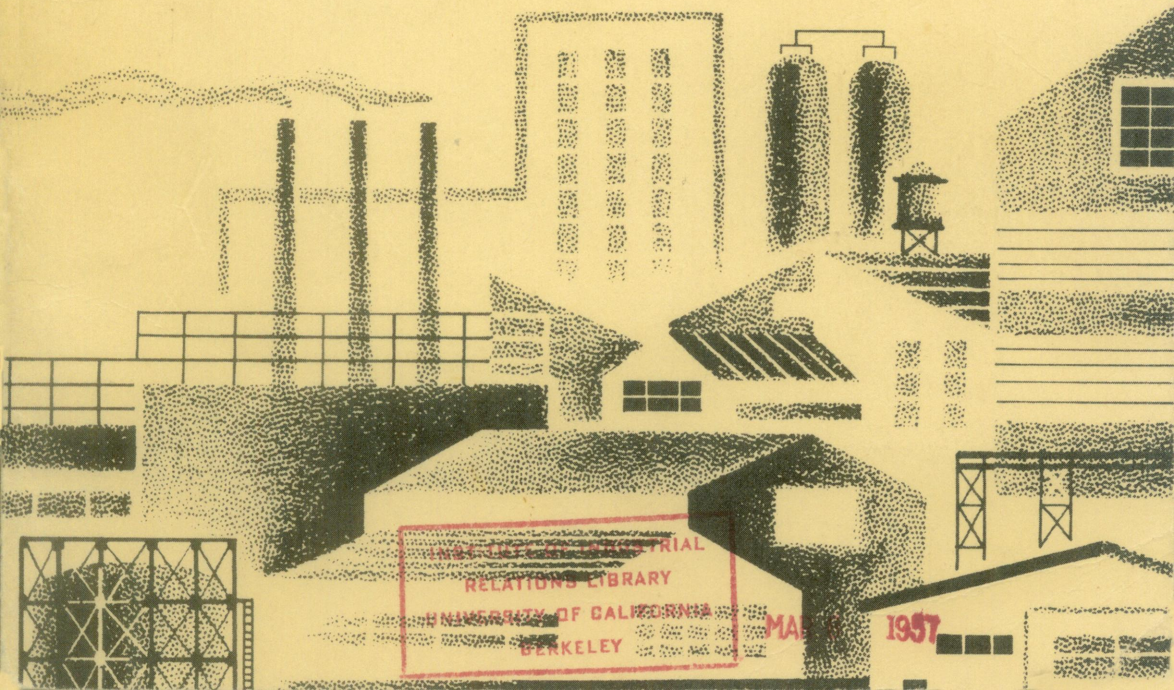
A PROBLEM FOR EVERY CITIZEN

Monopoly Power

as exercised by labor unions



[Wolman, Leo.

MONOPOLY POWER

AS EXERCISED BY LABOR UNIONS:

A REPORT
TO THE AMERICAN PEOPLE.

[Prepared by the Study group on monopoly power exercised by labor unions, Leo Wolman, chairman] //

[New York, National association of manufacturers, 1957]

STUDY GROUP ON MONOPOLY POWER EXERCISED BY LABOR UNIONS

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This report is the result of a year's study by the above group of experts on labor-management problems. The group sought to determine, on the evidence of actual case histories, the extent to which labor unions in the United States hold and exercise monopolistic powers; also the circumstances under which such anti-social powers, which in other hands would be clearly illegal, are permitted to exist.

The study group was organized at the suggestion of the National Association of Manufacturers, but its research and deliberations were conducted and its report written on its own independent authority.

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Foreword

The people of this nation since its birth have recognized that the preservation of liberty and freedom of choice require that the public interest and individuals be protected against the use of arbitrary power by government, or by private persons or institutions.

Our public policy has always opposed concentration of power and its arbitrary exercise in either public or private hands. This policy accounts for the checks and balances inherent in our system of government. It also has been the source of our antitrust and antimonopoly legislation, which is designed to prevent concentrations of power in the hands of business and industry, and to which this nation, alone among the great industrial nations of the world, has persistently adhered.

In the light of this policy, it is therefore obvious that the labor statutes of the 1930's were not, and could not have been, enacted with the idea of placing monopoly powers in the hands of labor unions. When Congress passed these laws, and when the courts interpreted them, the aim was the simple one of securing the right of self-organization to American workmen. These laws protected the right of employees to join unions, but they did not, and could not under the American system of individual freedom, direct employees to join or to refrain from joining labor organizations or any particular labor organization.

It was not, nor could it have been, the intention of Congress, the Executive or the Courts to create or to protect organizations which would exercise monopoly powers over the supply of labor, and thus be able to impose their will on agencies of government, the public, business, and employees, both union and non-union. The laws were intended to protect the creation and operation of voluntary associations, subject to the same responsibilities and curbs to which all organizations must adhere in a free democracy.

