratic party to join the Free Soil Party (1848) and later the Republican Party (1856). A large number of workingmen voted for Lincoln in 1860.

### **From the 1850's to the Decline of the Knights of Labor**

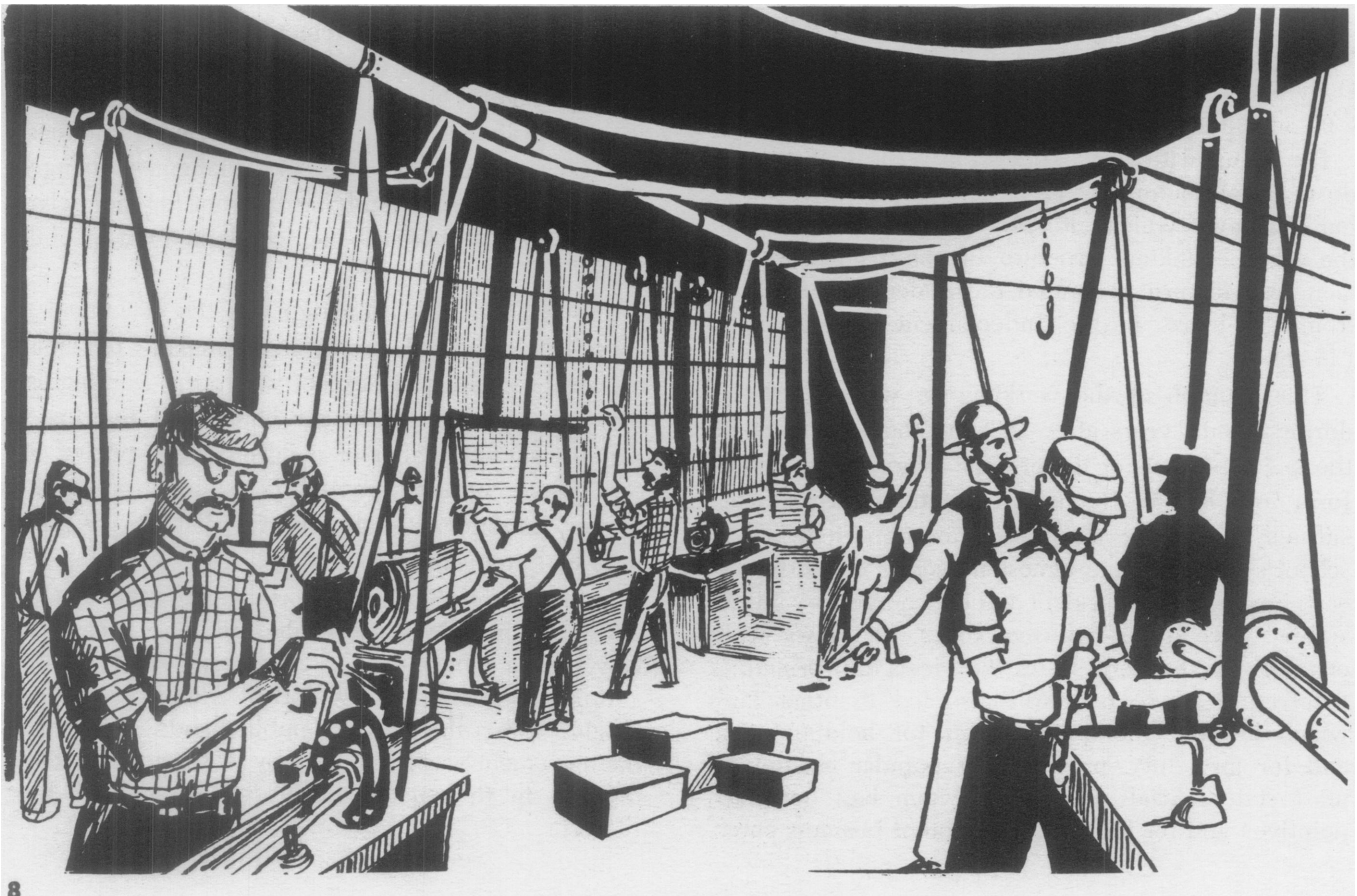
During the second half of the nineteenth century the transformation of the American economy continued at a rapid pace. It was a period when manufacturing enterprise became the dominant factor in the economy, when the railway replaced roads and canals as the chief form of transportation, and when the factory came to dominate manufacturing.

When the period began (1850) the overwhelming portion of products transported anywhere in the nation was carried in wagons or boats; there were only 10,000 miles of railroad. By 1900 almost all mail and freight were transported over 160,000 miles of steel. When the period began, the handcraft shops produced

about 70 percent of all manufactured goods. In 1870 they still produced 50 percent of the goods. By 1890, however, the factory produced 80 percent of all manufactured articles.

For workingmen in general the period between 1850 and 1890 was essentially one of discouragement and decline. Steady mechanization of industry which destroyed the value of skills; the growing efficiency of railway transportation, which introduced factory products into small towns and destroyed the local workshop; increased availability of farmers moving into the city and immigrants moving from Europe to form a cheap labor supply; recessions and depressions, which caused large-scale unemployment and lowered earnings; mergers and combinations of corporations, which created economic uncertainty and instability—all contributed to the constant decline of labor.

Although statistics for the period cannot be trusted completely, they do provide some indication of the trend. In the period 1840-1860 a Pennsylvania carpenter averaged \$1.35 per day; an unskilled laborer averaged about \$.96 per day. In 1890 the same Pennsylvania carpenter received \$1.44 each day, and the laborer received \$.83. In the same period the cost of living increased at least 25 percent—indicating that the standard of living of both skilled and unskilled workingmen declined.





Workingmen revealed no uniformity or constancy of thought or action in their efforts to avert their growing decline. In the 1850's some workingmen began to preach a new labor philosophy: political action, humanitarian impulses, social reform, and all their concomitants must be forgotten because they provided no real or lasting benefits for workingmen. Instead, laboring men must organize to achieve immediate—what Samuel Gompers later called bread and butter—objectives. Labor had to adopt pure and simple goals. Although this philosophy was opposed by many other workingmen, it ultimately came to dominate the thinking of labor organizations during the period.

### **Toward National Unions**

In 1851 a sudden rise in the cost of living led to a new cycle of organizing. Workingmen in all trades throughout the North and West organized locals; by 1854 membership in these locals reached 200,000. Although similar to organizations of the past, they revealed some differences: their structure was tighter; they collected more dues more systematically and made efforts to create strike funds; they used collective bargaining much more extensively, even developing a local trade agreement; and they gave less attention to the closed shop. They had some success in securing higher wages, but this was destroyed by the recession of 1854 and the panic of 1857. By 1860 the wage gains which workingmen had made were lost, and membership in trade unions had declined to 100,000.

The secession crisis and the outbreak of the Civil War caused further decline. Threatened with the loss of \$300,000,000 in trade, investments, and credits, northern manufacturers slowed their operations and tens of thousands of workingmen lost their jobs. Membership in locals declined to an estimated 60,000. By the middle of 1862, however, the wartime depression began to lift, employment increased, and the labor movement began a rapid revival. Spurred by rising prices which once again threatened living standards (prices advanced 75 percent during the war), workingmen reorganized old locals and created new locals in about 70 trades. By mid-1865 membership in trade unions once more reached 200,000.

During the same period (1851-1865) two other types of labor organizations were also revived: the local central body and the national trade association. Although none was created in the fifties—probably because workingmen feared that they might turn toward politics—central bodies were organized in every important industrial city during the Civil War. Actually they became the leaders of the labor movement

after 1863: they assumed the task of organizing, of conducting boycotts, of holding strikers to their goals, of publishing labor newspapers, and of developing consumers' cooperatives to hold down living costs.

The reappearance of labor organizations on a national scale began in 1852 with the formation of the National Typographic Union. Between that date and the Civil War fifteen other nationals were organized. Only three survived the various panics and depressions of the period—printers, moulders, and the machinists. During the war national associations once more revived (twelve were formed between 1862 and 1865). While they were very loose organizations with little or no power over their locals, they began to develop a feeling of national trade solidarity and they gave the labor movement its first national leaders: William Sylvis of the moulders; Jonathan Fincher and Ira Steward of the machinists; Andrew Cameron, J. C. C. Whaley, and Alexander Troup of the printers; Richard Trevellick of the ship-carpenters, and John Siney of the miners.

The labor movement that developed between 1851 and 1865 was not entirely successful as an economic movement. Despite rapid growth, during the fifties, panics, recessions, and depressions generally destroyed advances made during prosperous intermissions and war-time prices advanced more rapidly than wages. By 1865 wages lagged fifteen percent behind prices.

Nor was the early postwar period any better. A year after Appomattox (1865), the nation plunged into a sharp depression. As unemployment developed, wage rates dropped and membership in trade unions declined. In addition employers assumed the offensive. During the war employers had organized more thoroughly than ever before: for the first time in history they had entered politics to campaign for laws preventing "intimidation" of workingmen and curbing the right to strike. Although their campaign was successful in most states, they had not been able to use the laws because of the extraordinary demand for labor. During the depression, the situation changed. Using the blacklist, the lockout, and the yellow dog contract, they crushed local after local. They also secured new legislation based upon the common law of criminal conspiracy and used it to destroy the effectiveness of stronger locals.

Noting the steady disintegration of their movement, workingmen turned toward national organization as a means of protection. Several attempts to create a national organization had been made since the disappearance of the National Trades' Union, but none had been successful—primarily because locals had not found an issue around which to rally. In 1866 they

found one in the eight-hour day. Pushed strongly by Ira Steward since 1863 as a means of creating prosperity and reforming industrial society, the issue was adopted by workingmen as a means of making work during a period of unemployment. In order to unify the movement for an eight-hour day the National Labor Union was created at Baltimore (August, 1866) by 77 delegates representing 60,000 workingmen in 13 states.

The National Labor Union accomplished a number of things. After the depression ended (1868), it sparked an organizing campaign—Sylvia and Trevellick were its leaders—which helped revive locals and nationals and raised trade union membership to 300,000 by 1873. It unified and gave direction to the eight-hour movement; five states provided for a legal eight-hour day (except where a longer day was stipulated by contract); Congress provided for an eight-hour day for mechanics and laborers employed by the Federal government (1868). With the lifting of the depression the NLU aided its affiliates in securing the eight-hour day through economic actions. So successful was the movement that by 1873 it appeared that the eight-hour day would become the national standard. The NLU also persuaded Congress to repeal (1868) the Contract Labor Law of 1864, which had been enacted to fill a labor need during the war by permitting importation of European labor under contract. Workingmen opposed this law because it had brought in a flood of immigrants willing to work at lower wages.

In spite of the National Labor Union's successes, it was a weak organization. From its very inception it contained two elements: one which looked back to the political-humanitarian-reform movement of the 1830's and 1840's, which had hoped to push the organization in the direction of social measures; another which had taken control of the labor movement in the 1850's and wished to keep the organization working toward immediate economic objectives. From the start the two elements clashed—over admission of women, over admission of Negroes. Each clash widened the breach between them. The final conflict came over the question of supporting a monetary reform known as "interconvertibility." Briefly, the reform provided for the issuance of all money (greenbacks) by the Federal government; the money would enter circulation as loans to business enterprises at one percent interest. Inside the NLU the plan received support from those elements who wished to replace the capitalistic economy with an economy based on producers' cooperatives. Their campaign to place the NLU behind the interconvertibility scheme finally succeeded (1872), and the organization was converted

into a political movement: the National Labor Reform Party. Opponents of political action and involvement in nonlabor issues promptly withdrew and, when the National Labor Reform Party encountered a series of political setbacks, it disintegrated. The National Labor Union disappeared—victim of its own internal divisions.

### **Depression of 1873**

The NLU disappeared about a year before the start of one of the nation's worst depressions (September 1873). For workingmen the depression was disastrous. By the winter of 1877-1878 unemployment had reached 3,000,000; only one-fifth of the industrial force was working regularly. Hourly wage rates dropped from 30 to 60 percent; hours of labor increased. Trade union membership also declined—to about 50,000—and organized labor activities almost ceased.

For labor two events that occurred during the depression had far-reaching consequences. The first of these was the Molly Maguire Riots, which occurred after the Long Strike (January-June 1875) in the anthracite fields. The riots consisted of a series of murders, murderous assaults, robberies, and acts of arson by the Mollies against mine officials and mine property. Although no convincing evidence has ever been offered that the Mollies were connected with the trade unions in the coal fields, the general impression at the time was that the violence that did occur were perpetuated by workingmen, members of the coal union. The conclusion that the public drew from the episode was that coal miners in general were by nature criminal in character, to be condemned and disciplined by society.

The second significant event of the depression was the Railway Strike of 1877. A 35 percent wage cut over three years, irregular employment, and the systematic blacklisting of the members of railway brotherhoods laid the base for the strike which was finally touched off by the announcement by eastern railroads of another ten percent wage cut (June 16). The strike strangled railroad traffic on all eastern railroads except the New York Central. Mob control of terminal facilities and property damage brought use of Federal troops, state militia, and vigilantes, who ultimately broke the strike. The strike had a number of consequences: it convinced a large portion of the public that not only coal miners but labor in general was inherently criminal. It revealed for the first time a widespread feeling of solidarity among workingmen—some historians date a national labor movement from the strike. It also turned labor's attention to politics

once again. After the strike, labor parties developed in New York, Pennsylvania, and Ohio to secure legislation which would abolish conspiracy laws applying to labor, establish courts of arbitration to settle industrial disputes, abolish child labor and the convict labor system, establish bureaus of labor statistics, and form workingmen's compensation systems. Aside from developing a labor platform—which in its accent on immediate labor problems revealed that workingmen in their decline had grown less concerned about large social problems and more concerned with their own desperate needs—these parties accomplished very little. They merged with a farmers' political movement which was encouraging inflation and under the name Greenback-Labor party they polled more than a million votes and elected 14 congressmen in 1878. Not long after, the coalition fell apart.

### The Knights of Labor

Another significant result of the Railway Strike was the nationalization of the Noble Order of the Knights of Labor, which gave some measure of direction to the labor movement of the eighties. Created by garment workers in Philadelphia (December 1869) as a secret, ritualistic organization, intended to include all workers regardless of skill, sex, or color, the Knights grew very slowly in "local assemblies." The Railway

Strike brought a sudden sharp rise in membership and a demand for national organization. Early in January 1878, the Knights, meeting at Reading, Pennsylvania, adopted a constitution which provided for a large measure of centralization. They announced that their ultimate aim would be the establishment of "co-operative institutions productive and distributive," and advocated a platform calling for the substitution of arbitration for strikes; establishment of the eight-hour day; abolition of the importation of servile labor, child labor, and the convict labor system; and enactment of safety legislation for mine and factory.

From its beginnings as a national organization, the Order was internally divided. Its leaders (Uriah Stephens and Terence V. Powderly) advocated secrecy and political activity, opposed strikes because strikes could not solve fundamental socio-industrial problems, and encouraged creation of producers' cooperatives as a means of making the worker master of the machine. The rank and file, most of whom originally were skilled workingmen, opposed secrecy and finally secured its modification; mistrusted political action and forced it to stay within local limits; and used strike action to achieve immediate goals. Despite this division the Knights continued to grow—to 52,000 in 1884. The Order's phenomenal growth occurred after two successful strikes against the Gould Railway





System (1885). The strikes made the Knights the champions of the underdogs, champions capable of defeating the nation's foremost industrialist. Unskilled labor rushed to join the organization; by mid-1886 the Order had 700,000 members.

The sudden growth gave the Knights unexpected political power. Newspapers now featured their every action and their leaders' every word, and politicians listened to Knights' lobbyists. A number of pieces of legislation resulted. Congress specifically prohibited the importation of European labor under contract—a practice which had continued in spite of the repeal of enabling legislation. Most of the industrial states abolished the system which had permitted convict-made goods to compete on the market and also established bureaus of labor statistics, giving labor governmental recognition and providing means of securing information about the economy.

This development of the Knights was not applauded by all workingmen. While the Order had attracted many skilled workingmen, it had not attracted all of them. After the depression of 1873 had lifted, there had also occurred a revival of pure and simple trade unionism. Led by Adolph Strasser and Samuel Compers, who persuaded the cigarmakers to reorganize their union to give the international power over locals, skilled workers proceeded to rebuild their decimated organizations. By 1881 membership in trade unions of the skilled numbered 200,000. In the same year delegates from a portion of the skilled trades formed a new national organization—the Federation of Organized Trades and Labor Unions of the United States and Canada. Three years later (1884) the Federation, concerned over its inability to attract more dues-paying members, decided to start an attention-attracting eight-hour campaign to be climaxed with a general strike on May 1, 1886. Although the campaign was not particularly successful, the Federation carried it to a conclusion, with the movement centered on Chicago.

Meanwhile a socialist movement had also developed. Although socialists had first appeared in the United States in the late 1840's, it was not until after the formation of the International Workingmen's Association of London (1864) that a real socialist movement developed. For a number of years the movement was badly divided between those who believed in political action and those who believed in action through trade unions. A Union Congress held in Philadelphia (1876) provided a measure of unity, but in a short time the movement was once more shattered by conflicting ideologies. One significant group emerged from the chaos—the Social Revolutionary Party. Composed of both anarchists and syndicalists, it grew steadily in

the early 1880's—particularly in Chicago, where it became involved in the Federation's eight-hour campaign and helped produce an atmosphere of public hysteria as the date for the Federation's general strike approached.

In the nation as a whole the general strike was a disappointment—less than 200,000 participated. In Chicago the strike led to the Haymarket Riot—the name given to a series of events which started when strikers who encountered strikebreakers outside the McCormick Harvester Company plant were in turn attacked by police; this event was followed by a protest meeting, called by and addressed by anarchists at Haymarket Square, where a bomb, exploding in the midst of a police effort to break up the remnants of the meeting, killed one policeman. Seven anarchists were brought to trial for the deed. Although no evidence of their participation or complicity in the crime was ever produced, the seven men were found guilty.

The Haymarket affair marked the beginning of the end of a labor era. For much of the public the affair confirmed the conclusion that labor was inherently criminal. A wave of anti-union sentiment swept the nation: anarcho-syndicalists were hunted down; state legislatures rushed laws curbing freedom of action onto the statute books; courts began to convict union members of conspiracy, intimidation, and rioting in wholesale lots; employers instituted widespread anti-union campaigns.

Labor's response to the attack was political action. Starting in New York City, and eventually spreading to all industrial centers of the Northeast and mid-West, workingmen of all types united to create local political parties—most often under the names Union Labor or United Labor—to seek laws providing for arbitration of industrial disputes, laws protecting women and children in factories, laws regulating tenement house work, and laws providing for safety in factories. Although successful in securing some legislation, the "United Front" movement soon disintegrated. Quarrels among socialists, nonsocialists, and single taxers; blandishments of major parties which won over many labor leaders; and the preoccupation of the Knights of Labor with their own survival weakened and eventually dissipated the movement.

The Knights were essentially a victim of the Haymarket affair. Although the Order had not participated in any of the events leading to Haymarket, it was blamed for the event. Shortly after, employers began a campaign against them. By using the lockout and by refusing to renew contracts, they seriously weakened the Order. The American Federation of Labor (see page 14) and some of the Brotherhoods also began a campaign to win over the skilled labor element within

the Order. Although the Knights fought to hold their skilled membership, they gradually declined. Inept and indecisive leadership, and failure to give attention to the unskilled contributed. By 1890 the Order had declined to 100,000 members. While it became involved in various ways with the Populist movement during the next few years and contributed to some Populist victories, its effectiveness as a labor organization had ended.

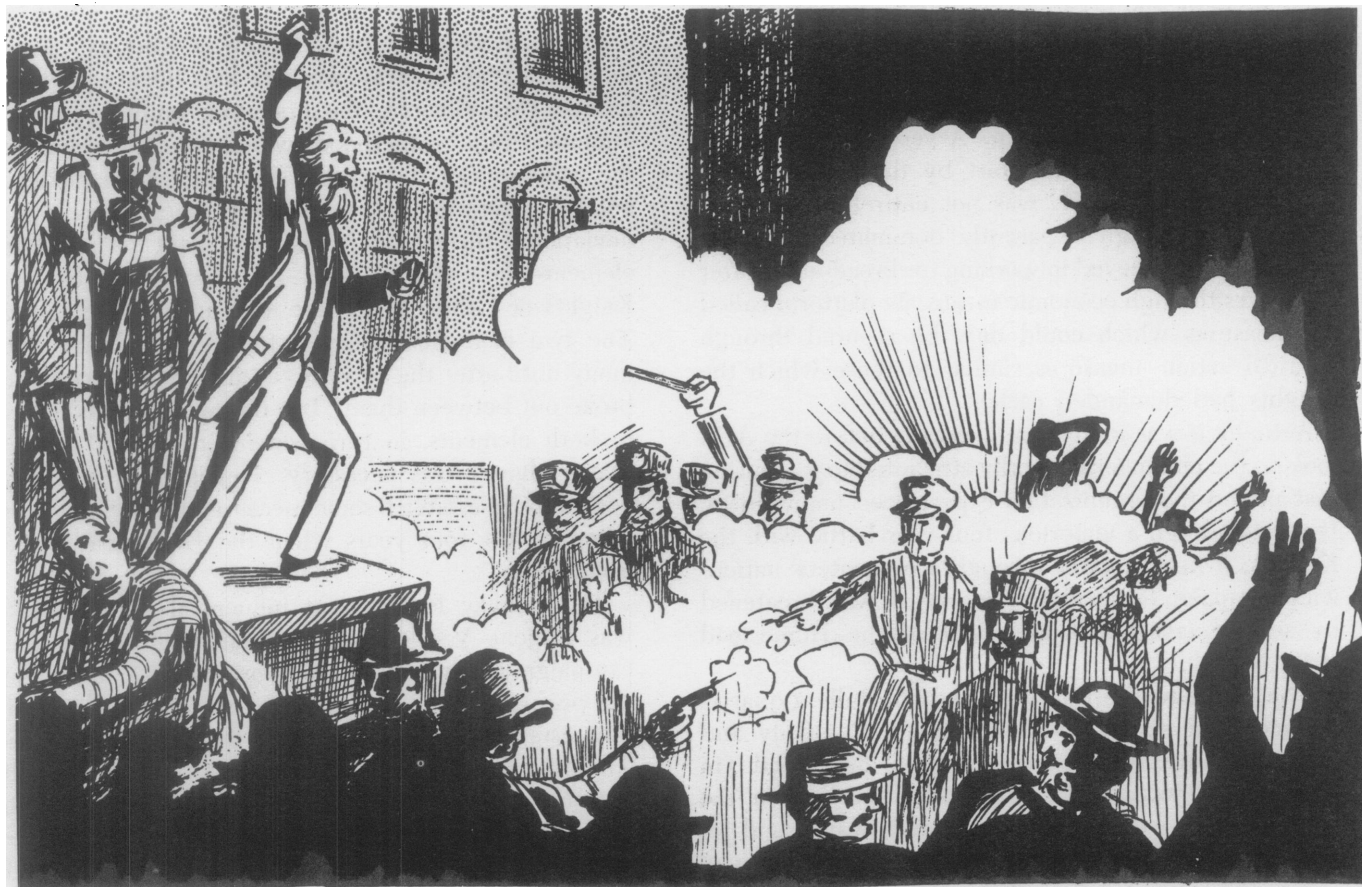
Although the decline of the Knights of Labor was rapid, it could not be judged a failure. Its influence extended beyond its brief moment of triumph. It fostered a unity which has remained a labor dream until the present day; it sparked or aided in enactment of considerable labor legislation in the late nineteenth century: laws providing for voluntary arbitration of industrial disputes; laws governing minimum age, night work, and maximum hours for children; laws governing employment of children in hazardous occupations; laws limiting hours of women; laws providing for factory, workshop, and mine inspection; and laws revising the common law rules concerning responsibility for industrial accidents. While few if any of these laws were effective, they formed a base upon which the more effective legislation of the Progressive Era was built.

## The Economy of the Modern Era

The Modern Era in the history of American Labor, which began about 1890, was a period of ever-growing domination by the machine. Although the transportation, communication, and manufacturing facilities of the nation were so heavily mechanized by 1890 that it was difficult to foresee any further mechanization, advances made by the machine in the next half-century were phenomenal.

Use of new energy fuels—natural gas, petroleum, and electricity—not only created vast new industries but encouraged mechanization. The automobile, besides affecting beneficially the steel, rubber, glass, copper, leather, textile, and petroleum industries, revolutionized personal transportation and much commercial transportation and contributed to a new era of road and home building. The telegraph and particularly the telephone and radio-TV brought a great change in communications. Basic industries and particularly consumer industries became almost completely mechanized.

Simultaneously with this development the factory system spread over a wider geographical area and the process of concentrating control continued apace—in spite of governmental efforts to check the movement.



As an example, by 1930 the 200 largest corporations in the country, just about equal in size to their 300,000 smaller competitors, controlled half the corporate wealth, did a third of the business, and owned one-fifth of the total wealth of the United States.

Between 1900 and 1940 the physical output of the United States tripled and those gainfully employed increased from 29,000,000 to 53,000,000—83 percent. But the gain was not constant in all forms of enterprise. Agricultural employment dropped from 40 to 18 percent of the total; manufacturing employment increased only slightly—from 22 to 24 percent of the total; railway employment increased from 50,000 in 1903 to 2,000,000 in 1920 and dropped to 1,400,000 by 1946 (a relative decline); trucking employment meanwhile advanced from nothing to about 1,000,000. The great change occurred in the service industries—wholesale and retail trade, insurance and real estate, banking and finance, domestic service, the professions, hotels and restaurants, barbers and beauty shops, entertainment—whose employees increased from 24 to 47 percent of the whole.

It was a period of rapid mechanization, of increasing concentration, and of change in occupational patterns.

### **Rise of the American Federation of Labor**

For much of the Modern Era the labor world was dominated by the organization which representatives of 12 nationals, six central bodies, and seven locals (140,000 members) established in Columbus, Ohio, in late 1886—the American Federation of Labor—with Samuel Gompers at the helm. A very loose organization dominated from the start by the internationals and nationals, the AFL was not entirely sure of its direction. Although apparently dominated by trade unionists who believed in working for bread-and-butter objectives through economic means, its platform called for measures which could only be secured through political action—measures similar to those which the Knights had demanded earlier.

Actually it was more than a decade before the AFL took on the character generally attributed to it. During that period the organization experienced many crises. It went through a victorious four-year battle with the Knights; it helped carry through a carpenters' nationwide campaign for an eight-hour day; it was threatened by several crises that grew out of the Homestead strike.

The Homestead Strike was fundamentally a quarrel between the newly formed Carnegie Company and the Amalgamated Association of Iron, Steel, and Tin Workers, an organization of skilled workers in the steel industry. It was a conflict over wages and an effort by the union to maintain itself. Full of vio-

lence, such as the attacks on Pinkertons and the attempted assassination of Henry Clay Frick, it brought victory for the Company and virtually eliminated steel unionism from the Pittsburgh area.

To workingmen the loss of the Homestead strike was a shock. It revealed that the corporation was a much more powerful unit than had been assumed and that it was capable of defeating the strongest labor organization. Many workingmen, accordingly, began to argue that reorganization of the labor movement was necessary if the condition of laboring men was to change. They suggested two roads: conversion of the AFL into a political movement or the development of industrial unionism.

Those who believed that political solution was the answer made themselves felt at the AFL convention of 1892. Led by socialists within the AFL, they offered a political program containing various planks common to the day, and intending not only to convert the AFL to active politics but to make the AFL a part of the socialist movement. The effort almost succeeded; it was defeated in the AFL convention of 1894 by some skillful parliamentary maneuvering. Even then the pressure for political action continued until the campaign of 1896. Bryan's defeat in that election ended, temporarily, the effort to force the AFL into politics.

The second post-Homestead movement—industrial unionism—developed around railway workers. Since the Civil War, railway workers had been a divided group. One element, the operating employees, had organized into brotherhoods which aimed at elevating the standards of their profession and which pledged not to engage in strikes. Although there were some deviations, the pledge had been kept. The other element—stationary workers—had flocked to join the Knights of Labor; they were militant and aggressive. The two elements managed to live in relative harmony until after the Haymarket affair when open war broke out between them. But this warfare, disastrous to both elements, in turn convinced various leaders that a change was necessary. Negotiations and conversations to establish some measure of unity had been going on for four years when the Homestead strike occurred.

The railway leader most influenced by the strike was Eugene V. Debs of the Railway Firemen. His campaign for a new railway organization based on the principles of industrial unionism rather than craft unionism reached fruition with the formation of the American Railway Union (1893). An almost immediate success, the ARU acquired 150,000 members in one year—about the same number that were affiliated with the AFL. What its future as a rival of the AFL



might have been is impossible to say because its future was cut off by the Pullman Strike.

The strike, which grew out of the Pullman Company's reduction of wage rates by 22 percent without comparable reductions in rents and service charges in its company town, was supported by the American Railway Union. Using the technique of boycotting Pullman rolling stock, the ARU managed to slow railway movements into and out of Chicago to a trickle. The strike was finally broken when the General Managers' Association, a group of railway executives, appealed to United States Attorney General Richard Olney for help. Olney responded by securing an injunction ordering all persons "to refrain from interfering with or stopping any of the business of any of the railroads engaged as common carriers" on the ground that such action was interference with the mails and an unlawful restraint of commerce. Violation of the injunction led to the arrest of many of the strike leaders—including Debs—and the dispatch of Federal troops into the Chicago area. The strike was broken, and for all practical purposes the ARU was destroyed. It is interesting to note that, when Debs asked Gompers for help in negotiating with the railway managers, the president of the AFL refused to provide it—an action he never satisfactorily explained.

For labor as a whole the strike was important because it produced a new anti-union weapon—the injunction. The injunction was nothing new—courts had been issuing them in England and America for centuries. They had been used frequently by both state and Federal courts against labor activities between 1886 and 1894. What made the Pullman injunction notable was the fact that in a subsequent case—*in re Debs*—the Supreme Court approved its issuance and thereby gave sanction to a growing legal theory that the courts could issue an injunction not only to protect physical property against irreparable injury but also to protect a property right like good will or future expectancies from injury. It meant that the injunction could be used against labor in any conflict where an employer's future relations with customers were involved.

For the AFL the experiences of its first ten years were critical. Out of them it developed its basic character and philosophy: avoid political action and any alliance or involvement with intellectuals, farmers, the middle class, or, particularly, the socialists because these elements had a tendency to involve workingmen in politics from which labor gained nothing. Support the capitalistic system and work for immediate goals within that system. Suppress dual unions and support craft autonomy as the cornerstone of the organization.

The principles were not only positive but negative: anti-political, anti-intellectual, anti-socialist, anti-industrial unionism.

After the Pullman strike the AFL entered a period of rapid expansion. Many factors contributed: a ten-year period of prosperity which expanded employment, raised living costs, and encouraged organizing drives; a deliberate effort by the AFL to encourage the expansion of strong unions at the expense of weak unions; a conscious attempt on the part of nationals and internationals to increase their authority over locals and to aid weaker locals; the success of the printers' long campaign for the eight-hour day; and some spectacular victories in the coal regions—in the bituminous fields of western Pennsylvania, Ohio, Indiana, and Illinois (1897) where the United Mine Workers were led by Michael Blatchford and added 100,000 to their rolls, and in the anthracite area (1900-1902) where the UMW was led by Johnny Mitchell and added another 100,000. By 1904, AFL membership reached 1,675,000.

During this expansion the AFL developed a concept of industrial relations which has strongly influenced the labor movement until the present day. The concept was based on the practice of collective bargaining and of the content of a contract drawn up as a result of such bargaining. Originally (between 1799 and 1837) a collective bargaining contract was a simple matter. It involved negotiations between a single local and a single employer and concerned itself with wages and hours; in the 1850's negotiations expanded to include several locals of the same trade and several employers—usually in one city—but the contents remained the same. After the Civil War industry-wide contracts (trade agreements) began to appear—in steel, in the foundry industry, in anthracite mining—but the contents were still the same. In the early twentieth century something new and highly significant was added as a result of the coal conflicts. Trade unions began to believe that contracts did not have to be confined to the issues of wages, hours, and apprenticeship rules. A contract could embody a social philosophy. It could provide for cooperation between industrial groups with conflicting interests; by eliminating strikes and lockouts, it could provide stability of production for management and eliminate wage losses for labor; by regulations governing such factors as equal turn, priority, and seniority and introduction of new machinery, it could provide a measure of job security. The possibilities were infinite. It was because of those possibilities that organized labor has relied so heavily on collective bargaining, which hopefully ends in a contract, to the present time.

## The AFL on the Defense

The expansion of the AFL in the years after 1896 did not go unimpeded. In the midst of expansion, various forces that threatened the future of the AFL and its theories began to develop.

One such force was the open shop campaign, organized by employers alarmed over the aggressive and successful development of AFL affiliates. The movement started in desultory fashion in the late nineties with the organization of employer associations which acknowledged their intention to "regulate" labor relations. Three such organizations—the Building Contractors Council of Chicago, the Metal Trades Association, and the National Founders Association—soon revealed the efficacy of their concerted action; each was able to defeat strongly entrenched trade unions and create an open shop in their industries. In Dayton, Ohio, (1902) industrialists created an Employers Association, and with the use of the lockout destroyed trade unionism in that city. In Sedalia, Missouri, employers followed with a Citizens Alliance, which included not only industrialists but business and professional men, and destroyed the union character of that city. Associations and Alliances developed all over the United States. In 1903 the National Association of Manufacturers took charge of the campaign. Its immediate aim was the establishment of the open shop.

In the years immediately after 1902, AFL affiliates, battling hostile public opinion and well-organized employers, lost every important industrial contest: in the New York building industry (1903); in the packing industry (1904); in the hauling industry of Chicago (1905); against the United States Steel Corporation or its subdivisions (1901, 1904, 1909); in Great Lakes' shipping (1909-1910); in the structural steel industry, which conflict was climaxed by the dynamiting of the Los Angeles *Times* building (1910) and the Mac-Namara trial (1911).

In addition, affiliates of the AFL lost in the Federal courts in a score of cases which weakened unionism. First and most important of the series was the Danbury Hatters case, involving a boycott of D. H. Loewe and Company. The Company, whose business was adversely affected, sued for triple damages under the Sherman Act. Ultimately (1908) the Supreme Court decided that the Hatters' boycott was a conspiracy in restraint of trade; it was intended to prevent Loewe from engaging in interstate commerce and was therefore an unlawful conspiracy. The decision was alarming to unions because it invited the courts to decide that any act of organized labor to raise wages, shorten hours, or improve labor conditions might be construed

as an unlawful conspiracy because it incidentally interfered with commerce.

The other important case involved a boycott of the Bucks Stove Company through the AFL's monthly publication the *Federationist*. When various officers of the AFL—including Compers—violated an injunction against the boycott, they were arrested and sentenced to imprisonment (1909). Only appeals and a request for dismissal of the proceedings by a new management of the Bucks Stove Company prevented the officials from serving their sentences. The case was alarming to the labor movement because it marked a revival in the use of the injunction; it made use of the boycott impractical; and it threatened the most moderate and respectable of labor leaders with jail sentences.

The overall effect of the open shop campaign and of employers' resort to the law could be read in the AFL's membership rolls which dropped 225,000 between 1904 and 1906, rose slightly in 1908, but were still well below the 1904 figure in 1910.

## The AFL's Early Rivals

Meanwhile the AFL was confronted by several rivals for the leadership of labor. Perhaps most significant were the socialists. Shattered in the early eighties, their organization—the Socialist Labor party—emerged from obscurity during the United Front campaign only to disintegrate a few years later. Shortly thereafter the trade-union-oriented wing of the party came under the leadership of Daniel De Leon, editor of its journal, *The People*. De Leon was obsessed with the desire to head a trade union movement. Scorning the AFL as "labor fakirs," he first tried to secure control of the remnants of the Knights of Labor; after he was ousted from that organization, he tried with the Socialist Trade and Labor Alliance. When other socialists protested against the obvious "dual unionism," they were promptly excoriated from the party. Ultimately this group, which preferred to work within the AFL, formed its own organization, known as the Rochester Socialists (1898).

Politically minded socialists in the meantime went through a period of decline until leadership was taken over by Victor Berger and the faction began to revive. Shortly after the election of 1896 Debs announced his conversion to socialism, and a series of complex events followed which ultimately resulted in an amalgamation of several elements—Berger's group; Debs' followers in the shattered ARU; exponents of "Yankeefied socialism," who were the products of the theories expressed in Edward Bellamy's *Looking Backward* and the Populist editorials of J. A. Wayland; and the Rochester Socialists—into the Socialist Party of America (1901).

The party, which advocated independent political action and trade unionism, adopted a go slow approach: while its ultimate aim was the creation of a socialistic society, it also concluded that it must work for immediate changes. Although divided internally concerning many matters, it made rapid strides. It continued its agitation within the AFL and steadily increased its popular voting strength from 420,000 (1904) to 897,000 (1912). In many ways it became the advance guard of the progressive movement; its unwavering stand won it so much support from so many separate sources that ultimately both major parties were forced to reckon with its influence upon elections.

The AFL's second rival for the allegiance of labor was the Western Federation of Miners, which appeared as an industrial union of metal mine employees in the Rockies after the Coeur d'Alene strike (1892). From the beginning the organization was involved in conflicts which followed a remarkably similar pattern. In almost every strike the miners were confronted with a determined employer front which harried strikers with credit boycotts, hired strike-breakers and armed guards, and received aid from local authorities to protect private property. Almost every conflict became a miniature war with guards and deputy sheriffs facing equally well-organized miners. Use of militia, incarceration of miners and their friends in bullpens, elaborate blacklist systems, and deportations were common features. In spite of the forces against them, the WFM locals won most conflicts. They also entered politics and secured passage of ten-hour laws in Idaho and Utah.

But the WFM was ultimately defeated in a year-long conflict at Cripple Creek, Colorado (1903-1904), which wrecked the organization's most powerful local and made fugitives from arresting warrants out of most of its leaders. The defeat caused the organization to look for new allies. Scorning affiliation with the AFL, its leaders called a convention which would organize labor into "one great industrial union embracing all industries—providing for craft autonomy locally, industrial autonomy nationally, and working class autonomy generally." The call attracted members of the WFM and some small allies, socialists, and disgruntled trade unionists, who created the Industrial Workers of the World (1905).

Three years of shake-out followed. The Debs-Berger socialists withdrew; De Leon was ousted; about two-thirds of the membership of the Western Federation of Miners—alarmed by the public reaction against them in the Haywood case<sup>1</sup>—also withdrew. By 1909, however, the IWW, led by William E. Troutman, Big Bill Haywood, Vincent St. John, and John H. Walsh—was ready to begin its career as the mouthpiece of the nation's laboring rabble; the casual, migratory, unskilled, unorganizable workingmen. It engaged in and won campaigns in cities of the west coast, the mountain areas, and the northern plains; it aided unorganized textile workers in Lawrence, Massachusetts (1912), and Paterson, New Jersey (1913); it organized harvest workers in the Great Plains (1913-1916); it appeared in the iron mines of the Mesabi, in the lumber fields of the Northwest centering around Everett, Washington (1915-1917), and in the copper mines around Bisbee, New Mexico (1916-1917).

The IWW has generally been judged as a bitter, irresponsible organization of malcontents bent upon overthrowing traditional American institutions; its campaigns have been regarded as failures. While "Wobblies" were inclined to use flaming language, while they were inclined to strike first and negotiate after, while their strikes were noisy and raucous and sometimes violent, their demands were often commonplace.

However, the IWW did make a contribution to the labor movement. Its campaigns revealed, contrary to AFL theory, that the casual, migratory, unskilled laborers with their diverse languages, customs, prejudices, religions, and animosities were organizable.

### **AFL Resurgence**

The threats presented to the AFL by the open shop campaign, court action, the political success of the Socialists, the appeal of industrial unionism and direct action found in the philosophy of the WFM and the IWW were early recognized by AFL leaders. Essentially young, still vigorous and flexible, the AFL sought to counter each threat. It met industrial unionism by adopting the so-called "departmentalization" policy, an effort to unite a number of trades into a fighting unit upon an industry-wide front, and by suggesting that the principle of craft autonomy did not preclude the amalgamation of allied crafts nor prohibit extension of membership to the unskilled.

<sup>1</sup> Violence and labor trouble at the Coeur d'Alene mines was followed ten years later by the murder of Idaho's former governor, Frank Steunenberg. The murderer claimed that the crime was instigated by "Big Bill" Haywood, Secretary of the Western Federation of Miners. Haywood was tried and acquitted.



It met legal and political threats by adopting a Bill of Grievances (1906) calling for the enactment of an eight-hour law for all labor, the elimination of what was left of the convict labor system, total exclusion of the Chinese, limitation upon immigration, elimination of the injunction in labor disputes, and exemption of labor from the application of the Sherman Act; and by adopting the policy of rewarding friends and punishing enemies. The political policy brought results between 1906 and 1912: a constantly increasing number of congressmen favorable to labor's objectives; recognition by the national conventions of the Democratic and Progressive parties; involvement with and support from the progressive movement; and the election of a progressive president (1912).

But the AFL's greatest attention was given to organizing. After 1910 its affiliates engaged in strong organizing drives in the railway industry, in the garment industries of Chicago and New York, and in the coal fields of West Virginia and Colorado. Although the AFL's involvement in these campaigns was sometimes unfortunate—as in the men's garment industry in New York where the activities of the United Garment Workers were so frustrating to some workmen that they seceded to form the Amalgamated Clothing Workers—and although the campaign was aided in part by public reaction to the horrors of the Holly Grove<sup>1</sup> and Ludlow massacres,<sup>2</sup> the overall effect was a rise in membership and a revitalizing of the whole organization. By 1917 the AFL could boast 2,370,000 members. Its decline had been reversed.

It could also look back on 30 years of advance in the vital areas of wages and hours. Although cost of living had increased by 40 percent since 1897, the average wages of a skilled worker had advanced 60 percent—and some as much as 140 percent. Hours of labor for the skilled had also been reduced from a work week of 48 to 72 hours in 1897, to a work week of 44 to 48 hours in 1917.

### Progressive Legislation

There was more for workmen, however, in the early years of the twentieth century than economic gains for the skilled. There was also a vast amount of favorable legislation. In general it was the Progressives—influenced and led by a conglomeration of lawyers, medical men, college professors, teachers, writers, ministers, and welfare workers—who were responsible. For many reasons they gave much attention to organized labor and its demands: their left wing, the Socialist party, was essentially a workmen's organization which demanded that the nation give attention to labor problems. The very nature of

the Progressives involved labor. Since they aimed at control by the "interests" which the Progressives believed used their power in a manner contrary to public good, it was only logical for Progressives to assume that the "interests" also acted contrary to the welfare of their employees—a conclusion re-enforced by the way the Sherman Act and the injunction had been used against labor; by the way Federal troops, militia, state police, deputy sheriffs, armed guards, bullpens, deportations, spies, and Pinkertons had been used; by the sordid conditions which strikes exposed—long hours, low wages, unhealthy and unsafe working conditions, lack of sanitary facilities, broken men, miserable women, wretched children. In addition, the AFL's resort to political action forced politicians to take a greater interest in social welfare.

The legislation which the Progressives pushed through state legislatures was designed either to ameliorate the lot of the most helpless and to protect the health of future generations, or to correct palpable injustices.

In the area of child labor almost all states, even those of the South, established a minimum-age requirement of 14 years by 1917; nearly half the states provided for an eight-hour day for teenagers (14-16), three-quarters prohibited night work, and half drew up comprehensive lists defining hazardous occupations forbidden to children.

After the case of *Muller v. Oregon* (1908), which sustained the right of a state to enact a ten-hour law for women to protect health, nearly all states wrote new or improved maximum hour laws for women. Between 1912 and 1917, twelve states provided for minimum wages.

Primarily as a result of the Triangle Factory fire (1911), which cost the lives of more than 100 girls, the movement for safety legislation in factories, tenements, and mines was renewed. Under the pressure of state federations most northern and western states refurbished their old laws, defining safety regulations more specifically and providing more severe punishment for violations. Some states enacted more exacting tenement and mine safety laws.

Perhaps the problem which the Progressives made the strongest effort to solve was that of responsibility for industrial accidents. It was they who suggested that workmen should be compensated for accidents regardless of cost and that compensation should be regarded as part of production costs. By 1917, 30 states had passed legislation providing for workmen's compensation insurance, legislation which was approved by the Supreme Court in the case of the *New York Central Railroad v. White*.

The most controversial legislation in which the Progressives became involved concerned maximum hours for men. Although the Supreme Court approved such legislation for miners in *Holden v. Hardy* (1896) and for men employed in public works (*Atkins v. Kansas*, 1905) and many states enacted laws governing hours of miners, railway workers, men employed in public works, and in other special occupations, the legality of a general hour law remained in question because of the decision in *Lochner v. New York* (1905). In this decision, the Supreme Court invalidated a New York statute regulating hours in the baking industry because there was no special hazard to health in that occupation. In the face of this stricture, Progressives made no strong effort to secure general hour legislation and the AFL, which reasoned that the best way to secure shorter hours was through contract, did not push the issue.

The same forces which persuaded the states to enact legislation on behalf of labor also influenced the Federal government. Like the states, Congress enacted child labor and women's labor laws for the District of Columbia and an eight-hour law for all Federal employees (1914). More important, it also enacted some nationwide legislation: the Owen-Keatings Act (1916), prohibiting transportation of the products of child labor in interstate commerce; the La-follette Seamen's Act (1915), governing hours and conditions of labor of sailors on American ships; and several laws involving railway labor.

Railway labor legislation was of three types: (1) protection of the public from the consequences of railway strikes—which led to a series of laws, starting with the Erdman Act (1898) and culminating with the Newlands Act (1912) to provide machinery for arbitration and mediation of railway disputes; (2) provision for workingmen's compensation (1910); and (3) reduction of working hours—which ultimately led to the enactment of the Adamson Act (1916), providing for the eight-hour day.

Finally, Congress enacted some legislation concerning labor as a whole. Probably most important was the Clayton Act (1914) which contained two sections intended to clarify the antitrust laws. Section 6 provided: "Nothing contained in the anti-trust laws shall be construed to forbid the existence and operation of labor . . . organizations . . . or to forbid or restrain individual members . . . from lawfully carrying out the legitimate objects thereof; nor shall any organizations . . . be held to be illegal combinations in restraint of trade, under the anti-trust laws." Section 20 denied to the Federal courts the right to issue injunctions in industrial disputes "unless necessary to prevent irreparable injury to property, or to a property

right, . . . for which injury there is no adequate remedy at law."

On the eve of the First World War the enactment of the Clayton Act seemed to presage a new era for the labor movement.

### **From World War I to the Great Depression**

The promise held out by the advance of trade unionism in the early years of the twentieth century (1901-1917) was not fulfilled in the years that followed (1917-1933).

During the First World War two factors aided the continued advance of the trade unions and their members: the benevolent attitude of the Federal government, which fostered a spirit encouraging increases in wages, decreases in hours, and better working conditions; and the need for labor which led industry, itself making good profits, to raise wages and to grant shorter hours. In the years immediately following the war (1918-1921) the demand for manufactured goods, which created a strong demand for labor, continued the process. Although workingmen in some industries had to fight for advances, the majority received them without any struggle. By mid-1920 the 44- to 48-hour week had become almost a fixture for most skilled laborers and the 50-hour week had become the average for all labor; real income, moreover, was 35 percent higher than before the war. This success was reflected in the growing membership rolls. By January 1920 the AFL boasted 4,078,000 members, and there were another 1,032,000 members in other unions—most of them in the railway brotherhoods.

While these wartime and postwar advances caused the AFL to look forward to an even brighter future, a counterforce, which had appeared in a different guise during the war, was already at work. Directed at first against minority nationality groups suspected of sympathizing with Germany, it had soon transferred itself into a campaign to eradicate all elements which seemed to obstruct the war effort. Based on a fear similar to that which had appeared during the Railway Strike of 1877, it was quickly turned against radical labor organizations.

During the war the movement—which used the Espionage Act, the Sedition Act, and the state criminal syndicalism laws as a legal foundation—directed itself against socialists and Wobblies. Although it sent Eugene Victor Debs to jail, it did not destroy the Socialist party. On the other hand it swept the first and second class leaders of the intransigent IWW out of circulation and started the disintegration of that organization. For a few months after the war the hysteria that had formed the basis for the campaign

receded, but only to be succeeded in mid-1919 by a new wave of hysteria known as the Red Scare.