The issue of union monopolistic powers and practices, therefore, is not one of the right of individual employees to join unions, or the right of unions to bargain collectively and to exercise peacefully the collective

strength of a group of employees in negotiations with their employer. The issue of union monopolistic practices arises out of an excessive accumulation of uncurbed power in the hands of unions and abuses of this power by union leaders.

This accumulation of power permits the substitution of force and compulsion for free voluntary action and of dictation for free collective bargaining. It permits the violation of the personal freedom and rights of individuals, of the common laws governing simple conduct, and of the fundamental principles of equal protection under the law.

Unions now occupy a dominant position in the economic life of the United States and are reaching out for political dominance as well. It is the duty, therefore, of every citizen to review—without malice, without prejudice, but with an objective eye—the present status of organized labor and the power exercised by union leadership and to reflect where this growing accumulation of power will take us if it continues on its present course.

There is no dispute over the right of employees to bargain with their employer as a group, or over the right of employees to refuse to work, acting individually or striking in concert. But when the exercise of these rights is accompanied by conduct which violates accepted standards of behavior with impunity, which enjoys discriminatory rights and privileges before the courts, and which threatens to defeat the working of a free market system by the arbitrary ability to cut off all or most of the supply and flow of important goods and services, our basic American principles of individual freedom and dignity, of equitable treatment, and of the supremacy of the public over purely private interests are endangered.

These matters concern all citizens since all citizens are affected by the rise and development of union monopoly powers.

LEO WOLMAN,
Chairman

I. MONOPOLY POWER AS EXERCISED BY LABOR UNIONS

Monopoly power may be described as the possession of power by an individual or a group to control the supply and fix the price of needed goods and services. On this basis, there can be no doubt that certain international unions possess monopoly powers in some of the basic industries of the United States. They virtually control the labor supply of these industries and have proved on many occasions their ability to dictate the terms on which the services of labor are available to produce the goods and services the nation needs.

There are numerous case histories which demonstrate that when this power is exercised, no alternatives are left to any other interested parties. Employers and their employees must accept the terms fixed by the international union; the members of the local union and the local bargaining agents have nothing to say about these terms. Customers of the employer and the public at large must pay the resultant price for the commodity or service or do without.

This centralized control of "collective bargaining", its effect on output, prices, and the consuming public, its effect on collective bargaining as intended by the statute, on free competitive enterprise, on our government and political institutions confront us with our greatest and most pressing domestic problem.[1]

Today, the unions freely engage in restraints of trade. Boycotts of various types are practiced with impunity. Control over the workers is achieved by such devices as compulsory union membership, and those who balk or kick over the traces are brought into line through the union's punitive machinery or by more direct physical means. It may be argued that employers have not only a right but a moral obligation to refuse to sign agreements which make it *compulsory* for their employees to join a union as a condition of employment, but where monopoly power is strong the employer who stands on this principle often signs the death warrant

[1]See Theodore R. Iserman, "Changes to Make in Taft-Hartley."

for his business. Even the sponsors of the basic laws, in the New Deal era, never intended these results.[1]

The government has failed to act on these questions because of the political,[2] as well as the economic power applied by the unions, and because the issues have not been clearly presented to the American public.

Aroused Public Interest

Such is the power of the unions that organs of public opinion, large employers and even government officials at the highest level feel it is the part of prudence to refrain from calling attention to evils and abuses of power which they know exist. But today there is an aroused public interest. Attention has been focused on the situation by the AFL-CIO merger, which centralizes still further the great power the unions hold, by the frequent instances of union racketeering and other abuses and by public statements and recommendations issued by those who have the courage to speak out on this subject.

In his 1955 economic report to Congress, President Eisenhower pointed out that one of the basic tenets of a free economy is freedom from monopoly—whether by business or by labor. In his January 11, 1954, Taft-Hartley message to Congress, he emphasized the need for secret strike ballots and for clarifying questions of federal-state jurisdiction.

The exemptions from the antitrust laws for certain conduct of labor unions were discussed in the 1955 report of the Attorney-General's National Committee to Study the Antitrust Laws. Despite the limited scope of its study, the committee recognized the existence of a union monopoly problem and recommended some legislation to cope with it. In its brief to the committee, the U. S. Department of Commerce cited case histories of union restraints and proposed some equitable solutions (including

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[1]The late Franklin D. Roosevelt, when President of the United States, publicly denounced compulsory union membership (one of the weapons with which "union monopoly" is forged). Even the founder of the American labor movement (Samuel Gompers) said that unions should be voluntary and that union membership should also be voluntary. Thurman Arnold, Assistant Attorney-General in the Roosevelt Administration, tried to stop these restraints of trade, but these efforts were thwarted by decisions of a majority of the Justices of the U. S. Supreme Court (see pages 12 to 16). Madam Frances Perkins, Franklin Roosevelt's Secretary of Labor, in a 1955 speech emphasized the dangers of uncurbed powers and controls by unions. Gerard D. Reilly, Solicitor of the U. S. Department of Labor under Madam Perkins and later a member of the National Labor Relations Board, has publicly expressed concern over the present situation and the need to reaffirm the powers of the states. The former General Counsel for the NRA, Donald R. Richberg, as well as many other liberal friends of labor, have been gravely concerned that labor unions will destroy themselves by their own power.