The phenomenon had several causes: news of Bolshevik victories in Russia, Finland, Hungary, and Bavaria and of the organization of the Third International, designed to spread communism throughout the world; the appearance of a Bolshevik movement in the United States when the Socialist party split (1919) into three parties—two of which espoused the Moscow line; a “general strike” in Seattle, a strike of police in Boston, and a large-scale strike in the steel industry—all these convinced many people that they were observing a revolutionary movement directed against the political foundation of the nation and the stability of the economy.

The nation’s catharsis for the Red Scare was a campaign of extermination, conducted on many fronts, and culminating in the *Palmer Raids*.<sup>1</sup> As before, the socialists survived but the communists were driven temporarily underground, and the IWW was destroyed.

For organized and unorganized workingmen the war against the radicals was important for two reasons: it cost them some of their allies, and it ultimately led to a campaign against orthodox labor organizations. It was pointed out that the radicals were part of the labor world; it was insinuated that all labor was tinged with radicalism, that labor if not “red” was at least “pink.”

The campaign to accomplish this end began during the Great Steel Strike. In brief the campaign, known as the American Plan, was a reproduction of the open shop movement of the early twentieth century. Because it coincided with a depression (1921-1924) when unemployment grew and men became desperate for jobs, it was a success. Strike after strike launched by organized labor was met by organized employers. At times, as in the strike of railway shop crafts (1922), which was seriously limited by the Wilkerson injunction, the Federal government aided employers. As in an earlier period, the trade unions were defeated again and again.

On the legislative front the same trend appeared. During the War and immediately following, the spirit of the old progressive movement had prevailed. Many states had improved their child labor laws—lifting the minimum working age to 16; the list of states with progressive women’s labor laws had increased; workingmen’s compensation laws had been improved. But once the American Plan campaign began, the reaction set in. Legislatures ceased to pass

progressive legislation. More important, perhaps, the courts began to emasculate earlier legislation. The Owen-Keatings Act concerning child labor was declared unconstitutional in the case of *Hammer v. Dagenhart* (1918), and the law which Congress, using the taxing power, enacted to accomplish the same end was struck down in *Bailey v. Drexel Furniture Company* (1922). The protection which trade unions thought they had secured against the uses of the injunction and the application of the antitrust laws through the Clayton Act was proved a chimera in *Truax v. Corrigan* (1921) and the *Duplex* case (1921).

The effects of depression, the American Plan campaign, and the rulings of the courts were soon revealed in the membership rolls. By 1924 trade union membership had declined from 5,110,000 to 3,600,000—a drop of nearly 30 percent.

Organized labor tried all of its usual methods to check its decline and failed. Ultimately it turned to political action. The movement, led by William H. Johnston of the Railway Machinists, resulted first in the creation of the Conference for Progressive Political Action, an organization of trade unionists, socialists, farmers, and members of various socio-political organizations interested in reform. The CPPA organized as a pressure group designed to influence the nomination and election of men favorable to legislation intended to break the power of big business, to reduce taxes on the “little man,” to provide relief for the depressed farmers, and to lift the burdens of the injunction and the antitrust laws from labor.

Although the CPPA had some success in the congressional elections of 1922, it ultimately turned to independent political action. Disappointed by the nomination of Calvin Coolidge and John W. Davis as major party candidates for president in 1924, the CPPA reorganized as the Progressive party and nominated a long-time friend of labor and the farmer, Senator Robert M. LaFollette of Wisconsin. In the campaign that followed, LaFollette polled nearly 17 percent of the total—the largest vote given a third party since the Republicans had appeared (1856) and Theodore Roosevelt’s Bull Moose candidacy (1912). Labor leaders, however, were discouraged. Immediately after the election, the AFL, which had endorsed LaFollette, returned to its old nonpartisan policy. One result of the election was the passage of the Railway Labor Act (1926), providing for a new method of handling industrial conflicts on the railroads. The act has remained the basis of all railway labor-management injunction and the application of the anti-trust laws

<sup>1</sup>During the “Red Scare” and after an apparent nationwide plot to assassinate public officials, the Department of Justice under Attorney General Palmer began a nationwide raid on “reds” ultimately resulting in the arrest of more than 6,000 persons.



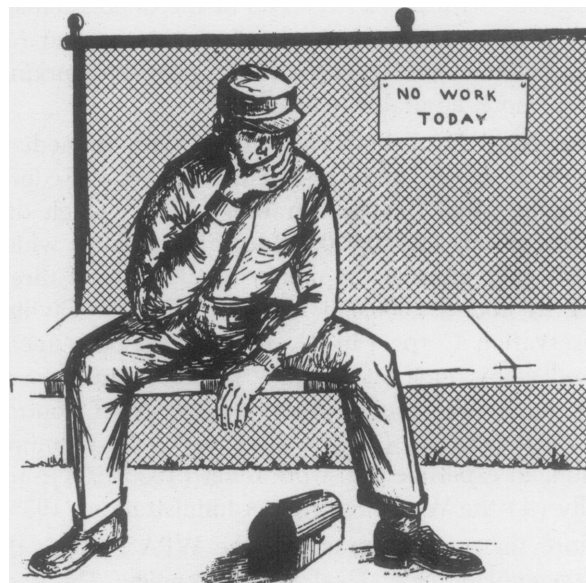
Meanwhile the decline of trade unionism continued. A number of factors were responsible: (1) the failure of the AFL (William Green became president in 1924) to recognize the need to create unions along industrial lines in order to organize the semiskilled and unskilled workers in the rapidly growing mass-production industries; (2) the unwillingness of the AFL to initiate any strong organizing campaign; (3) the general material prosperity of the period which satisfied many workers; (4) the movement of the farm population into cities, which created a large reservoir of labor and made workingmen, who were eager to keep their jobs, more docile; (5) the shifting of industry into the South, Southwest, and West, which left unionized workingmen unemployed and willing to do anything to secure jobs; (6) the rapid introduction of machinery, which created a "technologically unemployed" group also willing to give up unionism to secure employment; and (7) the development of "welfare capitalism." The last development substituted for the stereotype of the old hard-hearted boss an industrial relations department concerned with fitting employees into the most satisfying jobs, tried to provide more regular employment, provided higher wages for the workingmen who were not discharged, introduced profit-sharing, life insurance, disability, and old age pension plans, hygienic and pleasant shop conditions, club houses, swimming pools, playgrounds, and hospitals. Under such conditions a union hardly seemed necessary.

The result of the decline again could be read in the statistics. By 1930 overall union membership had dropped to 3,400,000, and AFL membership had dropped to 2,770,000. And worse was yet to come.

### The Great Depression

Late in 1929 the Great Depression began with the stock market crash. Although the effect was not immediately clear, small and weak companies soon began to dismiss employees and reduce wages; bigger corporations began to stagger employment. In one year unemployment reached 3,000,000. Gradually the situation worsened; by November 1932, unemployment reached nearly 15,000,000—about one-third of the working force. Unemployment quickly led to destitution and starvation, and demands for relief were soon heard. The demands were hardly met. Although President Herbert Hoover recommended additional appropriations for public works—which met the AFL slogan, "Labor wants jobs, not a dole"—he refused to allow the Federal government to go into the relief business until all state, local, and private charities had been exhausted. Meanwhile the nation's labor force sank deeper and deeper into economic misery.

The increasing misery resulted in several developments: among the most frustrated there appeared a noticeable trend toward communism, which seemed to hold forth promise of a more equitable distribution of income; in some areas—notably Harlan County, Kentucky, and in Southern Illinois—there was a resurgence of militant (even violent) class-conscious unionism. Most important, however, was a revival of public interest in the plight of labor. This in turn led to the passage of the Norris-LaGuardia Act (1931), in which the Federal government for the first time in history recognized that under prevailing economic conditions an individual worker was unable to "exercise actual liberty of contract" or to "protect his freedom of labor," and that it was necessary that he be granted "full freedom of association, self-organization, and designation of representatives of his own choosing to negotiate the terms and conditions of his employment, and that he . . . be free from the interference, restraint, or coercion of employers . . . in his activities for the purpose of collective bargaining." This policy statement, for which the AFL had campaigned for nearly a quarter century, was to have far-reaching results during the New Deal period that followed.



When the Norris-LaGuardia Act went into effect, its full significance was hardly realized. Labor was much more concerned with its economic plight. Of the workingmen employed in the nondurable goods industries, 26 percent were out of work; of those employed in the durable goods industries, 51 percent were out of work. The seven industrial, highly urbanized states of Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Michigan, and Illinois contained one-half the nation's unemployed. The nation's industrial areas had become scenes of desolation. Thousands of laborers had lost their homes because they

could not meet mortgage payments or pay rent; many had built shacks made of tin cans and egg crates on city dumps. In the coal fields miners eked out a precarious existence on Red Cross flour, scraggly gardens, and wild blackberries. In the cities bread lines and soup lines stretched for blocks on end. Many a family lived literally on bread and coffee, on what they could scavenge from garbage cans, and on dandelion greens.

This deep-seated misery, for which many blamed the policies of the Hoover Administration, was one of the major reasons for the election of Franklin D. Roosevelt as president in the fall of 1932.

## **The New Deal**

Franklin D. Roosevelt's administration—the New Deal—produced or helped produce a near revolution in the status of the trade union movement and the workingman in the United States. Although not always clearly defined, not always carefully worked out, and often characterized by shifting methods and experimentation, the New Deal policies for labor had three broad, sometimes intermixed, goals: (1) relief from immediate distress; (2) reversal of the depression—an effort to return to normal economic activity; and (3) reform of industrial government to give the workingman a more equitable position.

The New Deal's attempt to alleviate immediate distress involved many agencies: (1) the Federal Emergency Relief Administration (1933) which distributed nearly \$1,500,000,000 as gifts to states which in turn gave most of the money in the form of direct relief to about 4,000,000 families; (2) the Civilian Conservation Corps (1933) designed to take unemployed young men off the streets and to put them to work on sorely needed conservation, flood control, and park projects; (3) the Civilian Works Administration, an experiment in work relief (1933-1934); and finally (4) the Works Progress Administration (1935).

More than any other effort, the WPA became the real symbol of New Deal relief agencies. Designed as a work program to relieve immediate distress, it was also expected to maintain the workingman's dignity, to preserve his skills, and—very significantly—to stimulate business recovery by increasing purchasing power. Although criticized by many groups, the WPA was, in fact, a highly useful agency. In the first six years of its existence it spent more than \$11,000,000,000 on projects that ranged from the construction of highways, the building of stadiums, and the improvement of airplane landing fields to the construction of privies, the extermination of rats, the manufacture of books for the blind, and the playing of the world's greatest

symphonies. The WPA employed some 8,000,000 people—a monthly average of about 2,000,000. Although it never entirely relieved economic distress—wages were sometimes too low to provide even barest living essentials—the WPA did ameliorate much misery. For millions, and particularly for the families of unskilled labor which made up more than 60 percent of WPA rolls, it meant the difference between starvation and subsistence. Nor did it solve the problem of unemployment. There were at least 10,000,000 unemployed in 1935; there were still 8,000,000 unemployed in 1940. But the 1940 figure included young people, who had been joining the ranks of the employables at the rate of 700,000 a year, and also included those working on “emergency” projects. If the year-by-year accretions and those on work relief were subtracted from the rolls, it might be concluded that the WPA had solved the relief problem it had faced in 1935 fairly well.

Closely allied to the problem of immediate relief was the problem of finding a permanent solution to the problem of unemployment. The New Deal adopted the philosophy, which had been advanced by the AFL in the 1890's, that unemployment was caused by economic forces beyond the control of labor. Its partial solution to the problem was to reorganize the old United States Employment Service. In the Wagner-Peyser Act (1933) it provided for a Federal-state system of employment offices with adequate funds, trained personnel, and a coordination of information. The theory behind this move was that such offices would enable unemployed workers to find new jobs more rapidly and more readily.

A more important solution, based on the conclusion that unemployment was inevitable but predictable and insurable, was the creation of a social security system for the unemployed and the aged. Strongly supported by the AFL and by the Fraternal Order of Eagles, a workingmen's social and benevolent organization, the New Deal's movement was ultimately climaxed with the passage of the Social Security Act (1935). Often hailed as the New Deal's most important contribution to the improvement of the social welfare of the American people, the Act, which covered about 20,000,000 employees, provided for a Federal-state system of unemployment insurance financed by an excise tax on payrolls and for a Federal old-age annuity system financed by a tax on both employers and employees.

The New Deal's major recovery program of importance to labor was contained in Title II of the National Industrial Recovery Act (1933). Designed to aid recovery by permitting industry to write codes

which it thought would promote revival, the Act also provided for means whereby labor could improve its position and for safeguards against employer domination of the workingman. Section 7(a) required that every code provide that employees should have the right to organize and bargain collectively through representatives of their own choosing and be free from the interference, restraint, or coercion of employers. An additional clause provided that employers had to comply with the labor conditions of the code. The conditions were suggested by President Roosevelt in a blanket code, which all employers were asked to sign: to employ no one under the age of sixteen, to pay clerical and service workers a minimum of \$12 for a 44-hour week, and to pay factory workers a minimum of 40 cents an hour for a 35-hour week. The whole intent of these provisions was to abolish child labor, put a floor on wages and a ceiling on hours, and give labor a chance to improve its condition through collective bargaining. Both recovery and industrial justice would be served.

Although the administration of the NIRA brought results—an increase in production, the re-employment of 2,500,000 workers within six months—and served to stimulate a trade union revival, it ultimately proved a disappointment. Industry was generally unwilling to accept the principles of Section 7(a). The Federal government, moreover, found itself without power to compel compliance. Few people were made unhappy when the Supreme Court declared the Act unconstitutional (1935).

Invalidation of the Act, however, did not end the matter. The New Deal, convinced that labor could help itself, shifted its emphasis from business recovery—which it was now pushing through the pump-priming principles involved in the WPA and in various acts for the benefit of farmers—to reform of industrial government. The result was the passage of the National Labor Relations Act—familiarily known as the Wagner Act (1935). The Act provided for a National Labor Relations Board empowered to enforce the principle that employees had the right to self-organization and to collective bargaining through representatives of their own choosing, for means of determining appropriate bargaining units, and also prohibited employer practices regarded as detrimental to the principle of collective bargaining. It was an Act intending to put employers and organized labor on an equal footing; an Act giving employers and organized labor quasi-legislative power to solve their own industrial problems.

Although corporations fought the Act by challenging its legality in the courts, ultimately (1937) in the

*Jones and Laughlin* case, the Supreme Court declared that the Act was a legitimate exercise of Federal power. A new era of industrial relations had begun; an era in which collective bargaining gradually replaced the violence of the past.

One other major act completed the New Deal's labor reform legislation: a wage-and-hour law. Although the Roosevelt Administration had started to prepare legislation shortly after the invalidation of the NIRA, the Supreme Court's decision in *Moorhead v. Tipaldo* (1935), that state legislation establishing minimum wages violated the equal-protection clause of the Fourteenth Amendment, caused it to postpone action until after the President's landslide victory (1936) and after the Supreme Court had reversed itself in the *West Coast Hotel v. Parrish* case. Even then its proposal met with strong opposition: from southern and western legislators, from various AFL leaders who claimed that "minimum wages would become maximum wages," and from John L. Lewis. It took three sessions of Congress before the measure—the Fair Labor Standards Act—was passed (1938), providing ultimately for a 40-cent-an-hour minimum wage and a 40-hour week and prohibiting the labor of children under 16. The act affected some 1,300,000 adults, almost all unorganized, and 600,000 children; for the first time it enunciated in legal form the principle that all workingmen were entitled to a decent standard of living; it set child labor on the road to extinction.

## The Rise of the CIO

The Roosevelt Administration not only worked a revolution in the condition and status of labor; it also provided the backdrop for a revolution in the labor movement itself. When Roosevelt's first term began, the trade unions—whose over-all membership had dropped below 2,500,000—were showing very few signs of life. The situation soon changed. Many labor leaders and workingmen interpreted Section 7(a) of the NIRA as an invitation to form independent unions under government protection, and the response was reminiscent of the sudden rise of the Knights of Labor 50 years earlier. Sleeping unions quickened into life, forming new locals and invading territory in which they had previously regarded themselves as trespassers. Although sometimes this impulse came from AFL headquarters, more often it came from the rank and file. Most significant was the development in the mass-production industries where more than 1,700 locals were formed among the semiskilled and unskilled.

While the movement generated all kinds of enthusiasm, it soon began to disintegrate. There were many reasons: opposition of employers who refused to recognize the new organizations and sought to force their workingmen into more tractable company unions, inability of the administration to enforce compliance with Section 7(a),<sup>1</sup> failure of AFL leadership to recognize that its time-honored principle of craft unionism did not fit the existing industrial structure, and its effort to squeeze mass production workers into a craft union mold. The result was a rapid decline in membership in old locals and a disappearance of a majority of new locals.

To some labor leaders this disintegration was intolerable; they argued that organization of the mass-producing industries along industrial lines would result in a large expansion of trade unionism and bring gains to all workingmen. At its San Francisco convention (1934), these leaders persuaded the delegates to endorse an organizing campaign on industrial union lines. But endorsement did not mean action. AFL leadership had no sympathy for industrial unionism: no organizing campaigns developed; no charters were issued. As industrial unionists—watching labor leave the ranks muttering bitter imprecations upon all unionism—recognized that an undreamed of opportunity for expansion was slipping away, all their deeply rooted hostility to the AFL's long-established policies boiled to the surface.

The inevitable clash occurred at Atlantic City in November 1935. After many days of speeches the convention reaffirmed its faith in craft unionism and, by implication, its mistrust of industrial unionism. Shortly afterward, the presidents of eight unions (including John L. Lewis, Sidney Hillman, David Dubinsky, Charles Howard, and Harvey C. Flemming) organized the Committee for Industrial Organization. Despite AFL denunciations, orders to dissolve, threats to excommunicate, and suspensions, the CIO started an organizing campaign in the steel industry. In a little over a year it organized 300,000 workers, persuaded the United States Steel Corporation to recognize the Steel Workers Organizing Committee directed by Philip Murray (1937), and signed more than a hundred contracts. Meanwhile the automobile workers, impatient to make their own way, began their own organizing campaign which reached its climax during the sit-down strike at Flint, Michigan, and won recognition from General Motors and Chrysler. Other campaigns in the textile, rubber, garment, radio and electrical industries, among longshoremen, packing house workers, and telephone workers were also suc-

cessful. By December 1937, the CIO boasted 3,700,000 members.

The appearance of the CIO created a considerable change in the labor movement and its outlook. Not only did it bring unionism to the long-unorganized semiskilled and unskilled of the mass-production industries, but it again turned labor's attention to politics and ultimately to social reform. In some ways the turn to politics was inevitable. Labor in general had early believed that the New Deal was trying to solve a political and economic crisis in a way that would preserve political democracy and capitalism and at the same time would spread the benefits of the nation's economic system over the entire population. Since labor had long revealed itself as an exponent of political democracy and had long accepted the idea that economic and social amelioration had to be worked out within the bounds of capitalism, it was natural that it would support the New Deal. In addition, many labor leaders believed that labor's status in industry was dependent upon the government; that economic controls were needed to prevent another 1929. They also recognized that the ability of the semiskilled and unskilled to protect their position in industry was limited by the fact that they could easily be replaced; their position had to be bolstered by legislation. Leaders with this kind of perception were generally found in the CIO.

It was the CIO leaders who sparked the movement to unite all labor in an effort to re-elect Franklin D. Roosevelt in 1936—through Labor's Non-Partisan League. Although given only lukewarm support by the AFL and most of its affiliates, the League secured the overwhelming support of the CIO unions and undoubtedly contributed to the landslide vote of 1936, which, in turn, contributed to the development of the CIO's prestige and to the rapid growth of that organization in 1936-1937.

AFL leaders watched the CIO's spectacular growth with amazement and with trepidation, for they soon realized that they would have to take equivalent action or disappear in the sound and fury of the greatest labor upheaval in the nation's history. The AFL met the challenge: long moribund internationals stirred into life; led by the teamsters and machinists, they threw off the shackles of craft and invaded the ranks of the semiskilled and unskilled. The action began a transformation of the AFL. A number of internationals ceased to be simple craft unions; called "amalgamated crafts" they became multiple craft or semi-industrial unions. By December 1937 the AFL had 3,400,000 members.

<sup>1</sup> See Title II of the National Industrial Recovery Act, Section 7(a) on page 23.



Although this sudden upsurge in the rolls of the labor movement awakened the hope that all labor could be organized into a single union and negotiations toward that end began in 1937, the negotiations failed. Shortly after, the CIO converted itself into the Congress of Industrial Organizations (1938)—an indication of a belief that future amalgamation was hopeless.

Thereafter the AFL and the CIO “went to war” for control of the nation’s labor force. Both sides threw away tradition and principle; both chartered craft and industrial unions; both indulged in raiding; both used scabbing tactics; both aired their grievance before the public in loud, passionate denunciations. The struggle produced a tremendous jurisdictional conflict which involved almost every union in the nation.

In some respects the conflict was beneficial to the labor movement. It forced both organizations to bend every energy toward unionization, and it produced some notable victories—in “Little Steel” and in the Ford Company. But the conflict also had a harmful effect: it produced deep-seated enmities among rival labor leaders which made reconciliation improbable, and it had an adverse effect upon the public. Denunciations which sounded much like the charges which employers had aimed at labor leaders made the public wonder if its sympathy for labor had not been misplaced. The rash of strikes which broke out over jurisdiction in every industry—strikes which employers were helpless to check and which affected the whole economy—made the public wonder if it was not becoming the victim of irresponsible labor tactics.

In the late 1930’s, the meaning of the reaction against labor was not yet clear; nor was the reaction effective, because organized labor was reaching the peak of its power. In New York City labor led the movement for re-election of LaGuardia as mayor; in New Jersey, Pennsylvania, and Michigan it became a vital factor in the Democratic party. In Washington the CIO was becoming—most significantly—a champion of measures of interest not only to labor but to other elements: improvement of farm-tenancy conditions, liberalization of farm credits, conservation of the soil, increases in farm incomes, aid to low-cost housing. The labor movement, as a consequence, was gathering some allies. Not even the movement to mark the CIO with the brand of “communism”—a charge of particular virulence after the notorious pact between Nazi Germany and Soviet Russia in 1939—nor the additional split in the ranks of labor which was made manifest when John L. Lewis, to the consternation of other labor leaders, announced his opposition to a third term for Franklin D. Roosevelt (1940) was able to detract seriously from the position labor had achieved.

Organized labor shrugged off both the charge of communism and the Lewis defection. After Roosevelt’s re-election and Lewis’ resignation, the CIO named Philip Murray as its president.

## **The Second World War**

The problems which labor faced during Roosevelt’s remaining years in office (1941-1945) were markedly different from those of the previous eight years. These were war years, when the nation was providing aid-to-the-allies, was preparing its own defenses, and was actively engaged in war. The aid-to-the-allies and national defense programs created a tremendous industrial boom, which for the first time in more than a decade gave the nation a taste of prosperity and produced a strong demand for labor which quickly reduced the unemployment rolls. Between April 1940 and December 1941 the number of unemployed decreased from 8,800,000 to 3,800,000. At the same time the number of persons employed in nonagricultural pursuits increased by 5,700,000 and average weekly earnings increased from \$29.88 to \$38.62.

The vast influx of men and women into industry created problems. Trade unions naturally decided to bring these new workers into their own ranks. While, for the most part, they pursued a reasonable course, some unions, particularly newer ones, were unable to maintain discipline or to contain demands of individual locals. The majority of industrial employers also pursued a moderate policy in their labor relations. Some, however, became obdurate, refusing to extend recognition, refusing new wage demands, and attacking the closed shop as un-American. Irresponsible unions and stubborn employers made the year 1941 one of almost constant industrial strife. Large strikes occurred in the automobile industry, in the shipyards, in the building trades, in steel, coal, and textiles. Altogether nearly 4,300 strikes occurred, involving 2,000,000 workmen, more than eight percent of the nation’s industrial wage earners.

The industrial conflicts of the period resulted in a number of governmental actions. In the South and Southwest—where anti-union opinion had always been strong and where such opinion was now re-enforced by the vigorous support of anti-union newspapers and employers who constantly reiterated the charge that labor unions were setting their own selfish aims above national defense—16 states enacted anti-labor laws of varying degrees of harshness. In Washington, President Roosevelt created a National Defense Mediation Board with the right to attempt settlement of disputes in defense industries, and Congress began to debate legislation prohibiting strikes in defense industries.

One such measure had secured the approval of the House of Representatives when the attack upon Pearl Harbor stunned employers and workingmen alike.

Fundamentally, organized labor's role in the Second World War was one of energetic cooperation with the government and with industry. Its chief contribution, naturally, was on the production lines where it not only manned the machines that produced war materials but also, through its members on the War Production Board, quietly put into effect a program to improve efficiency in some 5,000 plants. It cooperated with the government in its efforts to secure a more adequate distribution of manpower in vital war industries, in increasing the length of the working week, in cutting down turnover and absenteeism. It supported the government's heavy tax policy and the pay-as-you-go tax plan proposed by Beardsley Rumml and gave energetic aid to the government's efforts to hold the line on prices.

This contribution was not without its accompanying conflict. When the war began, President Roosevelt called a conference of business and labor leaders, who agreed that for the duration of the war there would be no strikes or lockouts, and that industrial disputes would be settled peacefully. It agreed also to the creation of a War Labor Board to handle disputes which could not be settled by normal means. For trade unions the agreement meant not only the surrender of their most potent weapon, but the virtual suspension of their most cherished technique: collective bargaining.

The action did not prove unduly injurious. The War Labor Board carried out its task conscientiously and with good result. It managed to find a formula for the problem of union security in the "maintenance of membership" program providing that members of unions had to remain in the union during the life of a contract or face discharge—thus alleviating the trade unions' fear that employers might take advantage of the no-strike policy to destroy labor unionism.

It also managed to find a formula to solve the knotty problem of promoting wage stabilization and making adjustments for price increases and wage inequalities. The Board's first major decision on this score—known as the Little Steel formula—was based on the conclusion that adjustments in wages should be limited to the 15 percent increase in cost of living which had occurred between January 1, 1941, and May 1942. Although this formula did not solve some wage inequities, trade unions were willing to accept it as long as prices were held down. But the cost of living continued to rise, making it difficult to reconcile

the formula with realities. By April 1943 the cost of living index had reached 124, and unions began to demand a revision of the formula. Instead the government ordered a more rigorous enforcement of price and rent controls which limited the increase to one percent for the rest of the war but did nothing to adjust existing discrepancies. As workingmen grew increasingly restless, a large number of strikes broke out in 1943. Most of them were trivial—"quickies" and local affairs unauthorized by union leaders—caused by resentment over the wage-price situation, the strain of war, long hours, poor housing conditions in industrial areas, failure to secure adjustment of minor grievances. Some, like the coal strike which occurred intermittently between April and October 1943, and raised the issue of portal-to-portal pay, were more serious.

The net effect of these strikes was detrimental. A fear that organized labor had secured the power to choke off the nation's war effort appeared in many quarters. The wide publicity given to strikes, the accusation charging labor with breaking its no-strike pledge, and the emphasizing of the menace of labor's policies contributed to public feeling, which climaxed in the enactment of the Smith-Connolly Act. The Act provided for a thirty-day cooling off period before a strike could be called, for seizure of a plant where a halt in production threatened the war effort, and for criminal penalties to be imposed on any person who promoted a strike. In addition it prohibited union contributions to political campaign funds.

On the surface, at least, the Smith-Connolly Act did not appear to repress trade unionism. Angry over the thought that the nation was prosperous while their own economic advances had been strait-jacketed, organized labor pressed even more acutely for modification of the Little Steel formula. Ultimately the demands were recognized when the President authorized increases beyond the formula for railway workers (1944). The award gave the War Labor Board its cue. It began to meet labor demands by resorting to so-called fringe benefits. It approved vacations and holidays with pay and allowances for travel time and lunch periods, permitted bonus and incentive payments and higher wages for night work. It also opened the way for further increases by ruling that the establishment of health and insurance funds was a legitimate subject for collective bargaining. Though criticized by both management and labor, the Board's action to a considerable degree quieted labor unrest in the last two years of the war, reducing strikes to less than a third of the prewar average.

The Board's actions also proved of great significance to organized labor. During previous wars it had generally lost some of its status and power. In the Second World War, the Board resisted all efforts that threatened to weaken labor's position; it strongly supported the right to organize and bargain collectively and enabled trade unions to continue "business as usual." By the end of the war they could boast 14,000,000 members: 6,800,000 in the AFL, which now included the mine workers and the ladies' garment workers; 6,000,000 in the CIO. Within the limits imposed, the Board also maintained labor's right to an adequate wage and in a sense gave approval to additional institutions which would improve labor's welfare.

### **The Truman Administration**

Labor emerged from the Second World War into a reconversion period for which the nation was inadequately prepared. A plan had been made in May 1945 based upon the assumption that the war in Asia would last another year, a plan which anticipated a reduction of war production, a slow increase in the production of civilian goods, and a gradual lifting of wage and price controls. Although the Federal government recognized that inflation would follow, it concluded that the achievement of a full-employment economy would compensate for the trend. It likewise expected that the machinery designed to assure industrial peace would remain in operation long enough to moderate whatever labor-management conflicts developed.

But the government's plans were totally upset by the blasts that destroyed Nagasaki and Hiroshima. During the two-day holiday following V-J Day, President Truman ordered immediate inauguration of a reconversion policy. He authorized employers and unions to negotiate wage increases that would not affect prices and appealed to both labor and management to continue to accept War Labor Board decisions until new methods could be devised to minimize industrial strife. The appeal was in vain. Employers objected to continued operation under governmental restrictions, and labor unions wanted to return to free collective bargaining through which they could gain the wage increases they thought had been denied during the war. Although a National Labor-Management Conference agreed that peaceful methods of settling disputes was desirable, it failed to provide machinery for minimizing conflict and failed to come to any agreement concerning the problem of how to raise wages without affecting prices. This latter task was turned over to a Wage Stabilization Board.

Meanwhile a wave of strikes spread through the nation—strikes based on organized labor's contention that employers could afford substantial wage increases without increasing prices and that increases were necessary to sustain purchasing power and to avoid large-scale unemployment. In many ways the strike wave was unique. For all its size there was little violence. Plants were closed in an orderly fashion and remained closed throughout the course of the strike. Both sides appealed to the public with pamphlets, press releases, and radio talks. Contention that industry could pay higher wages became the focus of the union's argument in most controversies. Government intervention in the form of fact-finding boards and through NLRB occurred in every conflict.

Most spectacular of the conflicts were the 113-day strike by the automobile workers against General Motors, the strike of coal miners which brought government seizure of the mines, and the short but threatening strike of railway workers in the spring of 1946. In general the major strikes were all settled in the same way—with an eighteen-and-one-half-cent an hour increase in wages and government consent to a price increase. But there were some unique developments: the mine workers won a contract which provided for establishment of a welfare fund, a retirement fund, and a medical and hospital fund to be paid for by an industry "tax" on coal. The railway workers were threatened with an act, proposed by President Truman, permitting induction of strikers in government-held industries into the army and imprisonment of officers of striking unions who failed to obey a return to work order. The measure was ultimately allowed to die in committee, but labor leaders used all their lobbying power to contain it.

During the next few years, the legislative tide ran strongly against labor's stand. Although President Truman requested and organized labor supported efforts to maintain price and rent controls after the expiration of wartime legislation, the public generally accepted the contention that price controls were the cause of shortages and inflation and Congress proceeded to loosen the controls. A 15 percent increase in the cost of consumer goods followed in the six months from June to December 1946.

More significant, however, was the successful conclusion of the anti-union movement which had started among anti-union employers during the period of jurisdictional warfare in 1938-1939 and had grown during the war. The postwar movement had its foundations in the widespread strikes and wage drives of 1945-1946.

The temper of the nation was revealed in many ways. It was revealed by the defeat of the majority of labor-endorsed candidates for Congress and state legislatures (1946). It was revealed by the vast amount of anti-union legislation: prohibiting union security agreements (the right-to-work laws), the closed shop, and secondary boycotts; providing for strike notices and cooling-off periods; restricting picketing; and permitting use of injunctions enacted by the states of the South, the Southwest, and the West. It was also revealed by Congressional enactment of the Lea Act aimed at James C. Petrillo and his effort to provide musicians with an income from the canned music they created, by the Portal-to-Portal Act relieving employers of the payment of large amounts of back pay approved by the Supreme Court in the *Mount Clemens* case, and finally by enactment of the Labor-Management Relations Act (1947).

The Taft-Hartley Act, as the last law was commonly known, was intended to restrain union behavior that might restrict the "free flow of commerce," behavior that was specifically listed as unfair labor practices; it provided that officials of unions which wished to have the protection of the law had to file non-Communist affidavits; it provided for decertification elections to determine whether a union should lose its bargaining rights; it permitted unions to be sued for breaches of contract, illegal boycotts, and strikes; it provided for 80-day cooling-off periods in strikes affecting the national welfare; and it prohibited contributions and expenditures by unions in elections.

Organized labor reacted to the Taft-Hartley Act with bitter and concentrated fury. Maintaining that the law made second-class citizens out of labor officials, that it would hamper collective bargaining, and that Section 14(b), which permitted states to outlaw union security agreements, was an open invitation to engage in legal "union busting," both the AFL and the CIO began a campaign for repeal.

The first result of the campaign was the refurbishing of organized labor's political agencies. The CIO began an immediate buildup of the Political Action Committee it had created during the war; the AFL created its own political arm—Labor's League for Political Education—under the chairmanship of George Meany; the independent machinists and telephone employees and even the conservative railway workers created political agencies.

The campaign lasted 18 months, through the primaries, the national conventions, and the subsequent election. Essentially it was an effort to get out the labor vote on election day. And it succeeded. "Labor," as the *Federationist* exclaimed, "went to the polls as

never before" and contributed greatly to President Truman's upset victory. It also claimed credit for the election of 16 prolabor senators and the defeat of nine Taft-Hartley senators, for the election of 172 prolabor congressmen and the defeat of 57 Taft-Hartley congressmen. To organized labor the election was a clear mandate for repeal. But these expectations were doomed to disappointment.

Organized labor had other political disappointments in Truman's Administration. Although it worked hard for enactment of the President's suggested national medical insurance program and for an amendment to the Fair Labor Standards Act, intending to prohibit discrimination in employment because of sex, race, religion, color, or national origin, it was unable to persuade Congress to give favorable consideration to either measure.

On the other hand Congress and state legislatures responded to pressure for narrower and more specifically labor-centered measures. Congress provided a 75-cent minimum wage for employees engaged in the production of goods for interstate commerce or in any closely related process or occupation "directly essential" to production of such goods (a law which raised wages for 1,500,000 workers, most of them unorganized); it provided unemployment insurance for maritime workers; it extended the benefits of the Old-Age and Survivors Insurance program to more than 10,000,000 additional workers, including the self-employed, regularly employed farm and domestic workers, outside salesmen, Federal civilian employees, and Americans employed abroad.

When large scale unemployment developed in 1949, the number increased from 2,000,000 to 4,000,000; consequently, the legislators of 38 states responded with laws increasing the amount of compensation and the duration of benefits.

In some ways the most significant labor development in Truman's administration was the renewed attention which both the AFL and the CIO gave to "a revival of trade unionism." This trend—which was almost a shift of strategy—had many causes. On one hand, it was based on the traditional feeling (strong particularly in the AFL) that labor should not concern itself with social issues, or on the belief that labor had accomplished everything that was necessary for itself through legislation, or on the fear that no more could be accomplished through political action—a fear increased by the enactment of the Taft-Hartley Act and the inability to secure other broad social legislation. On the other hand, it was based on the knowledge that labor had secured advances in wages in 1946 and again in 1947 through the use of its economic power—advances which argued strongly for



greater reliance on such power. In practice this revival of trade unionism meant reinvigoration of organizational campaigns, the strengthening of internal structure, and the use of collective bargaining to gain desired ends.

The organizing campaigns of both the AFL and the CIO concentrated essentially in the South and among the nation's 11,000,000 white collar workers of whom only about 1,400,000 were organized. The drives had some success. By 1952 both the AFL and CIO claimed a gain of about a million members over and above the 1946 membership; for both, the increase came largely in the South.

Strengthening the internal structure meant fundamentally a purging of communist influence. For the AFL this was no problem; it had virtually destroyed communist influence in its ranks in the 1920's. For the CIO, however, the communist issue was more serious. From the days of its earliest organization the CIO had enrolled, even welcomed, the communists, many of whom had played prominent roles in the development of industrial unions. By the end of the Second World War some CIO internationals and many locals were communist-dominated, a matter of acute embarrassment after the enactment of the Taft-Hartley Act since refusal of an officer of an international or a local to sign the noncommunist affidavit provided in the Act would deprive members of its protection.

Several unions became centers of a struggle over the question of purging communist leaders. The biggest struggles, among automobile and maritime workers, resulted in victory for Walter Reuther and Joseph Curran. Reuther then enlarged the conflict with raids on the communist-dominated Farm Equipment Workers and United Electrical Workers, which seceded from the CIO. The CIO also expelled seven other communist-dominated unions (1950). How many members this conflict cost the CIO has never been determined; the organization believed that "purification" had increased its stature and its strength.

Revival of trade unionism, finally, meant a continuation of efforts to increase labor's share of the benefits of industrialization. Concerted drives for higher wages occurred in the early months of 1948, 1949, and 1950. Generally the wage drives were peaceful and successful—few major strikes occurred during these years—although rising costs usually destroyed gains made within the year. In addition the campaigns resulted in some other gains for organized labor: the automobile workers secured the first contract with a major industry tying wages to cost of living (1948); the steelworkers secured contracts for \$100-a-month pensions, including social security payments, to retired workers (1949). The success of the steel-

workers encouraged other CIO unions to request equal benefits; by 1950 more than 8,000,000 workers had similar pension contracts.

The outbreak of the Korean Conflict (summer of 1950) created new problems for organized labor. Although it urged the adoption of economic controls similar to those used in the Second World War and Congress attempted regulation of some aspects of the economy, its measures were too weak to check the inflationary trend—prices rose fifteen percent between June and September. At the same time there developed a movement to freeze wages. Unions throughout the country rushed new campaigns to "beat the freeze" with demands for new wage increases. A large number of "wildcat" strikes broke out in almost every industry; most of them were quickly settled with ten-cent-an-hour increases. Inevitably, however, labor's concern proved well-founded. In February 1951 the administration issued a wage and price order limiting wage increases (including fringe benefits) to ten percent of the January 1950 figure but permitting increases in agricultural prices. Labor's representatives on all defense agencies promptly resigned. Although the action brought about a reorganization of the agencies and greater effort to control rents and some prices for a time, the problem of controls remained.

Organized labor, mindful of earlier experience, had started "training" for the election of 1952 a year earlier with drives to secure a larger labor vote (only about two-thirds of union members were registered) and greater financial contributions. It also developed a platform calling for repeal of the Taft-Hartley Act, for enactment of a strong anti-inflation program, and for strengthening the defenses of the free world against communist aggression. Its other aims included Federal aid to education, more low-cost housing, extension of social security to include medical care insurance, adoption of a one-dollar minimum wage and a Fair Employment Practices law.

The Republican party, which nominated General Dwight D. Eisenhower, ignored most of the labor platform, but the Democrats adopted it. When the Democratic party's candidate, Adlai E. Stevenson—whom labor leaders had helped nominate—approved outright repeal of the Taft-Hartley Act, both the AFL and the CIO endorsed him. The campaign of labor's political agencies was as forceful as any they had conducted, but it was only a partial success. It helped preserve a strong Democratic representation in Congress, but it failed to elect Stevenson.

Organized labor's most significant achievement during the Eisenhower years was the completion of the movement to unite the AFL and the CIO. The movement, which had started shortly after the or-

ganization of the CIO (1937), had continued sporadically through the Second World War, had brought some cooperation during the Korean Conflict (which ended shortly after Eisenhower became president)—had been checked by many factors. But now these factors either began to disappear or were replaced by factors impelling a reunion: (1) the deaths of Green of the AFL, who was replaced by George Meany; of Murray of the CIO, who was replaced by Walter P. Reuther (David McDonald replaced Murray as head of the Steelworkers)—eliminated many of the personal antagonisms that had prevented reunion; (2) recognition that the composition of the two organizations had become thoroughly intermixed, containing both craft and industrial unionists, removed a philosophical barrier to reunion; (3) recognition that jurisdictional warfare and raiding, both costly, had resulted in very few changes of rank and file allegiance, argued for elimination of such tactics through merger of contending forces; and (4) enactment of the Taft-Hartley Act suggested that a common front was needed to prevent further defeats for organized labor.

The movement for reunion lasted nearly three years. Hundreds of committees, councils, conferences, and conventions examined every proposal and ratified every agreement. While some opposition developed—primarily because of jurisdictional problems—unity was finally achieved with the creation of the American Federation of Labor and the Congress of Industrial Organizations in December 1955; George Meany became president and William F. Schnitzler secretary-treasurer of the new organization.

The constitution of the AFL-CIO provided for a hierarchy of policy-making bodies: an Executive Committee of eight to consult on policy; an Executive Council, including all the vice presidents, which was to be the governing body between conventions; a General Board, which contained a "principal officer" of each affiliate, to meet annually and decide policy questions; and a Convention, representing all affiliates on the basis of size, to which all other officers and bodies were responsible. The constitution recognized the old departmental structure of the AFL by providing for departments made up of unions of similar interests (building and construction trades, metal trades, union-label trades, railway employees, maritime employes). It also recognized the CIO pattern by providing for a department of industrial organizations.

The AFL-CIO merger brought no miraculous change. There were many structural problems to be solved. Integration of high-level committees of administrative divisions was readily accomplished. Some

expansion occurred with the affiliation of the Locomotive Firemen and the Railway Trainmen. In the five years after the reunion more than a dozen rival unions—most of them small—claiming jurisdiction over the same work areas formed merged organizations. But merger of state organizations proceeded slowly. While the weaker federations and industrial councils of the South, the trans-Mississippi West, and the Southwest combined rather quickly, it took six years (until 1961) for the state and local central bodies of the industrial states to complete the process. Jurisdictional problems continued to plague the new organization. Although progress was made, conflicts between the members of industrial union departments on the one hand and the building and construction trades and metal trades departments on the other had not been solved by the time the organization met in its fourth convention (December 1961).

From Congress organized labor secured legislation extending Old Age and Survivors Insurance coverage to another 10,000,000 persons, including employees of public and charitable institutions: it secured an act extending unemployment-insurance coverage to Federal employees; and it secured measures liberalizing unemployment and retirement compensation for railway employees. It also secured an increase in minimum wages—to one dollar an hour (about 2,000,000—mostly unorganized—workers were affected).

In the states there were changes all through the period (1953-1961) in workingmen's compensation laws: in the form of increased benefits and extended coverage; in unemployment compensation laws in the form of increased payments; and in the duration of payments. Many industrial states also began to give attention to two other problems in which the trade unions were interested: job discrimination and migrant workers. A number of states passed legislation prohibiting discrimination because of sex, race, religion, color, or nationality; a few began to enact laws intending to improve the condition of migrant agricultural workers. The effectiveness of such legislation, however, was still untested.

Organized labor scored one other partial legislative victory; it managed to beat off efforts to enact laws prohibiting union security agreements (right-to-work) in all states where campaigns were conducted except Utah, Kansas, and Indiana (the first industrial state where such a law was enacted). Its greatest victory came when it persuaded the voters of Ohio, Colorado, California, Idaho, and Washington to reject such laws (1958).

Such victories, however, were balanced by failures and losses for labor. Organized labor was not able to secure a repeal or a substantial revision of the Taft-

Hartley Act. Similarly it was unable to convince the Federal government to adopt its program to alleviate the constantly recurring unemployment problem. Unemployment began to mount in 1953 and reached a peak of 3,725,000 in the spring of 1954, when labor claimed that there were an additional 9,000,000 partially unemployed. A slow drop in unemployment figures followed until 1957 when unemployment began to rise again, reaching a temporary peak of over 4,000,000 in December 1958 and an even higher peak of over 5,000,000 by December 1960. At the time 51 of the nation's 149 major industrial areas and 123 smaller areas had substantial (above six percent) unemployment. Although organized labor suggested a program of alleviation, with tax reductions, a useful public works program, increased Federal aid for housing, slum clearance and urban redevelopment, its suggestions were largely ignored. Unemployment had once more become a major socio-economic problem.

In addition labor failed to secure any of the broad social legislation which it had endorsed: Federal aid to education, increased appropriations for low-cost housing, a medical insurance program tied to the Social Security system, a Federal Fair Employment Practices law.

On top of all these disappointments, organized labor was confronted by a new movement to regulate its internal affairs. The movement began before the merger as a result of exposure of malpractices by officers controlling health and welfare funds of several locals. Both the AFL and CIO promptly adopted codes of ethical practices—modeled after those of the clothing workers unions—intending primarily to prevent officials from making any personal gains from the funds. In spite, or perhaps because of the adoption of the codes, other scandals were brought to light. When merger occurred, the new AFL-CIO, recognizing that the integrity of the whole labor movement was in doubt and that the exposure of corruption was giving anti-union forces an opportunity to press for “union-busting” legislation, gave the problem its immediate attention. It asked Congress for legislation on the subject and began a quiet investigation of the affairs of its affiliates.

In January 1957 the whole problem of corruption in the labor movement assumed national importance when the Senate established a special committee, headed by John L. McClellan of Arkansas, to investigate racketeering in the field of labor-management relations. The committee promptly turned the spotlight on the Teamsters Union, largest in the nation, and exposed a sordid story of misappropriation of union funds and of connections between racketeers

and teamster officials. Later investigations cast doubt on the honesty of officials in a half-dozen other unions.

The Senate investigation undoubtedly prodded the AFL-CIO into more drastic action. Adopting the position that labor must “keep its own house in order,” the Executive Council ordered the teamsters and other unions to clean up or face expulsion. When the teamsters, meeting at Miami, defied the order and elected James R. Hoffa—on whom the McClellan committee had also cast suspicion—as president, the AFL-CIO promptly suspended the teamsters. Simultaneously it suspended the bakers and laundry workers (December 1957).

AFL-CIO action did not stop the McClellan committee which continued through the next two years to investigate the affairs and operations of other unions and to expose other evidence of corruption. Eventually the whole problem resulted in the passage of two laws: the Welfare and Pension Plans Disclosure Act (1958) which labor supported and which required administrators of such plans to make available descriptions of the plans and annual reports; and the Labor-Management Reporting and Disclosure Act (September 1959).

The latter measure, incorrectly but persistently called the Landrum-Griffin Act, was the product of many conflicting and even contradictory forces. In part it contained amendments to the Taft-Hartley Act which organized labor had urged—most important being the removal of the prohibition against economic strikers voting in representation elections and the granting of permission to unions and employers in the building trades to conclude pre-hiring agreements. In part it contained amendments concerning secondary boycotts, hot cargo agreements, and picketing which had been urged by elements seeking to make the law more severe.

Otherwise the measure contained two major characteristics. One was the product of both the AFL-CIO's request for legislation to combat abuses in handling of union funds and conflicts of interest in labor-management relations and the McClellan Committee's exposure of misuse of funds. The Act set up elaborate provisions to safeguard union funds and property and to limit use of such money and property to normal and traditional union activities. The other was the result of the McClellan Committee's findings that the rights of union members had been violated by union officials, a finding which led the public to conclude that labor leaders were not reflecting the opinions of the rank and file. Consequently the Act contained elaborate provisions for governing union elections and for protecting the rights of individual members.

Although the full meaning of the Labor-Management Reporting and Disclosure Act is not yet clear, it appears that the Act may be a milestone in labor's history. In the past, Federal enactments dealing with labor had been protective—in the nature of social welfare legislation—or had attempted to regulate relations between organized labor and management. The latter laws had given labor and management quasi-legislative power to regulate their own relations, within the limitations imposed by "public interest." The new law went beyond this point. It seemed to assume that the trade union had become a kind of public utility, that its actions so affected the nation that its internal organization, which governed the actions, could be regulated—in much the same way that the internal organization of a political party could be regulated. The assumption raised the question of whether the trade unions were still voluntary and free associations and the question of whether the Federal government had the power to impose further regulations which might entirely destroy the trade union movement as it had developed since colonial days. Such questions did not indicate a rosy future for trade unionism.

Labor's other activities during the Eisenhower Administration also had mixed results. Before the merger, both the AFL and CIO continued their efforts to organize southern and white collar workers and reported small gains. Most efforts, however, seemed to concentrate on special organizing drives developing out of actions taken against affiliates. In 1953, after the International Longshoremen's Union was expelled for failure to clean up its practices, the AFL attempted to establish a rival organization which won over some of the ILA locals but was unable to oust the ILA from its dominant position. CIO involvement in special drives grew out of the expulsion of communist-dominated unions. The biggest campaign was conducted by the International Union of Electrical Workers which recovered 80 percent of the old U.E. membership. Steelworkers, glassworkers, and automobile workers reportedly made inroads upon other former CIO unions.

After the merger a new organizing campaign began. Its success was doubtful. Although the AFL-CIO reported small increases for two years, the Department of Labor's survey revealed that overall union membership in 1958 had actually declined by 400,000. AFL-CIO membership was 15,000,000; unaffiliated unions, including the teamsters, claimed 3,000,000. A further slight drop in membership between 1958 and 1960 naturally raised the question of whether organized labor was once more in a state of decline.

Fundamentally, the collective bargaining activities of labor in this period were a continuation of the well-patterned developments of earlier postwar years: they were an effort to secure higher wages. To a marked degree wage bargaining was successful. Year-by-year wages of workingmen in manufacturing, construction, transportation, and mining increased in varying degrees. Highly important in this development were the contracts, first secured by the automobile workers, which tied wages to cost of living—a factor which permitted increases without long and involved negotiations and which served also to promote industrial peace.

One highly significant development during the period was the drive for a guaranteed annual wage. A movement that ran back to the 1890's, it had resulted by 1946 in the adoption of relatively continuous employment plans by some 200 companies—most of them small. The contemporary movement was started by the steelworkers during 1943, but their request for guaranteed annual wages had been denied. The automobile workers took up the campaign in 1953 and secured their first contract two years later; in a short time they secured similar contracts with other companies covering 900,000 workers. The agreement, which actually guaranteed semiannual wages, provided that qualified workers, when unemployed, would receive from 60 to 65 percent of their normal earnings, the company paying the difference (known as supplementary unemployment benefits) between unemployment compensation and the guaranteed wage over a six-month period. While payments were dependent on state legislation, by 1960 all but a few states had enacted new laws or had so interpreted their unemployment compensation laws to allow the practice. When steel, aluminum, rubber, and maritime workers secured similar contracts (1956), it appeared that workingmen were going to make another advance toward greater financial security.

At the same time there were other aspects of the collective bargaining process that dismayed organized labor. Root of the problem was the automation of industry which occurred very rapidly in the fifties and created a host of issues. It destroyed jobs. This situation in turn raised the questions of severance pay for men thrown out of work, of the right of workers to transfer to other plants of a company, of retraining for new jobs, of the right of workers to new jobs, of the rules to be followed concerning seniority. On these issues—sometimes lumped under the term "working rules"—a sharp difference of opinion between management and labor began to appear as early as 1955. Management insisted on its right to



make its own rules of employment when it changed its production methods; organized labor insisted on the worker's right to a job, and upon negotiating rule changes. The difference led to a number of long and costly strikes; of major importance were those in the electrical, packing, copper, glass, rubber, and steel industries (1955-1959). In each case management and labor came to an agreement, but it was obvious that the differences remained, that no real solution of problems had been reached, and that future conflicts over the consequences of automation were inevitable—conflicts which organized labor might lose.

As labor—particularly but not exclusively organized labor—entered the decade of the nineteen sixties, it was faced with two major and interrelated problems.

Very important was its relationship to the public as a whole. There could be no doubt that a sizable portion of the public, perhaps a majority, was either hostile, unsympathetic, or indifferent to labor objectives. Whatever the causes of these attitudes, they usually resulted in the assumption that labor leaders in particular and trade unions in general were irresponsible—by which the public meant that labor leaders and trade unions had objectives contrary to the public's interests. These attitudes had many effects. For one they created a demand for making labor more responsible in its relations to management (Taft-Hartley Act) and labor leaders more responsible in their relations with the rank and file (Labor Management Reporting and Disclosure Act). Simultaneously they also helped create an opposition to labor's request for broad social legislation (Federal aid to education, medical insurance, low-cost housing, a Federal Fair Employment Practices law). In addition they helped develop an atmosphere unfavorable to organizing among two important groups of the gainfully employed—the white collar workers and the technicians—which had absorbed vaguely anti-union attitudes and which trade unions needed to organize to maintain a strong position within the body politic and the industrial economy. Since no organization in a democratic nation can long maintain its effectiveness without public support, it was obvious that, if the movement were to grow, the trade unions had a job to perform: they had to change attitudes—to somehow convince the public that they were responsible, that they were acting in the national and public interest, that their goals were unselfish, and that they were interested in the welfare of every man.

The second important problem concerned the future direction of the labor movement. The problem could be put into a question: shall the trade unions act as

missions or as service organizations? To act as missions meant the development of long-range and extensive programs of political, economic, and social reform designed on liberal lines and intended to benefit the public as a whole as well as workingmen (the Workingmen's Platform of the 1820's, the Socialist Party Platform of 1912, the CIO Platform of 1944 had been examples of such programs). It meant also a deep involvement in politics: battling the continuous hostility of those opposing union policies. There was one major argument in favor of missionary activity: most changes in the United States had been secured or safeguarded through political actions. At the same time there were arguments against such involvement: the public attitude made such an effort a futile one, the cost of such activity was too expensive, trade unions owed their first debt to their members and should concentrate on their problems. In the early sixties it appeared, at least on the surface, that the argument against missionary action was winning. Best example of this conclusion was the fact that the AFL-CIO appeared content to follow the lead of President John F. Kennedy in any movement.

The weakening of the missionary impulse, if such it was, in turn meant the strengthening of the concept of the trade unions as service organizations—intending to maintain gains that labor had made and to take care of membership needs within the labor-management relationship. The major argument in favor of such action was that organized labor had made many gains through the collective bargaining process: shorter hours, higher wages, a multitude of rules governing work and working conditions, even social reforms like health and welfare insurance, pensions, and supplementary unemployment benefits. Besides, the cost was lower. Strong as the argument was, doubts concerning its validity could be cast upon it. While gains had been made through collective bargaining, it had taken legislation to establish the normality of the process, and it had taken legislation to lay foundations for much of the labor advances made through collective bargaining. Moreover, legislation could also hinder the process. In addition, the trade union's role in collective bargaining was most effective when the union was expanding, and there were signs (in some unions definite statistics show) that unionism was declining and that the trade unions had not developed any techniques for reversing the trend. Finally, there were problems that could hardly be solved by the collective bargaining process: foreign trade, economic development, area redevelopment—even the problems posed by automation. While trade unions had made suggestions for relieving the problems raised by automation in the form of the shorter work week, sever-

ance pay, retraining, these suggestions were not solving the problem. And it was doubtful that it could be solved until the labor movement reconciled the argument pitting mission against service.

But no matter how organized labor solved its major problems (and the myriad of others involved with these problems), one point was clear in the early sixties: labor was entering another era when it needed dynamic and imaginative leadership if it were to continue to advance.

## VOCABULARY AND PHRASES

### THE HISTORICAL ROLE OF AMERICAN LABOR

Blacklist  
Boycott  
Collective Bargaining  
Commercial Revolution  
Communism  
Company Union  
Craft Union or Trade Union  
Factory System  
Federation  
Industrial Revolution  
Industrial Union  
Jurisdiction  
Lockout  
Phalanx  
Picketing  
Sit-down Strike  
Socialism  
Utopia  
Wage System  
Wobblies  
Yellow Dog Contract

### SUGGESTED LEARNING ACTIVITIES FOR PUPILS

1. For factual data and comparison, read accounts of the changes upon working conditions brought about by the factory system.
2. For a visual comparison, draw two cartoons: The first showing a shoemaker apprentice in a small shop; the second showing the same worker working beside hundreds of others in a shoe factory.<sup>1</sup>
3. For drama and vividness, read novels or sections of novels about the working conditions in 19th and 20th century factories and workers' attempts to organize.<sup>2</sup> Suggested sources:

Upton Sinclair . . . . . *The Jungle*  
Frederick Allen . . . . . *The Big Change*  
Michael Musmanno . . . . . *Black Fury*  
H. S. Commanger and

A. Nevins (eds.) . . . . . *The Heritage of America*  
No. 215 "John Spargo Hears the Bitter Cry of Children"

No. 216 "Jurgis Works in a Fertilizer Plant"

4. For factual data and experience with standard references, read and report on biographical sketches to cover as many of the labor leaders as possible. Evaluate the total impact of labor leaders on the labor movement particularly and on American history generally. Use the *Dictionary of American Biography* as one source.
5. Make a graph of the periods of prosperity and depression in the United States.<sup>1</sup>
6. Make a graph of the growth of union membership in the United States.<sup>1</sup> Compare the two graphs. What conclusions can the class make? Compare the graph to the dates of significant labor legislation. Any further conclusions?
7. Make a bar graph to show the decrease in the length of the work day and the work week.<sup>1</sup>
8. Read a part of the autobiography of a labor leader dealing with a famous labor-management dispute. Have the class read the part of the autobiography of an industrialist dealing with the same dispute. As an example Gomper's *Seventy Years of Life and Labor* and Carnegie's *Autobiography*—the sections on the Homestead Strike. Compare the accounts. Why the difference? If the class were historians, how would they write about the strike? Why? Is another account needed?<sup>2</sup>
9. Prepare a chart to illustrate the horizontal and vertical organization of unions.<sup>1</sup>
10. Secure a union constitution. Draw a chart of its organization.<sup>1</sup>
11. Compile a list of past and recent misconceptions regarding labor unions and with each give facts to show the true picture. This could be a section of a myth book compiled during the course.
12. Show the film *The Structure of Unions*. Follow the film with a class discussion on the power of locals and the meaning of federation.
13. Show the film *Labor Movement: Beginnings and Growth in America*. The film can be used as either an introduction or a follow-up of the study of the growth of unions.

<sup>1</sup> Individual assignment.

<sup>2</sup> Group assignment.

14. For illustrations of the different kinds of employer responses to unionism in the 19th century, read about Pullman's reaction to the Pullman Strike of 1894. Compare it to the paternalism of Carnegie in his chapter on labor in his *Autobiography*.<sup>1</sup>
15. Choose one large strike of the 19th century to use as a case study. Some of the questions the class should seek answers are: What was the issue or issues? What tactics did labor use? What was management's response? What were the working conditions? What was government's response?
16. Compare the 19th century case study to a strike of the 1950's or 60's. Answer the same questions. What changes are apparent?
17. After the class has a thorough knowledge of the strikes in numbers 16 and 17, select pupils to play the roles of management, labor, and government at a meeting of the three groups after the strike is in progress. To gain an understanding of both sides, have them reverse their roles. Follow up the role-playing with a class discussion on the accuracy of the portrayed roles. The accuracy of the class's memory might be checked by a play back of a taped recording of the role playing.
18. Topics for class discussion, panels, and independent work.
  - a. How can unions increase democratic participation?
  - b. How should jurisdiction disputes be settled?
  - c. What should the goals of labor be?
  - d. How much racketeering and corruption is there in unions? What are the best ways to prevent and remedy such practices?
  - e. What have been the traditional goals of labor?
  - f. The guaranteed annual wage.
  - g. The Wobblies, their goals and methods.
  - h. The socialist in the labor movement.
  - i. Labor unions and political activity: an historical account.
  - j. The history of a labor union.
19. In numbers 16 and 17 write an edition of a newspaper reporting one day's activity of the strike. Include an editorial. The editorial could be from one of several points of view—labor, management, the public. The Haymarket Riot in Chicago of 1886 is another topic for a newspaper account.<sup>2</sup>
20. For independent work and use of the historical method, write a research paper on a past labor dispute in the community. Possible sources are past newspapers, personal interviews, pamphlets, and government or public documents. Each source should be evaluated as to reliability using the historical method.<sup>1</sup>

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Barbash, Jack, *The Practice of Unionism*. Harper Bros., New York, 1956, 1st ed. An excellent reference work for the period 1933-47. For the better than average pupil. The author has also written a compact, instructive, Public Affairs Pamphlet (262), *The Labor Movement in the U. S.* This would be useful for all levels.

Beard, Mary A., *A Short History of the American Labor Movement*. G. H. Doran Co., New York, 1930. A standard work, somewhat dated. Useful for the better readers.

Dulles, Foster Rhea, *Labor in America*. Crowell, New York, 1960, 2nd rev. Interesting, well organized and very well written. Especially useful for the college level pupil.

Faulkner, Harold U. and Starr, Mark, *Labor in America*. Harper Bros., New York, Rev. 1957. Available in hard-bound or paper. A standard, reliable, but somewhat prosaic account. Useful for all levels as a reference.

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Handlin, O., (ed.) *Harvard Guide to American History*. Beknap Press, Cambridge, Mass., 1954.

Johnson, Allen, and Malone, Douglas, (eds.) *Dictionary of American Biography*. Charles Scribner's Sons, New York, 1928-36.

Seligman, E. R. and Johnson, Alvin, (eds.) *The Encyclopedia of American History*. Macmillan, New York, 1930-35.

Resource Reference for college-level pupils (paperbacks):

Amherst Series:

Kennedy, Gail, (ed.) *Democracy and the Gospel of Wealth*. D. C. Heath, Boston, 1949.

<sup>1</sup> Individual assignment.

<sup>2</sup> Group assignment.

Warne, Colston E., (ed.) *Industry-Wide Collective Bargaining*. D. C. Heath, Boston, 1950.

Rozwenc, Edwin C., (ed.) *The New Deal*. D. C. Heath, Boston, 1959.

Heath Research Series:

Kogan, Bernard R., (ed.) *The Chicago Haymarket Riot*. D. C. Heath, Boston, 1959.

Films:

*Labor Movement: Beginnings and Growth in America*. Coronet, 1959, 13½ minutes, sound, black and white—\$75.00; color—\$137.50. jh-sh guide.

Traces the development of the organized labor movement from post-Civil War beginnings to World

War I, describing the dramatic events and personalities which characterized it during this period. Discusses the methods by which labor sought to achieve its goals in the changing national economy within a framework of changing relationships between management and labor.

*Structure of Unions*. McGraw-Hill, 1954, 11 minutes, sound (Labor management ser) black and white—\$65.00; color—\$125.00, ad

Produced by National Film Board of Canada.

While the narrator in all seriousness outlines the structure of a union and its affiliations the cartoonist ad libs his own views. Illustrates the functioning of a union at its various levels from the union local to the national body to the labor congress.



**UNDERSTANDING:** *To understand the relation of government to labor and labor problems.*

## I. LAWS DIRECTLY AFFECTING WORKING CONDITIONS

Any discussion of the relationship between government and labor must at the outset recognize that there are three distinctly different types of legislative action. First of all, there are the laws which affect the working conditions of persons directly. These laws are the historical outgrowth of the idea that there is a public interest in many phases of how people earn their living and that the legislature should translate that public interest into specific directives as public policy. The philosophy of these statutes is that every person in an industrial civilization must enjoy certain minimum protections, not only for his or her own welfare but also for the general welfare of society.

For example, if factories are not safe places in which to work, not only is the worker in jeopardy, but so is his family and so is society, for the family of an injured worker may become wards of the community. Also, if there is no minimum wage, in periods when the demand for labor is low, individual workers may be tempted to compete with each other for scarce jobs by lowering their wages to the point where the health of all of them is jeopardized. The legislation in this area includes the following:

### 1. *Factory and Safety Legislation*

This is the earliest type of labor legislation. Starting in the early 1800's the individual states enacted laws which called for the state inspection of factories in order to protect the safety and health of employees. Wisconsin and Oregon led all other states in the early period. In recent years all industrial states have been extremely active in this field.

### 2. *Child Labor Laws*

The first act limiting the labor of children was the Massachusetts statute of 1842 which stated that no children under twelve could work more than ten hours a day. For nearly a century after, many states passed similar laws. However, it was not until the passage of the Fair Labor Standards Act in 1938 that effective regulation of child labor was established.

### 3. *Maximum Hours*

Throughout the last half of the nineteenth century, states adopted laws limiting the maximum number of hours that women and children could work. Not until the 1930's did most states have maximum-hour laws for men. Throughout the period, many of these laws were invalidated by the courts. It was not until 1941 that the United States Supreme Court said that the constitutionality of such legislation was no longer in doubt. The common standard of the eight-hour day and the 40-hour week was adopted by the Fair Labor Standards Act of 1938.

### 4. *Minimum Wage Laws*

Massachusetts passed the first minimum wage law in 1812. Although a number of states followed, most of the statutes were weak and many of them declared unconstitutional. When the constitutionality of the Fair Labor Standards Act of 1938 was upheld, it meant that most persons engaged in interstate commerce had to be paid a minimum wage. In addition, many persons not engaged in interstate commerce are often covered by state minimum wage laws.

### 5. *Workmen's Compensation*

The philosophy of workmen's compensation is that the cost of industrial accidents must be regarded as any other cost of production rather than compelling each worker to assume the cost of accidents personally. Presently, each of the states has a workmen's compensation act.

### 6. *Unemployment Insurance*

This legislation was adopted in 1935 as part of the Social Security Act. While certain minimum standards are set by the Federal government, there is nevertheless a variety of plans among the states. Unemployment insurance deals with the problems of unemployed workers on an insurance principle. The program is financed by a tax on employers' payrolls. This tax will often vary from firm to firm depending on the stability of employment within the firm. While the program is designed to solve the problem of short-term unemployment for those workers who are normally working, it is not regarded as a solution to chronic or large-scale unemployment problems.

\* This section was written by Sidney Wise, Associate Professor of Government, Franklin and Marshall College.

## 7. *Social Security (FOAB)*

The Social Security Act of 1935 established a nationwide contributory retirement system (Federal Old Age Benefits) under which payments are made to workers at age of 65 out of a fund built up from the money collected from employers and employees through payroll taxes. This is an insurance plan which pays mostly for itself. Payments are also made to the families of insured workers who have died.

## II. LAWS REGULATING COLLECTIVE BARGAINING

In addition to the foregoing, there is also a body of legislation which regulates collective bargaining, that is to say, the relations between trade unions and employers. Historically in the United States, workers have joined trade unions so that the working conditions in a plant or an industry would be the result of negotiations between the workers acting collectively and their employers. Labor-management relations take place within a set of ground rules which have been established by the Federal and State governments. These ground rules, or statutes, state in effect that the public policy justifies collective bargaining as the method of reducing industrial tensions and resolving grievances between management and labor. But the ground rules also state that there are certain tactics which are forbidden by either side since they are counter to the general welfare.

Government legislation in the area of industrial relations may be understood by a consideration of the following topics:

### 1. *The Doctrine of Conspiracy*

The doctrine of conspiracy came to the United States from England. Essentially the doctrine held that any combined action by workers to raise their wages was a "conspiracy" to modify the "natural economic laws" by which wages were presumably established. Acts of "conspiracy" were punishable by law; therefore, as long as the courts applied this law there could not be any effective collective bargaining. The doctrine waned from 1842, when in *Commonwealth v. Hunt*, the Supreme Court of Massachusetts held that it was not a crime for workers to join a union even though they sought to prevent an employer from hiring nonmembers.

### 2. *The Injunction*

An injunction is a court order which compels a group or person to undertake certain actions or to cease certain activities. The theory of the injunction is that irreparable injury must be prevented. For many years injunctions were used to harass the unions by preventing strikes. Workers who went on strike after an injunction was issued could be fined or jailed for contempt of court.

### 3. *The Sherman Act (1890)*

While the provision of the Sherman Act which held that combinations in restraint of trade were illegal was generally assumed to be directed at business monopolies, many courts held that the Act also applied to labor. As long as trade union activity could be brought within the scope of the Act, strikes could automatically be outlawed by defining them as restraints of trade.

### 4. *The Clayton Act (1914)*

In the wake of protests that the Sherman Act was being interpreted by the courts in such a way as to cripple trade unions, Congress passed the Clayton Act. This Act stated that the labor of a human being is not a commodity or article of commerce and went on to state that nothing in the Sherman Act should be construed to prevent labor organizations from lawfully carrying out legitimate objectives. Subsequent decisions by the courts held that the Clayton Act changed nothing and that the antitrust laws could still be applied to union activities.

### 5. *Railway Labor Act (1926)*

This Act was one of the first comprehensive collective bargaining statutes enacted by the Congress. A detailed mediation and arbitration procedure was established and company unionism was abolished.

### 6. *Norris-LaGuardia Anti-Injunction Act (1932)*

This Act severely restricted the circumstances under which injunctions could be issued. The Act also forbade courts from enforcing "contracts" whereby a person promised a prospective employer that he would not join a union.

### 7. *National Industrial Recovery Act (1933)*

Under the famous Section 7(a) of this Act, all NIRA codes were required to contain a provision giving employees the right to organize and bargain collectively through representatives of their own choosing.

8. *National Labor Relations Act (1935)*

The Wagner Act, as it is commonly known, was the most dramatic step ever undertaken by the Federal government to promote collective bargaining. The objective of the Act was to establish industrial peace by setting forth the procedures by which workers could choose their representatives and by declaring certain employer acts as "unfair labor practices." A National Labor Relations Board was created to supervise the achievement of the objectives of the Act.

9. *Labor-Management Relations Act (1947)*

The Taft-Hartley Act, as it is commonly called, was designed to deal with union excesses. Among its many provisions was the outlawing of the closed shop, jurisdictional strikes, secondary boycotts, and political expenditures by unions in federal elections. Where the Wagner Act had outlawed unfair labor practices of management, this Act outlawed certain unfair labor practices of unions.

III. LAWS REGULATING THE INTERNAL AND POLITICAL AFFAIRS OF UNIONS

The third and most recent type of legislation regarding labor unions regulates the internal affairs of unions and their political activities. This legislation provides for the reporting and disclosure of union financial transactions, establishes elections and election procedures, the trusteeship of unions, rights of individual members, and restricts certain financial activities of union representatives and consultants. Contributions to men seeking Federal elective offices are prohibited. Contributions to political parties from union dues money are also prohibited. The purposes of the legislation are to curtail and remedy corruption, maintain democracy within the unions, and curtail union political influence.

1. *Labor-Management Relations Act (1947)*

Section 304 makes it illegal for any labor organization to make a contribution in connection with persons seeking Federal elective office.

2. *Labor-Management Reporting and Disclosure Act (1959)*

The major purpose of this Act is to provide for the reporting and disclosure of certain financial transactions and administrative practices of unions, employees, and labor relations consultants. The Act also regulates the procedures for electing and removing trade union officials.

IV. LAWS AFFECTING FEDERAL CONTRACTS

In addition, where the Federal government is itself purchasing supplies or contracting for building construction, the following statutes are noteworthy:

1. *Bacon-Davis Act (1931)*

This Act provides that all workers employed on federal public works contracts of more than \$2,000 must be paid the prevailing wage for corresponding work in the locality of the projected work.

2. *Copeland (anti-kickback) Act (1934)*

Mulcting of workers on public works construction by forcing them to "kickback" part of their wages to their employers is forbidden by this Act.

3. *Walsh-Healey Public Contracts Act (1936)*

On all federal supply contracts of more than \$10,000, the supplier must abide by minimum wage, overtime pay and child labor provisions which are established in the Act or set forth by the Secretary of Labor.

V. MEDIATION, CONCILIATION, AND ARBITRATION

Labor-management conflicts are frequently resolved by the use of mediation, conciliation and arbitration. In mediation and conciliation, a third party, who may be appointed by Federal, state or local government, attempts to bring the parties together for further discussions and perhaps offer suggestions. There is a Federal Mediation and Conciliation Service and a Bureau of Mediation within the Department of Labor and Industry in Pennsylvania. The Federal Mediation and Conciliation Service with jurisdiction over business in interstate commerce was established as an independent agency of the Federal government by Congress through the Taft-Hartley Act of 1947. Its head is a Director appointed by the President and confirmed by the Senate, with branch offices in Pittsburgh, Philadelphia, and other cities in Pennsylvania and the nation. The Bureau of Mediation has jurisdiction over businesses that operate within the State of Pennsylvania.

Under the Taft-Hartley Act, either party—employer or union—in a dispute affecting interstate commerce must give the other party a 60-day notice of intent to alter or modify a labor agreement. A strike may not be called for 60 days and the Federal Mediation and Conciliation Service must be notified within 30 days following notification to the other party that there is a dispute. The Federal Mediation and Conciliation Service tries to bring the parties to an agree-

ment, and after 30 days it submits to the workers the last offer of management in a secret ballot. If no agreement is reached during the 60 days, the union may strike.

Strikes in an industry which harm or impair the nation's health or safety may be forbidden for 80 days through a court injunction secured by the federal government. The President may appoint a fact-finding board which suggests to the President how the dispute may be settled. If the dispute still continues, the NLRB may conduct a secret ballot to determine if the workers will accept management's last offer. If no settlement is reached, the workers may strike at the end of the 80 days.

When parties arbitrate, they submit a dispute to a third party who is mutually acceptable. They usually agree in advance to accept the decision of the arbitrator.

The most significant Federal statutes are administered by a variety of agencies within the United States Department of Labor and the National Labor Relations Board. Social Security Administration is in the Department of Health, Education and Welfare. State statutes in Pennsylvania are primarily administered by Bureaus within the Department of Labor and Industry.

## VOCABULARY AND PHRASES

### GOVERNMENT AND LABOR

Arbitration  
Conciliation  
Court Injunction  
Doctrine of Conspiracy  
FOAB  
Maximum Hours  
Mediation  
Minimum Wage  
National Labor Relations Board  
Unfair Labor Practices  
Workmen's Compensation

## SUGGESTED LEARNING ACTIVITIES FOR PUPILS

1. Draw or collect a series of cartoons illustrating the action of the United States government in trying to settle a labor dispute under the Taft-Hartley Act. The series might be used for a bulletin board display.
2. Invite a field examiner of the National Labor Relations Board to class to explain its function.

3. Invite an official of the Social Security Office to class to explain the aspects of the Social Security Law.
4. Compare the provisions of the National Labor Relations Act to the Taft-Hartley Act. From the comparison, why does labor prefer the first act?
5. Discuss in class how the present legal position of labor is different from the one at the turn of the century. From the viewpoint of labor, is its position better or worse?
6. What is an injunction? A short class discussion on the reasons for having law in equity might be helpful. Relate the use of the injunction to labor disputes.
7. Show the film *The Story of the NLRB*. A follow-up class discussion of mediation, conciliation, and arbitration would be helpful.
8. After the class understands conciliation, mediation, and arbitration, have several pupils play the roles of labor, management, and a mediator or arbitrator on a specific issue in an imaginary dispute.
9. Have several pupils trace the changing attitude of government toward unions by citing specific laws and court cases. Make the presentation to class.
10. In class list the legal responsibilities and practices unlawful to labor. This list could be written on one side of the chalkboard and a similar list for management on the other side.
11. Topics for class discussion, panels, and independent work:
  - a. What should the role of government be in labor-management disputes?
  - b. Should government be concerned about child labor—hours, wages, working conditions?
  - c. The Doctrine of Conspiracy.
  - d. The Doctrine of Contributory Negligence.
  - e. The Doctrine of Fellow-Servant.
  - f. The Doctrine of Assumption of Risk.
  - g. List the legal gains made by labor from 1932 to 1941.
  - h. A history of the use of the injunction in labor disputes.
  - i. The struggle for legal recognition of collective bargaining.
  - j. The Taft-Hartley law in action.
12. Assign a book review of Robert Kennedy's *The Enemy Within*. Before the pupil writes the review, have a conference with him to explain the

function of reviews—especially that a review is not just a summary.

13. The following Supreme Court decisions are landmarks in the change in labor unions' legal status. For the able pupil, briefing court cases can be an excellent learning activity not only to learn facts but to learn to outline and select the important points. A four-point outline is presented here as a suggested general form.
  - a. Facts of the case.
  - b. The Constitutional question before the court.
  - c. The court's answer.
  - d. Steps in the logic of the court.

*Suggested sources:*

McGoveny, Dudely and Pendleton, Howard, *Cases in Constitutional Law*. Bobbs-Merrill Company, New York, 1955, 3rd edition.

Cushman, Robert, *Cases in Constitutional Law*. Appleton Century Croft, New York, 1958.

Commanger, Henry S. and Nevins, A., (eds.), *American Heritage*.

*Suggested Cases:*

*Commonwealth v. Hunt*, 45 Mass., 111 (1842) (Massachusetts Supreme Court).

*U. S. v. Debs*, 158 U. S., 564 (1895).

*U. S. v. Adair*, 208 U. S. 161 (1908).

*Duplex v. Deering*, 254 U. S. 443 (1921).

*NLRB v. Jones & Laughlin*, 301 U. S. 1 (1941).

*U. S. v. Darby Lumber Company*, 312 U. S. 100 (1941).

14. Invite to the class a state or federal mediator to explain mediation and arbitration and how mediation operates in practice.

## BIBLIOGRAPHY

Some of the many standard high school textbooks which have chapters about some of the above laws are:

1. Lindholm, Richard and Driscoll, Paul, *Our American Economy*. Harcourt, Brace, and Company, New York, 1959.
2. Rienow, Robert, *American Government in Today's World*. D. C. Heath and Company, Boston, 1959.
3. Rienow, Robert, *American Problems Today*. D. C. Heath and Company, Boston, 1958. 2nd Edition.

4. Smith, Augustus, *Economics for our Times*. McGraw-Hill Book Company, New York, 1959, 3rd Edition.

Some of the many standard college textbooks which have chapters bearing on many of the above statutes are:

1. Fainsod, Merle, Gordon, Lincoln and Palamountain, Joseph C., Jr., *Government and the Economy*. W. W. Norton, New York, 1959. 3rd Edition.
2. Gregory, Charles O., *Labor and the Law*. W. W. Norton, New York, 1958. 2nd Edition.
3. Koontz, Harold, and Gable, Richard W., *Public Control of Economic Enterprise*. McGraw-Hill, New York, 1956.
4. McNaughton, Wayne L. and Lazar, Joseph, *Industrial Relations and the Government*. McGraw-Hill, New York, 1954.
5. Sufrin, Sidney C. and Sedgwick, Robert C., *Labor Law*. Thomas Y. Crowell, 1954.

*Other Sources:*

Bernstein, Irving, *The New Deal Collective Bargaining Policy*. University of California Press, Berkeley and Los Angeles, 1950. This is a detailed study of labor conditions in the early days of the New Deal. Congressional hearings are analyzed and the labor legislation of the period is traced and analyzed. This is a first-rate study for the able pupil with some background.

Kennedy, Robert, *The Enemy Within*. Harper Bros., New York, 1960. This is an account of the author's experiences as chief counsel to the Senate Select Committee on Improper Activities in the Labor or Management Field from 1957 to 1959. Labor wrongdoing is treated in great detail. This volume is also an excellent case study of congressional investigative problems and politics.

Lieberman, Elias, *Unions Before the Bar*. Harper Bros., New York, 1950. In narrative form, the author describes the major legal battles of the American trade unions since the founding of the nation. Extremely well written, the book is an excellent introduction to some very complex and dramatic issues.

Lindblom, C. E., *Unions and Capitalism*. Yale University Press, New Haven, 1949. It is Professor Lindblom's thesis that trade unions are "an anti-competitive institution in a competitive environment." Cogently and thoughtfully written, the book argues a point which is frequently raised and which must be carefully considered.



Millis, Harry A., and Emily Clark Brown, *From the Wagner Act to Taft-Hartley*. University of Chicago Press, Chicago, 1950. This is a thorough scholarly volume, with particular emphasis on the details of how the Taft-Hartley Act came to be.

Tannenbaum, Frank, *A Philosophy of Labor*. Alfred A. Knopf, New York, 1952. This stimulating work describes the trade union movement as an essentially conservative, counterrevolutionary movement. His argument that trade unions encourage an allegiance to the system of capitalism is clearly and persuasively presented.

*Films:*

*The Story of the NLRB*, Rutgers University, 1955, 23 minutes, sound, black and white, \$60.00, rent \$4.00.

Through the eyes of Joe, a machinist in a textile plant, we see the steps taken before a union can be certified. During this procedure several unfair labor practices develop both on the side of management and labor. We follow these unfair labor practices from their presentation before the National Labor Relations Board to the legal analysis given by the Board after a thorough investigation.

UNDERSTANDING: *To understand the purpose, process, and issues of collective bargaining in meeting the problems of labor and management.*

## I. WHAT IS COLLECTIVE BARGAINING?

The American people have come to expect a rising standard of living. To achieve it they employ the methods of technology, the effective use of which requires the economic organization of men, materials and machines for specific interrelated tasks. These organizations continue to grow in size and number. To function successfully they need increasingly complex rules to solve the problems and resolve the conflicts which arise when people work together. Who makes the rules?

Traditionally, the owners or managers of the materials and machines have made the rules, and in many cases they still do.

Today, however, the rules are often made jointly by representatives of management and labor. This practice of making and enforcing rules by consultation and agreement is known as collective bargaining. In effect, collective bargaining is a method by which labor and management jointly pass and enforce the rules concerning wages, hours, and conditions of employment in a given plant, store, office, or mill.

In their labor relations legislation the American people recognize the right of employees to self-organization for the purpose of collective bargaining or other mutual aid and protection, and also the right of employees to refrain from such activities. Although fewer than half of the potentially organizable workers belong to a union, the influence of their collective bargaining agreements pervades the entire labor-management relations field.

In a sense, collective bargaining as we know it today is the product of the industrial revolution (technology) which collects men into working organizations and of the political revolution (democracy) which recognizes men as responsible citizens in the organizations to which they belong. The extent of its use is probably the most significant development in the field of labor-management relations in this century.

Collective bargaining can be studied as steps in a process, as a contest over issues, or as a changing set of relationships between labor and management.

## II. HOW COLLECTIVE BARGAINING WORKS: the process

- A. *Gaining Recognition:* Once workers have organized themselves into a body, with or without outside help, their first job is to get the employer to recognize their organization and to accept their spokesmen as *representatives*. He may resist organization and refuse recognition for any number of personal or business reasons. But if the workers insist, what then?

Before the passage of the Wagner Act in 1935 (more precisely its declaration as constitutional in 1937) the chances were that this impasse led to economic warfare. Most of the labor disputes in the 1930's, for instance, involved the questions of organization and recognition. In general the role of the government in these conflicts was to protect property and to prevent violence. In doing so it is probably fair to say that the weight of legal traditions usually favored the status quo, or management's claims, in the disputes.

The significant feature of the Wagner Act is that it established an election procedure as a substitute for economic war. It gave workers the right to choose their representatives for collective bargaining without interference from the employer; he had to recognize the union which polled the majority of votes in the bargaining unit election conducted by the government through its National Labor Relations Board. He did not have to agree to the union's demands, but he did have to recognize the local union and bargain with its spokesmen in good faith. Thus the Wagner Act transformed organization and recognition drives from economic battles into political campaigns. This is not to suggest that economic pressures are no longer used to influence the final political result; however, political warfare now overshadows economic warfare in these initial steps of the collective bargaining process. The final choice of weapons—legal, borderline, and illegal—in a particular battle, depends upon many factors, among which are the history of labor relations in that company, the legal and public climate in the community, and the tactical inventiveness of the contending parties.

\* This section was written by Helmut Goltz, Associate Professor of Industrial Relations, The Pennsylvania State University.

Meanwhile the Taft-Hartley Act has extended the role of government in that it simultaneously reaffirmed the right of workers to self-organization for collective bargaining but also strengthened the right of other workers to refrain from doing so by applying to unions the kinds of unfair labor practices which had already been defined for management by the Wagner Act.

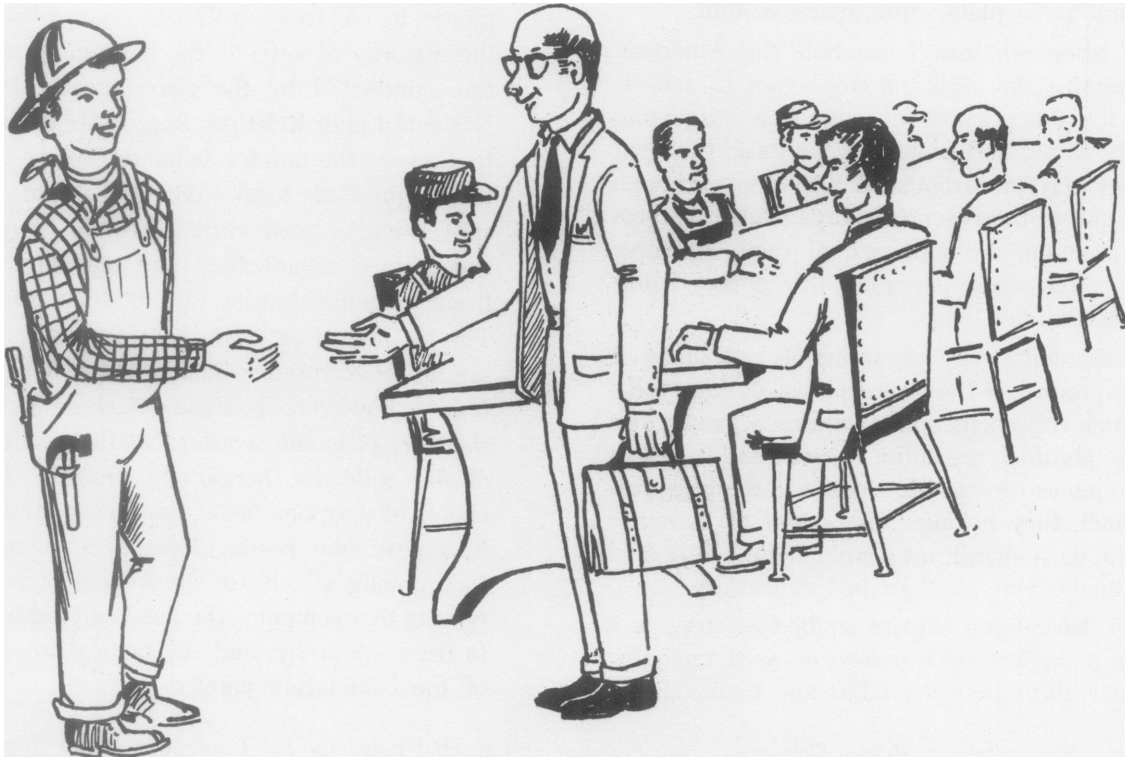
Now neither management nor unions may interfere with, coerce, or discriminate against workers who want either to organize or to refrain from being organized.

The National Labor Relations Board is charged by law with the responsibility for conducting representation elections and policing unfair labor practices.

To summarize:

### *The Problems of Organization and Recognition*

	<i>Pre-Wagner Act</i>	<i>Post-Wagner Act</i>
Union methods	Economic warfare: strikes, mass picketing, sit-downs, slowdowns, boycotts, union label.	Political campaign: rallies, propaganda, economic pressures.
Employer response	Economic warfare: lockout, labor spies, strikebreakers, terrorism, blacklist, company unions. Legal weapon: injunction.	Political campaign: interviews, propaganda, economic pressure.
Role of government	Protect property. Prevent violence.	Determine bargaining unit and conduct elections. Police unfair labor practices: interference, coercion, discrimination. Prevent violence. Protect property.



- B. *Negotiating the Agreement:* After the bargaining unit of workers is recognized by the employer and certified by the government, the stage is set for the next step in collective bargaining, the negotiating of an agreement. In view of the variety of circumstances under which negotiations take place, it is difficult to generalize about the actual bargaining process; exceptions to almost every statement must be allowed in particular instances.

Negotiations are usually conducted in a series of meetings between union and management representatives. Their purpose is to come to some workable agreement on solutions to the problems which arise between employers and employees

in their day-to-day operations. It is generally the union which initiates proposals or demands which it considers to be improvements. Management representatives are usually prepared with counter-proposals which are more to their liking and advantage.

Negotiations resemble sparring matches; their tone can change from hostile to friendly by the hour. As the deadline approaches (e.g., the expiration of an existing contract) each side must reckon with the possible cost of disagreement, the loss of production and income for the firm, and the loss of wages to the workers. In this atmosphere each side tries to apply its bargaining power to fullest advantage.

### 1. *Sources of bargaining power:*

#### *Possible management advantage*

Professionally trained negotiators.

Acceptance of community, especially press and radio.

#### *Possible union advantage*

Experience-trained negotiators.

Loyalty of membership.

Acceptance of community, especially other workers.

#### *Noneconomic*

#### *Economic*

Nonunion labor available.

May threaten to move or replace workers with machines or go out of business.

May be in competitive position to take strike.

Firm may need resources for expansion to remain competitive.

Firm may have ability to pay.

Cost of living may be rising.

Competitive firms may be paying higher wages.

Firm may not want expansion interrupted.

Firm may not be able to withstand loss of sales.

Union arguments are usually more effective when business prospects are good. In effect, unions generally want "more," and since most American institutions, including business firms, operate on the hope that the next year will be better than the last, unions count on a measure of public support for their periodic demands, particularly from the community and from other trade unionists.

2. *Government aids to agreement:* The overwhelming number of negotiations regularly leads to agreement without public incident.

On the average almost 300 agreements are signed daily without a work stoppage. At the same time about 12 strikes or lockouts are started daily. Whenever negotiations falter and disagreement threatens to break out into the open, state and federal mediation officials step into the dispute in the public interest.

The role of the government may be to clarify issues or to construct areas of agreement. Its devices, depending on the nature of the dispute, can include:

- Mediation— to keep parties negotiating and suggest possible areas of agreement.
- Fact-finding— to clarify issues.
- Injunction— to postpone strike action while other devices are used.
- Secret election—to probe worker sentiment on employer offer.
- Arbitration— to permit third party to render final and binding decision.

Regardless of the device used to bring about a particular settlement, the following questions must be posed:

- a. Does it promise to solve the problems which gave rise to the dispute?
  - b. Do labor and management have any confidence in the device?
  - c. Does the device encourage or discourage collective bargaining?
  - d. Does the device encourage government penetration into other areas of the economy?
3. *The function of strikes:* The breakdown of negotiations and the outbreak of a strike do not signal the end of collective bargaining; they simply indicate that the bargaining has taken a more public form and that new pressures toward agreement are being employed. Each side tries to raise the cost of disagreement for the other until agreement is finally reached, because it has become less costly than prolonged disagreement.

Why not outlaw strikes? Unionists argue that outlawing a strike does not automatically solve the dispute or the conflict of which it is the symptom. Problems can be solved unilaterally by management, or labor, or jointly by collective bargaining, with or without the help of government. Certain kinds of strikes are outlawed (e.g., federal employees) and others are restricted (e.g., public utilities, national emergency disputes) but in most instances the right to strike is preserved and the threat to strike acts as a force toward agreement.

- C. *Enforcing the Agreement.* The agreement, or contract, which the union and management representatives sign to cover *all* workers in the bargaining unit, union members and nonmembers

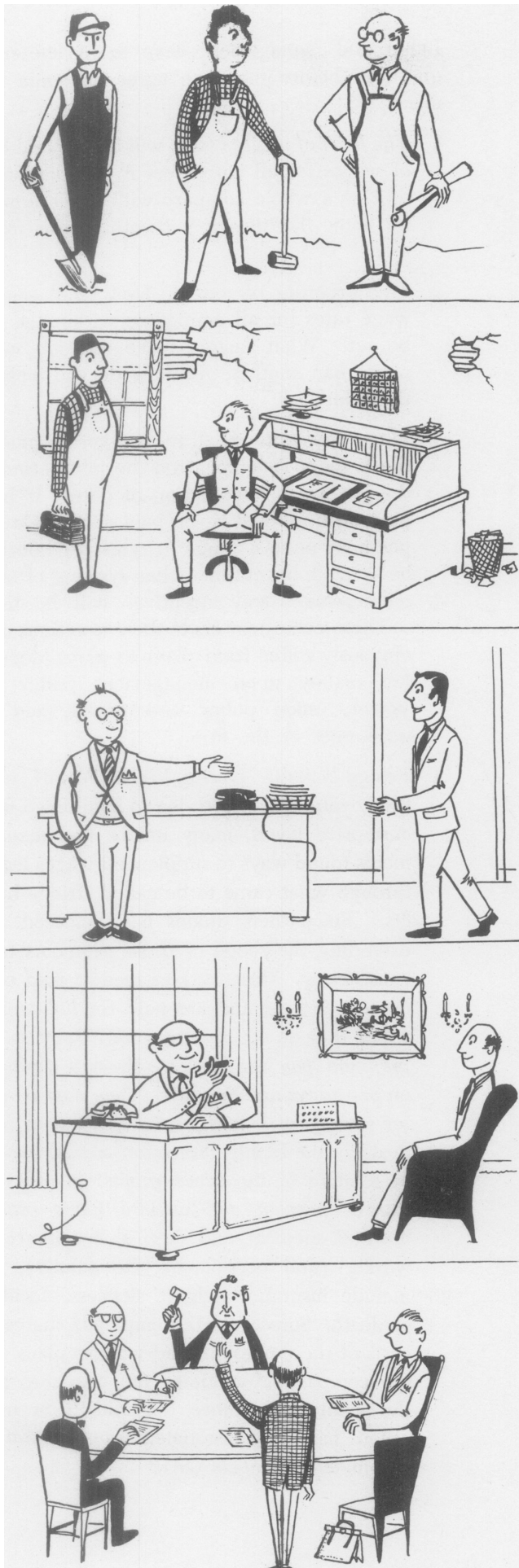
alike, resembles a constitution. It spells out the rules (legislative); it describes the union and management roles in enforcing the rules (executive or administrative); and it provides for an appeal process by which disputes over the application of the rules to particular cases are settled (judicial). This appeal process is also written into the contract and is generally known as the grievance procedure.

1. *Grievance procedure.* Many students of labor relations contend that the greatest service of a union to its members is the protection of an effective grievance procedure; some estimates say that grievance handling takes up to 80 percent of a union's total service time. In effect, the grievance process enforces the contract by permitting the worker to protest in an orderly way without fear of punishment whenever he has reason to believe the contract is being violated. Thus the grievance procedure represents due process in the workplace and, as such, appeals to a sense of fair play. Many firms and government bodies have instituted similar appeal processes even where there are no bona fide unions to represent the employees.

Grievance procedure is as much a part of collective bargaining as law enforcement is of democratic government.

2. *Grievance administration.* Does a worker know all the rules in the contract under which he works? Generally not. But his shop, crew, or work unit probably includes a man who does. He is often known as the shop steward and, elected or appointed, his job is to represent the workers in his unit very much in the way a lawyer represents a client. Suppose a worker comes to the steward with a complaint about the foreman's supervision. The steward's job is to investigate the facts and to decide whether the foreman has violated the contract or has otherwise treated the worker unfairly. If the worker is mistaken, the steward's job is to tell him so. If it looks as though the worker is right, that he has a genuine grievance and not just a complaint, the steward will discuss the matter with the foreman and perhaps get it straightened out immediately. However, if the steward and the foreman disagree, the steward will submit the worker's grievance in writing; and the foreman will give a written reply of his position within the period of time specified in





the contract. If the steward and the worker are not satisfied with the reply, the grievance goes to the next step. The number of such steps, usually three or four, varies from contract to contract. A typical procedure would involve the following steps and people:

#### Grievance Procedure

Union	Management
Step 1. Worker and steward	Foreman
Step 2. Chief shop steward	Plant superintendent
Step 3. Chairman of grievance committee	Personnel manager
Step 4. International representative	Director of Industrial relations
Step 5.	Arbitration

3. *Uses of grievance procedure.* From a worker's point of view, the grievance procedure is important because it gives him the right to be heard and assures him the support of the union in protecting that right. His complaint may be unjustified, but at least he can register it. Unattended grievances can, and sometimes do, lead to slowdowns, spoilage, wildcat strikes, and other costly tactics. Thus management's immediate return from an orderly grievance procedure is the continuation of production while the grievance is being heard. In addition, the procedure can serve as a communications mechanism, yielding information to management about its industrial processes, its supervisory resources and shortages, and apparent shortcomings in the contract.
4. *Arbitration.* In most instances arbitration is the final step in the grievance procedure. When a company agrees to arbitrate its grievances, the union generally agrees not to strike; thus an arbitration clause and a no-strike clause usually go hand-in-hand. Most grievances are settled in the lower steps and therefore never reach arbitration. By the time a certain case has reached the third step management may decide its argument is weak and may grant the settlement which the grievance requests. Likewise, a union may decide

to drop a grievance at the fourth step because it senses management is determined to take the case to arbitration, where the union has reason to think it may lose. The point about arbitration is that a third party—usually a lawyer, a professor, or a professional arbitrator selected by mutual agreement—enters the picture, and both sides agree in advance that his decision will be accepted as final and binding. The arbitrator conducts a hearing to uncover all the relevant facts in the case and to hear the interpretation of the facts by both union and management. Then he applies what he considers to be the meaning of the contract in the light of the facts in the case and renders a decision in which he directs the company, the union, or the worker what to do from then on. The arbitrator is like a baseball umpire: he does not make any new rules, but he applies existing rules to the existing circumstances.

In some industries the same man may arbitrate all cases. However, in most instances arbitrators are selected as needed by labor and management from lists submitted by arbitration associations or by the federal or state mediation agencies. Unions and managements usually share the expenses of arbitration on a 50-50 basis.

It is important to distinguish between the arbitration of disputes during negotiations (comparatively rare) and the arbitration of disputes under an existing contract (quite common). Arbitration may be voluntary or compulsory. As long as unions and managements agree that an outside person should make a decision for them, which they also agree to accept, arbitration is *voluntary*. When the government appoints an outsider to make a binding award regardless of whether the parties want such a move, arbitration is *compulsory*.

### III. WHAT COLLECTIVE BARGAINING IS ABOUT—the issues:

More than 125,000 collective bargaining agreements are in force today. Although they contain an endless variety of subjects to meet an endless variety of industrial situations, most of them include the following headings:

- A. *Wages and Hours*. Under most circumstances this is the section of the contract about which the worker knows most and the public hears most.

Labor and management have to resolve many questions before they can agree on wage payments.

1. *The level of wages*. How will the general level of wages for all employees in the bargaining unit as a whole compare with other firms in the same industry or with other firms in the area?
2. *The structure of wages*. How shall relative wage rates for all employees within the unit be set? What factors make one job worth more than another, and how do you measure these factors?
3. *Wage payments*. Shall the worker be paid on the basis of *time* spent on the job, *output* on the job, or a combination of both? If he is paid on time, will he be paid at a single rate per hour or in a range of rates per hour? If he is paid by output, what systems of work measurement and incentives will be used?

The specific answers to these questions must obviously differ from plant to plant, depending mainly upon management policy and power, union policy and power, and the economics of the firm.

4. *Fringe benefits*. During World War II, while the government was trying to hold down wage and price levels, many unions and managements found ways to supplement wages legally through what came to be called "fringe benefits." Since then, unions have succeeded in extending the scope of these payments quite consistently. Most workers receive *paid vacations* each year and are paid for *holidays* on which they do not have to work. Many receive *premium pay* for working the late shifts, or on Saturdays and Sundays. They may be paid for *periods of leaves*, as for sickness or for a death in the family. Some get annual *bonuses* or a *share* of the firm's profits. In many instances *pension and welfare plans* provide hospital, medical, and surgical benefits to the worker (and occasionally his family), and include insurance against sickness, accident, or death. Sometimes the employee shares the costs of these pensions and welfare plans with the company: sometimes the company pays the whole bill. Since the mid-1950's many unions have also negotiated *supplemental unemployment benefits* (SUB).

In these and other cases, however, fringe benefits represent payments which unions had to bargain for, meaning that the negotiated "wage package" now comes in the form of cash and supplements instead of a larger amount of cash alone.

5. *Hours.* Most contracts define the normal daily and weekly hours of work. They may or may not stipulate when and how work schedules will be posted. However, they usually provide for special daily or weekly overtime compensation and explain how such compensation shall be computed.

B. *Control over Job Opportunities.* Unions try whenever they can, to exercise a measure of control over the "conditions of employment."

1. *Who shall be hired?* Generally, it is the skilled crafts unions that have been most persistent and successful in asserting an influence on hiring practices. Through apprenticeship programs and licensing regulations they can often limit entrance to a specific trade. Even though the Taft-Hartley Act outlawed the closed shop (only union *members* can be hired), in practice many contractors rely on union business agents to supply the workers they need. Thus the union official often acts as an employment agent, and in this capacity he will naturally see to it that his members get jobs first. In this connection the Labor-Management Act of 1959 recognized the peculiarities of the construction industry and legalized certain pre-hire agreements there.
2. *Who shall work?* Since production demands and processes constantly change in a dynamic economy, the numbers and kinds of jobs in a given bargaining unit tend to fluctuate. The result is a confusing succession of job promotions, transfers, demotions, lay-offs and re-hirings. Amidst these day-to-day changes the worker hopes to be treated fairly; i.e., he expects these job shifts to be made according to a system or set of rules that apply to all workers equally. The most common system is called seniority, or job allocation based on years of continuous service. Although seniority was used informally before unions came to power, it is true that unions have generally supported, extended, and strengthened its application, claiming that seniority prevents management from playing favorites. Mean-

while, managements contend that seniority too often shields the mediocre worker and penalizes the younger worker who is likely to be more productive. Thus managements sometimes persuade unions to qualify straight seniority by requiring that the older worker must possess, in addition to greater continuous service, the physical fitness and ability to perform the new job before he can be transferred up, down, or across to it. In effect, seniority puts the burden of adjusting to work shortages on the shoulders of the younger worker, who supposedly is in better position to assume the burden.

In industries where employment fluctuates regularly, unions and managements occasionally devise systems of sharing the work. Instead of permitting the older worker to stay on full time and laying off the younger workers, all the workers in the unit will be employed less than full time until production and employment pick up again.

3. *How many shall work?* Workers, whether union members or not, try to make their jobs last as long as possible. To do so, they will at times adopt informal "make-work" practices. In certain industries unions have been able to formalize these practices. In some instances workers will restrict output on the assumption that since there is only so much work to be done, the slower they work, the longer their jobs will last. Under the guise of safety or quality controls unions can at times require that unnecessary work be done, that work be done by time-consuming methods, or that unneeded workers be hired. This fear of losing jobs also colors the attitudes of workers toward technological change. Unions in certain building trades have successfully resisted the use of more productive methods and equipment.

On the other hand, industrial unions often accept the inevitability of change but seek to control its pace or effects. If a new machine displaces workers, the union will try to have them placed in other departments of the company; if an operation shuts down completely and workers are permanently laid off, the union will try to arrange for some kind of dismissal or severance compensation. Since a new machine or process represents a more efficient operation, the union will also try to get a higher wage rate for the workers on the

new machine. All such union moves are in line with their policy of insisting that workers share in the benefits of increased productivity. Union and nonunion workers are not alone in attempting to protect themselves against economic uncertainties. Manufacturers and farmers sometimes restrict production to stabilize price levels, and professional associations limit competition through licensing regulations. Each economic interest group in the United States tries to protect its members to some extent; some are more successful and some are more subtle than others.

C. *Union Security.* Union policies reflect the industrial traditions and environment in which they function. Because of opposition to unionism, American unions have fashioned means to "secure" their organizations in their agreements with management. English unions, on the other hand, having met with less employer resistance, rely not on written contracts but on group pressures to maintain organizational discipline. Today about 80 percent of the 18,000,000 American employees covered by union agreements work under some type of union security provision.

1. *Union shops.* The most popular form is called the union shop, under the terms of which the new worker, hired according to the employer's own standards and procedures, must tender his dues to the union or leave the bargaining unit after a period of 30-60-90 days, depending on the specific agreement. He may not want to join the union, or he may become a troublesome member, but as long as he offers to pay his dues the union cannot compel the employer to dismiss him.

Most workers, but not all, seem to favor the union shop. The best indication of their sentiment along this line is the experience of the federal government during the early Taft-Hartley period (1947-1951), when union demands for a union shop had to be preceded by a secret election conducted by the government to certify that the union bargainers had rank-and-file support. In over 90 percent of the elections more than 90 percent of the workers consistently voted in favor of the union shop; in fact, the election results became so routine that the election requirement was removed from the law in 1951.

Opposition to the union shop has sprung from other groups, which argue against compulsory unionism. This campaign is known as the "right-to-work" movement. It asserts that no American should be forced to join a union, nor to lose his job for refusing to do so. It links compulsory unionism to union power and accounts for union corruption as an abuse of that power. It proposes that a ban on compulsion will weaken only corrupt unions and encourage decent unionism. Through a special provision of the Taft-Hartley Act, many southern and western states have passed "right-to-work" laws which outlaw the union shop.

In some of these, however, a new kind of union security provision, the "agency shop," has appeared. Here management and the union agree that nonunion workers need not join the union but must pay a regular service fee which is usually equal to the amount of the monthly dues. The basic issue of prior right remains: of a management and a union representing a majority of workers to set their conditions of employment, including union security; or of a new worker to accept all the conditions of employment except one, union membership.

2. *Check-off.* This is the employee's authorization to the employer to "check off" or deduct his union dues from his pay check and forward it to the union. This arrangement certainly facilitates the collection of dues for the union. Employers have probably found this less inconvenient than trying to stop union leaders from seeking other ways of collecting dues on company time.

D. *Management's Rights.* A century ago managements made virtually all the decisions concerning their operations. Today many of them share decisions—particularly in personnel matters—with unions. This penetration raises the question of limits: how far do unions have a right to go?

Neither unions nor managements are agreed, even among themselves, on the answer. Some managements believe that an attempt should be made to draw the line; some unions, looking back at all the traditional lines they have already crossed, believe such a step is inadvisable. Some managements insist on a "management's rights" clause in the contract. Such a statement usually recognizes the kinds of decisions which management can make without first conferring with the

union; sometimes managements reserve authority in every area not covered by the contract; sometimes managements spell out the particular areas where they will act unilaterally.

American industrial relations experiences are probably too diverse to permit or to accept a neat, simple solution to this question. This issue, like many others, will depend finally on the relative bargaining power and policies of particular managements and particular unions at particular points in time and place.

#### IV. WHAT SOME OF THE RESULTS OF COLLECTIVE BARGAINING ARE: *relationships*

A. *Management Responses.* It is important to remember that the American economy is a composite of many separate but interrelated industrial environments, each of which conditions the pattern of labor-management relationships within it. Thus the patterns differ because the industrial circumstances differ. Likewise, patterns may change over a period of time. It would be a mistake to expect a uniform management response to the spread of collective bargaining and unionism.

1. *Opposition (anti-union):* Some managements, interpreting any restriction of their authority as an infringement of their property rights, resist every sign of union activity. Employing whatever economic, psychological, and legal weapons they need to persuade their workers, they successfully keep unions out of their firms.
2. *Human Relations (nonunion).* Other managements see in union sentiment a sign of management shortcomings, for they assume that workers will want to join unions only in cases where management has failed to respond to their needs and problems. Here the approach is paternalistic, i.e., to encourage all employees to look to the company for assistance, within limits, in meeting their in-plant as well as their out-plant problems. In these situations it is sometimes difficult to determine whether a company is motivated primarily by a sincere, positive concern for its workers or by a negative fear of the threat of unionism.
3. *Acceptance (union).* Some managements believe unions are here to stay and are therefore determined to live with them. Some have found in union leaders able partners in the search for accommodation to the endless hu-

man and technical problems which characterize a dynamic industrial society, and in union organizations effective mechanisms of consent. They have found that working together with a union as a free and responsible equal is simply one way of getting things done.

B. *The Extent of Collective Bargaining.* Today the wages and working conditions of more than 18,000,000 employees are established through collective bargaining agreements, and millions of other employees are directly or indirectly affected by these agreements. The extent of bargaining is not uniformly distributed, however, as indicated below:

1. *By industry.* In industries such as manufacturing, construction, mining, and transportation, more than 70 percent of the employees are covered by union-management agreements. The percentage is less than 20 in government, trade, finance, and agriculture.
2. *By region.* Most of the workers covered by collective bargaining agreements live in the urban areas in the northeastern, north-central, and Pacific coast states.
3. *By occupation.* Although airline pilots, movie stars, teachers, and other white collar and professional people belong to unions, blue collar workers—the skilled craftsmen in the building trades and the production and maintenance employees in manufacturing industries—still make up the bulk of employees covered by collective bargaining contracts.

C. *The Costs of Collective Bargaining.* Many people think of collective bargaining only in terms of negotiations and strikes, probably the most dramatic steps in the process. Hence the “costs” of collective bargaining are most frequently equated with the costs of strikes. For example, it has become standard procedure to point out how much money the employees are losing in wages, the company in earnings, and the government in taxes during a given dispute. Labor and management, then the public, in that order, pay for collective bargaining.

1. *Labor.* Through his monthly dues the worker provides financial support for the entire union structure which bargains in his name: the organizing drives, the negotiating teams and their staff specialists, the grievance machinery at his place of work, and the legislative representatives who keep him posted on friendly



and unfriendly bills. At the same time he must be prepared to go on strike whenever the union, within the framework of its constitutional provisions, reaches the decision that such action is necessary. While the strike will certainly cost him his regular income it may cost his savings as well; since no one knows how long a given strike will last, the striker risks his current resources for expected gains. On other occasions he may be asked to give moral or financial support to other strikers.

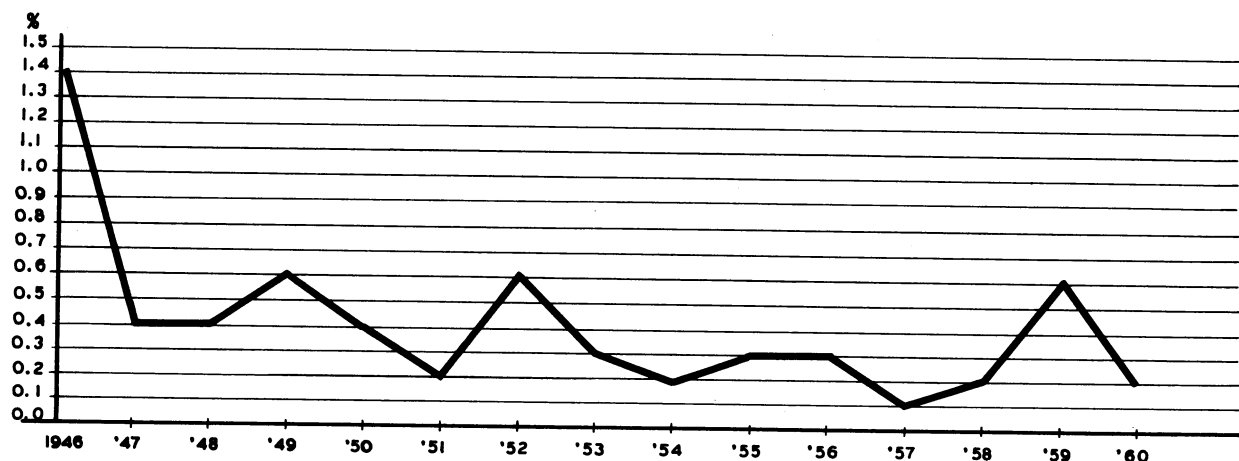
2. *Management.* As a result of unionism the industrial relations function has gained in stature within the management hierarchy. The employment manager has been superseded by the vice president in charge of industrial relations who occupies a position in the top echelon of management and usually has available a budget to match his status. When management decides to take a strike, the ultimate cost will depend on several factors: if customer inventories are high, little pinch will be felt until they are exhausted; if competitors are also on strike, little competitive disadvantage will result; if the product is perishable or if the amount of fixed costs of production is high, it is likely that the loss of income during the strike will have a severe impact on the firm. The effect of a stoppage is probably greatest on marginal firms where the interruption of revenues or the loss of customers may be fatal. To cushion the effect of strikes, some companies, notably in the transportation industry, have formulated a system of strike insurance.

3. *The public.* Although labor and management, as the principals, bear the immediate expense of collective bargaining, the public also incurs risks. On the one hand a work dispute may inconvenience the public (airline strike), it may lead to violence and the destruction of property, or it may endanger the public health and safety (hospital employees). On the other hand, a particular agreement may verge on collusion, and a generous wage increase can spark a more than adequate price increase that is finally passed on to the consumer. Thus there is no built-in guarantee that the bargain-in parties, even when they reach agreement without a work stoppage, will display a sense of public responsibility in their deliberations—no more or less than any other political or economic interest group.

Labor economists are fairly well agreed that the economic losses to the public due to strikes are generally exaggerated. Since the end of World War II, the average time lost because of work stoppages (due to strikes or lockouts) has averaged about one-half of one percent of total working time.

Recessions have cost the American economy a greater loss of man-hours of production than have strikes; for example, the recession of 1960 "wasted" about five times as many man-hours as work stoppages did that year.

The American people must decide whether they are willing to accept such costs of collective bargaining as part of the price of preserving this freedom. If the government



*Percent of Total Working Time (man hours) Lost Due to Work Stoppages*

regulated wages, prices, profits, savings, investment, and consumption, it could probably guarantee the end of strikes and recessions. It would also guarantee, however, the surrender of economic freedoms which Americans have been traditionally reluctant to curtail, even in time of war.

D. *Trends in Collective Bargaining.* Neil W. Chamberlain, Professor of Economics at Yale University, suggests the following as the major developments in union-management relations in recent years:

1. *The increasing acceptance of unions* as a normal part of the social scene and the increasing spread of the practice of collective bargaining.
2. *The imposition of legal responsibilities on unions* as one expression of their acceptance and one measure of their greater power.
3. *A growth in the size of the bargaining unit*, with an increasing number of multi-employer negotiations, accompanied by greater public interest in the negotiations of the larger bargaining units.
4. *The exercise by the largest units of leadership* in the area of social innovation and invention.
5. *An increasing scope to the subject matter of collective bargaining.*
6. *A highly developed grievance procedure*, providing a running check on management's exercise of authority under the agreement, and training a larger number of workers in the function of leadership.

## VOCABULARY AND PHRASES

### LABOR AND MANAGEMENT

Boycott	Picketing
Check-off	Premium Pay
Closed Shop	Secondary Boycott
Collective Bargaining	Seniority
Featherbedding	Shop Steward
Fringe Benefits	Slowdowns
Grievance	Strike
Guaranteed Annual Wage	Union Shop
Negotiating	Welfare Plans
Open Shop	

## SUGGESTED LEARNING ACTIVITIES FOR PUPILS

1. Collect newspaper items of labor-management

issues and agreements. In class analyze issues and agreements which make the news.

2. Prepare a report or cartoons describing or showing the steps taken by labor and management to settle an alleged grievance of a worker.
3. Make a case study of a strike; then prepare a report giving the causes, effects, settlements, and related information.
4. Draw up a contract for an imaginary firm. With one of the committee members as chairman, have the class act as union members would at a union meeting to discuss the contract.
5. Draw or collect a series of cartoons, illustrating: (a) abuse of power by management, (b) abuse of power by a union, (c) featherbedding, and (d) arbitration.
6. Make a bulletin board display illustrating various phases of labor management relations. Numbers 2 and 5 might be usable for the display.
7. Make a collection of union and management publications on the same issues. Compare them for points of agreement and disagreement. This is an opportunity for the class to evaluate material.
8. Show the film *The Grievance*. This is an excellent film which graphically presents the steps in a grievance, and lends itself to role-playing in the class. Before the showing, appoint a union committee, a management committee, and an arbitration panel. Show the film to the point where the arbitrator closes the hearing. Ask the union and management committees to summarize their cases. Ask arbitration panel to render a decision. Resume the film and compare the class finding with those in the film.
9. Show the film *Strike in Town*. This is an excellent film on collective bargaining showing not only the process but the strengths and weaknesses of management and the union. It too should stimulate class discussion.
10. Show the film *Working Together*. This is another excellent film which shows organizing, collective bargaining, and grievance procedure.
11. Role-playing can be an effective learning device and one that can help the pupil understand better the viewpoints of others. After a thorough study of collective bargaining as a process, the strengths of each side, and some of the issues (control of jobs, wages, hours, union shop, fringe benefits, grievance procedure), have several pupils set up an imaginary case which could include economic conditions of the firm and the industry, competition in the industry, the condition of busi-

ness in general, and the particular issues in the dispute. Have the pupils representing management and labor go through the collective bargaining process. Reverse the roles.

A teacher may wish to try dyadic role-playing. See Zeleny and Gross, "Dyadic Role-Playing of Controversial Issues," *Social Education*, December 1960.

12. Topics for class discussion, panels, and independent work.
  - a. What is collective bargaining? Why is it so important to unions? What is its legal status?
  - b. Strikes should be made illegal.
  - c. The right to work issue.
  - d. The guaranteed annual wage.
  - e. The strength of unions at the collective bargaining table.
  - f. The strength of management at the collective bargaining table.
13. Have a class discussion on the pros and cons of seniority.
14. Secure a contract between a union and a firm for class examination of the subjects of the contract. The wide variety of subjects covered in the contract should be stressed. The grievance procedure can be examined in detail.
15. Guest speakers might be utilized in class. A personnel man from a local firm and a business agent of a union might be brought into class on separate days to speak about labor-management issues.
16. Two controversial issues of the present time are the guaranteed annual wage and the right to work laws. One or both issues could be studied by a committee or group of pupils. The findings as to the facts and viewpoints of unions and management could be presented to the class in a panel followed by questions from the class. The purpose is not to argue the two issues but to bring out just what each issue is and the views of unions and management.
17. Divide the class into a small management group and a larger workers group. Within limits set by the teacher, let each group draft proposals separately for classroom procedure (assignment, grading, absence and tardy policy, late papers and homework policy, and policy on participation in discussion, etc.). Have committee of each group negotiate final agreement. The management group administers the agreement, union stewards enforce the agreement, and the teacher acts as arbitrator. The arrangement might be operative for the duration of the Labor Movement Unit.

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Lester, Richard A., *As Unions Mature*, Princeton University Press, Princeton, 1958. An analysis of labor union trends and a projection of prospects, including a comparison with European labor movements.

Lester, Richard A. and Shister, Joseph, (eds.) *Insights into Labor Issues*, Macmillan Company, New York, 1948.

Most of the high school textbooks for the Problems of Democracy courses have chapters on Labor-Management relations. Also see the general bibliography at the end of the unit.

### Films:

*The Grievance*, McGraw-Hill, 1954, 30 minutes, sound, black and white (labor and management ser)—\$155. Produced by the National Film Board of Canada.

How the rights of a worker with a genuine grievance are protected under the union's contract is illustrated by the case of an auto worker demoted for refusing to work in a hot truck cab. The orderly processing of his grievance is followed through several stages of union-management negotiation until it reaches an impartial arbitrator.

*Strike in Town*, McGraw-Hill, 1956, 28 minutes, sound, black and white—\$150.00. Produced by the National Film Board of Canada.

Depicts events leading to a deadlock in negotiations between the management and employees of a furniture factory in a small one-industry town. Shows the normal processes of collective bargaining common to Canadian industry today and how they affect a union, a company and a community.

*Working Together*, EBF, 1952, 23 minutes, sound, black and white—\$100.00—rent \$4.50. Produced for Twentieth-Century Fox by Eddie Albert Productions. Based on the 1949 study "Partners in Production."

The story of how a workable adjustment of the interests of labor and management were achieved between the American Lead Pencil Company of Hoboken, New Jersey, and the local unit of the Textile Workers Union.

**UNDERSTANDING:** *To understand the role of labor in the economy and the effect of changes in the economy upon the labor force.*

## I. IDENTIFICATION OF SOME PROBLEMS OF LABOR AND THE ECONOMY

Labor practices and demands affect the economy, and changes in the economy affect the labor force. Major labor issues such as wages, strikes, the length of the work week, and productivity affect the economy, while such problems as unemployment and automation have a deep effect upon the work force.

If, in a major industry, negotiation fails and a strike ensues, related industries are also affected, and the general economy may become involved. If wages become so low that living standards are lowered or so high that they become inflationary, the economy is naturally affected. Other major issues certainly include the following questions: Do labor practices and unionization tend to increase or decrease productivity and the output of the economy? Automation may increase productivity, but will it also lower employment? If employment is lowered will there be sufficient purchasing power to maintain high production? How will automation affect the composition of the labor force? Will depressed areas be created? What is the best means of solving each of the following types of unemployment—technological, cyclical, and seasonal?

## II. COMPOSITION OF THE LABOR FORCE

A. *Changing Skills.* First, let us briefly examine how changes in the economy affect the labor force. One important topic seems to be: How is the composition of the labor force affected? This much seems clear: (1) changes in technology will result in changes in the nature of work, (2) because the nature of work is changing and will change more, the skills of workers will also have to change. As an illustration, from 1910-1950, the percentage of unskilled workers, in our total labor force, changed from 36 to 21; semiskilled workers from 15 to 20; skilled workers from 12 to 14; clerks and kindred workers from 10 to 19; and professional persons from 5 to 9. As technology increases, more skilled and semiskilled workers will be needed, and the type of skills needed as a result of automation will change. Also, as productivity in manufacturing increases, more workers will be released to work in service industries which are already the fastest growing source of job opportunities.

B. *Changing Age Groups.* Several other characteristics of the population and labor force are changing. In 1950, about 58 percent of the population was in the working age group, 20 to 64; but by 1980, it is estimated that this working age group will represent only from 42 to 48 percent of the population. The result will be that a smaller percentage of working persons will have to support a greater percentage of nonworkers. This means that just to maintain output per capita and our standard of living, productivity must increase enough to offset both the population increase and the increase in the percentage of nonworkers in the population.

C. *Women in the Labor Force.* Another change in the composition of the labor force is the increasing percentage of working women. At the turn of the century, almost all of the labor force was composed of men. Today, about one-fourth of the workers are women. Some of the resulting problems are competition with men for jobs; a demand for equal pay for equal jobs; and a generally adverse effect upon the home and family.

## III. THEORIES OF ECONOMIC GROWTH AND PROSPERITY

At the very heart of the question of prosperity, employment, inflation, unemployment, and depression are two conflicting theories. The older theory, embraced by management, is that high profits and capital accumulation encourage investment which in turn increases production and employment. The cause of depression and unemployment, according to this theory, is rising production costs, especially wages paid to labor, which cut into profits and discourage investment.

Labor leaders, on the other hand, advance the theory that depression and unemployment are caused by prices increasing faster than purchasing power, with the result that demand decreases, in turn causing lower production and employment. In other words, wage increases will raise production and employment by increasing consumer purchasing power. Their view is that increased production is of little value unless there is a corresponding increase in purchasing power and consumption. Probably the prevailing theory of national prosperity is one that supports policies which stimulate high consumption and a broad equitable distribution of purchasing power as well as policies which encourage private capital accumulation.

#### IV. WHAT IS AUTOMATION?

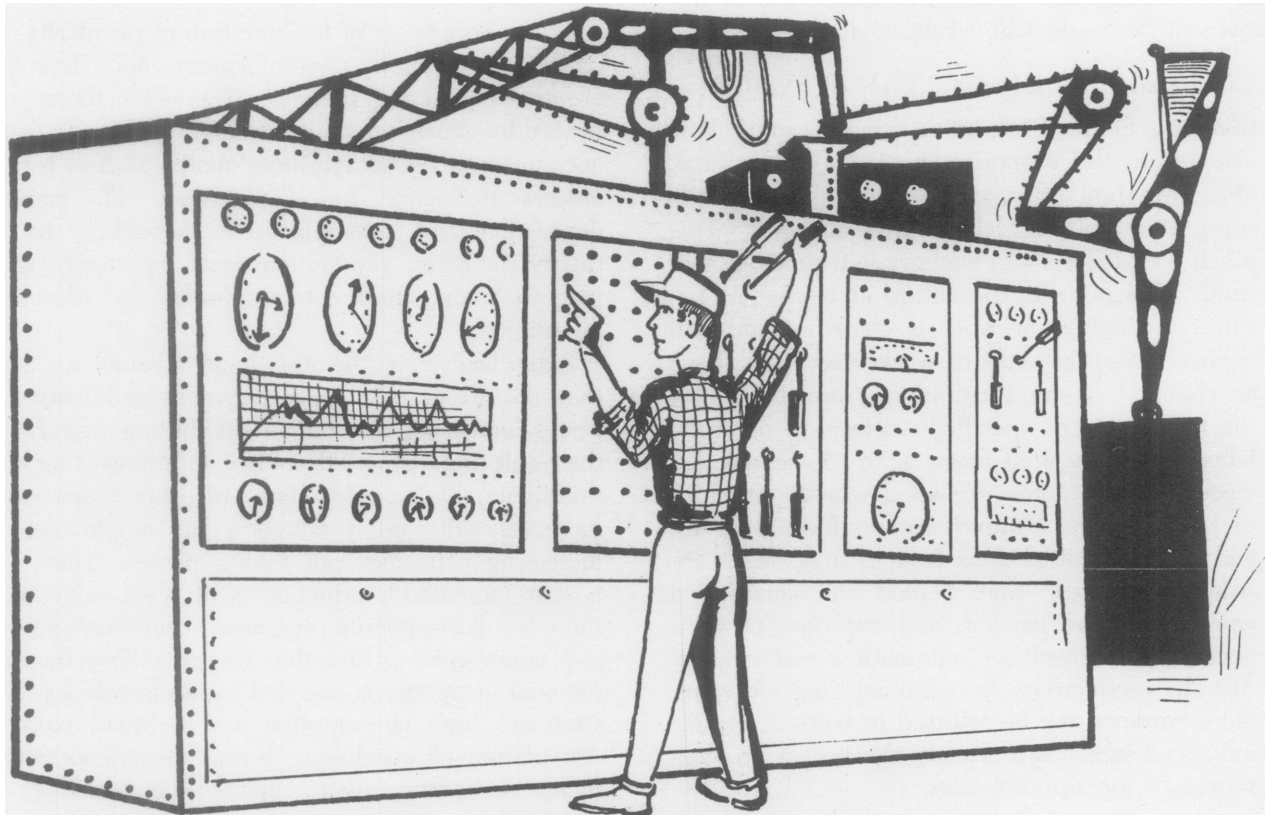
A. *Definition.* Automation is a potentially profound technological change with broad implications for both productivity and employment. However, there is no agreement about a definition of automation. Some experts claim that it is only the extension of mechanization; that is, increased production by the replacement of physical labor by machines. At the same time, other experts claim that automation is a second industrial revolution because it is not merely more mechanization but the replacement of human control by machines.

There are essentially three types of automation: (1) the integrating of conventionally separate manufacturing operations into lines of continuous production through which the product will move untouched by human hands; (2) the use of automatic controls or "feedback" control devices which allow machines to readjust their own operations when necessary to produce desired results; and (3) the electronic computer or data processing machine for recording and storing information and performing both simple and complex mathematical operations on such machines.

B. *Views that Automation will Create Little Labor Displacement.* The most pressing concern to labor is, will automation create or displace jobs? The evidence is incomplete. Persons who argue that there will be enough jobs, claim that firms which have already made use of automation actually increased their employment. Also automation has created a new industry—the industry that produces automation equipment—which means more jobs in the new industry.

It is not likely that all industries will be able to make use of automation, but it is still too early to estimate how many industries will be affected by it or how many new industries will be created by it. An important factor in determining how extensively automation will be used is that a given firm will make use of automation only if it is profitable; that is, if the cost of producing the unit is lowered. There are instances where firms have found that use of an automated machine which replaced workers did not bring the cost of the unit down.

The long-term increase of employment in the service industries may offer new openings for displaced workers, especially if automation, by increasing productivity, brings rising incomes and greater leisure to manufacturing workers.





The theory is that as improved technology increases productivity, which in turn increases the real income of workers (who are also consumers) through higher wages or lower prices for goods, the demand for services and goods increases with the increased productivity. The increased demand may not be enough to maintain employment in manufacturing industries at the former level, but workers will be spending less of their income for goods. More money then will be spent for services. Because demand has increased for services, employment in the service industries has increased rapidly. This is an example of labor shifting from one product to another product or service because of demand and improved technology.

- C. *Views that Automation May Cause Considerable Labor Displacement.* Other experts, especially labor leaders, are equally concerned with the adverse effects of automation on employment, especially in the next five to ten years. If during this time automation increases rapidly, it is feared that there will be a surplus of job seekers, especially for the new entrants on the labor market. It is also feared that unless markets continue to grow because purchasing power is growing, there will not be enough jobs; nor will the needed opportunities appear at the right time or places. That employment may increase in the long run will not help the displaced worker now. Not only may individual workers be hurt but entire communities may be by-passed if industries move away or are no longer needed.
- D. *Immediate Employment Problems of Automation.* There are the more immediate problems of automation that must be solved. As firms make use of automation, the worker wants to know how it will affect his job. New types of jobs will be created which, in many instances, will demand more or a different kind of skill. Who will get these new jobs? Will there be enough jobs to employ all of the workers? Will the old workers be considered too old to retrain? How and who will retrain the workers? What will happen to the worker who is discharged or must accept a downgraded job in another part of the factory?

## V. UNEMPLOYMENT

- A. *Cyclical and Seasonal Unemployment.* Besides technological unemployment (automation is one form) labor is concerned about the recurring problems of seasonal and cyclical unemployment and

depressed areas. As an illustration, in areas of seasonal employment, what happens to the worker during the off-season? Cyclical unemployment presents serious problems for the unemployed. The problem of how, during a depression or recession, to increase demand for goods and services and encourage investment is central to its solution. The federal government through the Employment Act of 1946, is pledged to adopt policies which encourage full employment. The Act provides for the Council of Economic Advisers to give the President advice about the economy. If the President and Congress foresee a depression, two of many possible government actions are the lowering of taxes and spending of large amounts of money on public works. Through government spending of large amounts on public projects, the gross national product and national income increases, which stimulates the economy. Through government reduction of corporate taxes, larger profits are possible to increase personal income and corporate savings to stimulate investment. Through government reduction of personal income taxes, individuals and families have more disposable income which increases consumer demand, stimulates business, and provides more savings for investment.

- B. *Depressed Areas.* Even during times of general national prosperity, certain communities suffer from chronic unemployment. The problem of those communities is attracting new industry and providing new skills for the unemployed. The answer may be that the workers should be relocated. Under the Redevelopment Act of 1961, areas of substantial and persistent unemployment are eligible for loans and grants from the federal government to attract industry and to retrain jobless workers.

## VI. WHAT DETERMINES WAGES?

- A. *Factors Determining Wages.* The level of wages is determined by a number of factors, including supply and demand. If there is a demand for goods and services with the result that employers need workers, wages will tend to be higher to attract workers; but if demand is down and there are more workers than needed, wages will tend to go down. This is true in particular industries as well as in the economy as a whole. If a given skill is in short supply, wages paid to workers with that skill will tend to be high enough to attract workers. The reverse is also true. If there is an over-abundance of workers with a given

skill, their wages will tend to be comparatively low.

Productivity is another factor. If the output per worker increases because of improved technology and skill, the cost of producing a unit will go down. The employer may raise wages or lower the price of his product. Which course the employer will follow may be determined by another factor, the competitive position of the firm. Its position may be such that the saving due to increased productivity can go into higher wages. If, on the other hand, competition is keen, the employer may have to reduce the price of his product in order to remain in a competitive position.

Collective bargaining is still another factor in determining the level of wages. The effectiveness of collective bargaining is difficult to determine because of the other factors involved in determining wages. It is true that the average earnings of heavily unionized industries are considerably higher than the weakly unionized or nonunion industries. But, an important question is "Would the wages in these industries have increased anyway?"

- B. *Real Wages.* Is the average production worker better off today than the worker of 50 years ago? Earnings of production workers increased over seven times during this period. Can the average worker buy seven times as much goods and services compared to his counterpart of 50 years ago? Obviously, the answer is no. Prices for consumer goods and services more than doubled during the same period. Because prices doubled while the workers' wages increased sevenfold, he can purchase about three times as much as the worker of 50 years ago. Expressed in another way, the average production worker's money wage increased seven times, but his real wage only increased three times. What a worker can actually purchase for his wages is his real wage.

When consumer prices increase more than income, real wages decrease. Certain groups in the population have relatively fixed incomes so that during times of price increases, their real income decreases. Teachers, office workers, and persons on relief, for instance, are hurt during times of extensive price increases or inflation.

## VII. UNIONS AND PRODUCTIVITY

A question very closely allied to the above is the effect of unions upon productivity. Again there are two sides to the argument. Management claims that,

among other things, through restrictive work practices and the concern for retaining jobs, unions hinder productivity. Union leaders maintain that through management cooperation, better working conditions demanded by labor, and the "needling" of management, productivity is increased.

## VOCABULARY AND PHRASES

### LABOR AND THE ECONOMY

Automation  
Capital Accumulation  
Cyclical Unemployment  
Depressed Areas  
Feedback  
Gross National Product  
Inflation  
Mechanization  
Price Index  
Productivity  
Real Wages  
Seasonal Unemployment  
Service Occupations  
Technological Unemployment  
Technology  
Wage-push Theory

## SUGGESTED LEARNING ACTIVITIES FOR PUPILS

1. Make a graph or graphs of the change of the composition of the labor force during the last fifty years (skills, age, and sex).
2. Make a graph of the percentage of workers in unions for major industries and occupations.
3. Compare a report from management and one from labor on the same controversial issue (wages and inflation, the effect of strikes, labor practices and productivity).
4. Invite representatives from labor and management to present their views on the same subject (automation, wage and inflation, depressed areas).
5. Topics for class discussion, panels, and independent work.
  - a. How does a strike in a major industry affect other industries?
  - b. Examples of specific companies of the three types of automation.
  - c. Examine the effect on employment by one firm that has made use of automation.
  - d. In topic three, what preparation did management and labor make for automation?

- e. What are some of the specific effects of automation on jobs, wages, productivity, and leisure?
  - f. Examine the efforts of the New Deal to relieve the unemployment of the Great Depression.
  - g. Examine the types of industries where seasonal unemployment is prevalent and what efforts have been made to relieve it.
  - h. Do labor practices affect productivity?
  - i. What are the causes of depressed areas?
  - j. Who should get the benefit of increased productivity?
  - k. Do higher wages cause higher prices?
  - l. What are the implications of technology upon the composition of the labor force?
6. Have a panel discussion on strikes as a weapon and how they affect the economy.
  7. Secure a union-management contract in which there is an adjustment to automation, or secure the AFL-CIO Collective Bargaining Report, *Adjustment to Technological Change*, which contains illustration from contracts. With the class, list the specific labor problems of a plant which installs automation. How is each solved in the contract or contracts?
  8. After a thorough study of automation and employment problems, discuss with the class what implications automation holds for them as future employees (length of time in school, type of skill, and where to secure employment).
  9. For illustrations, collect newspaper items about automation and depressed areas for a scrapbook.
  10. Show the film *This is Automation*.
  11. Show the film *Technique for Tomorrow*.
  12. Using a nearby depressed community as a case study for the class, what caused the area to be depressed? What is the community doing to relieve the situation? The state government? The federal government?

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*This is Automation*. General Electric, 1956, 30 minutes, sound, color (More Power to America ser) purchase, apply, free-loan. c-ad Guild. Produced by Raphael G. Wolff Studios. Defines automation and illustrates industrial applications of the principles of automation in the manufacture and packaging of a variety of products. General Electric Company, 1 River Road, Schenectady 5, New York.

# LABOR AND THE COMMUNITY

**UNDERSTANDING:** *To understand the policies and practices of labor in the community.*

## I. PREAMBLE

Until after the Civil War, early American unions had little impact upon the communities in which they existed. This was due in large part to the low economic and social status of working people in or out of the trade labor movement. In addition, early unions were fully engaged in their struggle to organize and to gain recognition as collective bargaining agents.

The gradual general public acceptance of unions, and the labor-management-government triangle of cooperation during World Wars I and II, laid much of the groundwork for present-day labor participation in community affairs.

Finally, the evolvement of government social services, the complexity of health and welfare services and the need for broad community representation in fund raising, have led communities to invite labor organizations to participate in such community affairs, and to pressure for full representation as a condition of participation.

## II. LABOR IN THE COMMUNITY

- A. Philosophy of Union Community Services—*The Whole Man*. A union member works eight hours of each 24-hour day. Since eight from 24 leaves 16, two-thirds of a worker's time is spent off the job, away from work.

Today, in a number of communities the union's interest in its members goes beyond the eight hours of work; it reaches out from the plant gates to the neighborhood and community. Through its community services program, the AFL-CIO, for example, seeks to serve the whole man. Community services, in the context of this chapter, is the personal touch of organized labor. The Community Services Committee approach of the labor movement to the community is an integral part of its community relationships.

This represents the culmination of a transition period of over a century in which the trade union movement moved from a strict concern for its members only through one of militant influence, which looked upon community welfare as "charity" and no substitute for social justice secured either through legislation or collective bargaining, to its present service approach.



In summary, the Community Services principles are that members of unions as citizens of a community have a responsibility to the community to make it a good place in which to live, to cooperate with other agencies, and to be concerned about the community's health, welfare, and recreational services. Unions should help to finance and support existing community service agencies and help improve the quantity and quality of social services. A more complete statement of the principles is in the Appendix of this section.

It must be recognized, however, that not all union members or others outside labor agree with these principles. They insist that unions should be concerned only with collective bargaining. Some persons within organized labor feel that too much emphasis is being given to community service projects to the detriment of the union's direct economic goals. There is also the possibility of conflict between union policy toward community services and the policy of other groups. This is essentially true in such areas as public welfare and public housing.

- B. *Social Welfare.* Some Community Services Programs are based upon relative association with United Funds and Community Chest agencies and a corps of volunteer "counselors," several in each local union. These counselors serve in a dual capacity. First and foremost, they assist union members in their relationship to community and government agencies. They also interpret the function and needs of community agencies to the union membership according to union policy.

Generally, unions ask recognition and representation on agency boards in return for their participation. Recognition of the union effort by the community is usually based on an appreciation of labor's talent and financial contribution; sometimes it is given as the result of financial or political pressure by union groups. The financial efforts of the trade labor movement on behalf of community agencies has been considerable. Also industries which have a union contract must first secure union consent and/or cooperation before placing into effect in-plant payroll deduction for fund giving.

Unions frankly recognize that good community relationships are good public relationships which often serve to counteract unfavorable publicity brought about by strikes, by trade union efforts to organize, or for other causes. They further

recognize that a community services program for the membership is organizationally sound in that it ties the member to the union with bonds other than those in the contract.

Most union leaders consider union participation in community services as valuable to unions as a whole, individual members, and the community, but the ideal of full participation is far from being attained. Too often the union representatives on community agency boards are full-time labor leaders. The president or secretary may be on as many as ten or twenty boards of directors, while relatively few of the average union members become actively involved. The problem is one of finding capable and willing members to fill the available community posts.

- C. *Health and Welfare Funds.* Most unions have health and welfare benefits for their members as part of the union contract. Union leaders point out that such benefits, while of prime importance to the union member, do affect the entire community because:
1. They provide an economic cushion for the family in terms of continued purchasing power.
  2. They provide a base for payment of bills, such as medical, hospital, dental, etc., thus guaranteeing broad-based community support for these services.
  3. They free the community from the need for providing such services on a charity basis.
  4. Many such benefits include the family of the union member, thus spreading their coverage still further.
  5. Such benefits tied to nonprofit plans such as Blue Cross or Blue Shield plans have provided a base economically sound enough to permit their operation in an entire community.

Union health and welfare funds grew out of the needs of union members and the lack of private, low-cost plans to meet such needs. They are actually payments in lieu of wages in many cases and are part of economic collective bargaining. Union health and welfare funds have been viewed by the government as trust funds in that they belong to the membership and have been collected for a specific purpose. They have come under regulation and scrutiny by federal agencies as to their operation for tax purposes.

Increasing costs of health and welfare plans, plus increasing difficulties in meeting such costs through collective bargaining, plus the knowledge that many problems simply cannot be met by

meeting the needs of union members alone (loss of competitive position by the employer paying such benefits as against one who does not) have led many unions to seek a broad program of health and welfare benefits through government action. Union leaders advocate the plans because plans tied to payment by the individual (social security) may extend coverage and actually reduce the cost to the unionized employer.

D. *Education.* Going beyond the relationships of the individual union member to the community, trade union concern in the area of education has a direct bearing upon the community. Agitation and political activity by the trade union movement and working people contributed to the passage of the public school legislation of the 1830's. In more recent years, trade union interest in the field of education has followed other directions. Union interests, positions, and efforts toward education are summarized below:

1. Support of academic freedom and objectivity.
2. Support of higher education through scholarships, generally to the children of union members, sometimes as in the case of National AFL-CIO to any qualifying child.
3. Support of efforts to lift the level of local school board operation by nonpartisan political support.
4. Vigorous support for excellent schools with sufficient financial support from local, state, and national governments.

It is fairly apparent why labor supports public schools and federal and state aid to education. For the most part, workers cannot afford to send their children to private schools or to expensive private universities. Education is one of the roads to success and better jobs, and workers as parents want the best for their children. In one county, for example, labor leadership endorsed and vigorously supported something relatively new in education—psychiatric service. This effort resulted in the County Commissioners providing sufficient funds for a half-time psychiatric physician.

Of less interest to the community, but of increasing interest to the trade union member, unions have carried on an extensive program of self-education for the union member through summer schools, classes, institutes, and creative art classes.

E. *Housing.* Leaders in the trade union movement believe that poor housing results in a high social cost. They point out the degradation of those compelled to live in the sprawling slums of our great cities, the community cost of medical services, property protection, correctional and educational services. Although labor's concern is basically human, it recognizes that any extensive housing program will also provide many jobs in construction and in the production of construction materials. Many low-paid workers will be direct beneficiaries of subsidized housing in terms of rent. The labor movement has supported both private (FHA financing) and public housing. In addition, in recent years several large international unions have invested reserve health and welfare funds in cooperative housing projects.

F. *Community Redevelopment.* It is obvious that trade unions have an important stake in the industrial health of the community. Generally, labor supports local industrial development funds by agreeing in some cases to payroll deduction contribution; and in others, to making direct contributions from the union treasury. In several Pennsylvania areas, union members serve on the boards of directors of development funds. The attraction of new industry into a community means, in the final analysis, jobs for workers. The trade movement has also been a supporter of federal and state aid for urban redevelopment.

### III. SUMMARY

In this brief summary only some of the more important aspects of trade union relationships with the communities in which they exist have been described. Generally, although not unanimously, union leaders have come to the position that unions must be concerned about the communities in which they exist. Their policy is based on their regard for the members' welfare when away from work. In the sense that every community problem is the problem of the union member, unions have taken positions in many and varied fields not usually associated with trade unionism. In doing this they have sometimes clashed with the position of other groups. The degree of union activity will vary from community to community as will the community reaction to the union in its political, economic and community services activities.



### **Basic Principles of the AFL-CIO Community Services Program**

1. The union member is first and foremost a citizen of his community.
2. The union member has a responsibility to his community. He must cooperate with his fellow-citizens in making his community a good place in which to live, to work, to raise children. He must be concerned about the availability of adequate health, welfare, and recreational services for the whole community.
3. Unions have a responsibility for the health and welfare of their members and their families which extends beyond the place of employment. This responsibility includes not only the emergency caused by strike, unemployment, or disaster, but also extends to helping the employed member meet his personal or family problem.
4. The community has a responsibility to its citizens. It must be prepared to meet those social needs which individuals or families cannot meet adequately with their own resources or cannot meet at all.
5. Unions have elected to finance, support and participate in existing community social service agencies rather than to establish direct social services of their own. To the degree that the personnel and facilities of social agencies serve all the people, they serve the men and women of organized labor, and unions shall be encouraged to continue this policy.
6. Government has the basic responsibility for meeting the broad health and welfare needs of the people.
7. Voluntary or privately sponsored social agencies and facilities occupy an important position in meeting the social welfare needs of the community. Major responsibilities falling within the scope of voluntary social work are the areas of character formation, child guidance, family counseling and youth activities, as well as experimentation and pioneering research.
8. It is the responsibility of organized labor to cooperate with other community groups in improving the quantity and quality of social services, while at the same time educating union members about available health and welfare services and how to use them.
9. Assistance in whatever form should be given on the basis of need, regardless of the cause of the need and without regard to race, color, or national origin.
10. Prevention of social problems is preferred to the best treatment of social ills.

## **VOCABULARY AND PHRASES**

### **LABOR AND THE COMMUNITY**

Academic Freedom  
 Community Chest  
 Community Redevelopment  
 Community Social Service Agencies  
 Health and Welfare Benefits  
 Social Welfare  
 Sub-standard Housing  
 United Funds  
 Urban

## **SUGGESTED LEARNING ACTIVITIES FOR PUPILS**

1. In large cities where union officers of community services are available, the officers might be invited to the class to discuss union activity and attitudes.
2. In conjunction with the approach on "labor and government" have a pupil prepare a classroom chart showing social services provided by government (social security, old age pensions, medical and hospital facilities, and benefits, etc.). For each note labor's political position on the service.
3. Using a local union contract, make a list of fringe benefits and their dollar value to the individual. Project the value to the community—dollars, health, etc.
4. For a project, have several members of the class determine what labor is doing in the community. Some questions that should be answered are: Is labor represented on the Community Chest and United Fund committees? Does it cooperate with fund raising drives by giving support and financial aid? Are any union members participating in the community's government or community committees?
5. A very enlightening question is: From whom and from where has the individual or family in financial distress received aid? The historical back-

ground traced from the early national period until the present would be a challenging research question for an able pupil. The sources of aid have been: church, community, political parties, labor organizations, private organizations, and government. Which is the most important now?

6. Topics for panels, discussion, and independent work.
  - a. Why has labor taken its stand on social legislation?
  - b. Compare the cost of maintaining protection, medical services, and correctional and educational services in an area of substandard housing to the income from the areas in taxes.
  - c. Why has labor supported better public education?

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