[2]See NAM pamphlet: "Organized Labor's Program to Organize the Legislative Halls." See also: "The CIO and the Democratic Party."

amendments to Section 6 of the Clayton Act so as to define "legitimate objects" of unions). These would not interfere with the proper functions of unions but would, on the other hand, protect the public against flagrant restraints of trade. The entire problem of "union monopoly" practices or centralized union power concerns the public interest. It is not a labor-management issue. Proper curbs will not only protect the public but will also preserve the basic purposes of labor organizations as stated in our labor law.

Organized labor is big business now. Through the automatic collection of dues and other payments, unions have at their disposal large and expanding funds collected from their members. They are engaged in all kinds of activities besides "collective bargaining." These include business, educational and political activities on a huge scale. Little effort is made to regulate unions as other organizations are regulated.

The entire subject of union monopoly power no longer can be ignored by the American people. The AFL-CIO merger and adoption of a new constitution increases considerably the centralized power of the labor unions, and emphasizes their monopolistic aspects. The new federation is in a position to use its centralized power to force acceptance of all its demands—political, legislative and economic.

Union Power Unrestrained

Unless such power is subjected to restraint, there is no protection for the public against continuing inflation due to unearned wage increases, nation-wide strikes and control over entire industries by a few union bosses; "pattern bargaining" under which smaller concerns may be forced out of business by being required to agree to terms and conditions they cannot afford; struggles for power and jurisdiction between unions which place workers and employers "in the middle"; the promotion of socialistic ideas and concepts through union power; restraints on freedom and opportunity for both employees and employers; interference with the free flow of trade; misuse of union funds for political purposes; denial of free choice and free determination to American workers; and collective exaction in place of collective bargaining.

All of these inevitable manifestations of oppressive, centralized and uncurbed union power vitally concern every citizen of the United States. The people who are concerned most of all are the union members them-

selves. It has been said that their voice "has been choked by dictatorship."[1]

Unions are entitled to and should have all freedoms which are consistent with the public interest and with the human rights and dignity of their members. However, as already pointed out, Congress never intended that unions should enjoy the exempt status of a monopoly, and never showed any intention to exempt unions from the antitrust laws. In fact, language proposed by the unions for that purpose was deliberately deleted from the 1890 Sherman Act and other statutes, before passage. Even after Congress passed the 1914 Clayton Act, the courts still held that union activities in restraint of trade violated the antitrust laws. However, after passage of the 1932 Norris-LaGuardia Act and the 1935 Wagner Act, the Supreme Court finally wove these statutes, taken as a whole, into new substantive law. Today union conduct can be reached by the antitrust laws only when the union engages in collusion with employers. Since unions today can generally attain their objectives *without* such collusion, the damage to the public continues unabated (see page 20, "Illustrations of the Exercise of Union Monopoly Power").

Intent of Congress Subverted

Likewise Congress never declared that the states cannot regulate conduct which is contrary to the public interest, but *that* is often the effect of judicial and administrative decisions, especially if a Federal statute has even the most remote connection with the conduct in question.[2]

This report, in addition to describing the problem of union monopolistic practices, will refer briefly to the causes, cite some common illustrations and propose some solutions. Today's situation never was, or could have been, intended and the development of union monopoly power is entirely inconsistent with known declarations of public policy, including the basic laws themselves and their legislative history, and with the fundamental principles of a free society.

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[1]"Wanted: A Bill of Rights for the Union Man," by Lester Velie, Reader's Digest, January, 1955. See also pages 27-28.

[2]Moreover, the Judiciary speaking through Supreme Court Justices in both majority and dissenting opinions, have (in cases referred to in this report) emphasized the need for legislative clarification of such subjects as antitrust immunities of unions and the rights of the states properly to regulate matters within their own borders.

II. CAUSES OF UNION MONOPOLY POWER

Legal Immunities of Unions

A principal cause of union monopoly power is the immunity of labor unions from the legal liabilities to which every one else is subject. This immunity from legal responsibility which unions enjoy in the pursuit of their objectives is a matter of common observation and knowledge. Even the United States Supreme Court seems to agree that acts otherwise contrary to the public interest and the law become entirely legal if done by unions in their own interest. One student[1] of competition, on the whole sympathetic with the policy of excluding unions from the application of the antitrust laws, writes, nevertheless:

> "Labor unions enjoy an exclusive judicial license to do what others may not do. This is a serious breach in the capacity of the antitrust laws to prevent collusive restraints."

The exemption of labor unions from legal liability as defined by the antitrust laws was reached by judicial and administrative decisions after passage of the 1932 Norris-LaGuardia Act, even though Congress specifically refused to declare labor unions exempt. We, therefore, have new substantive law by interpretation under a procedural statute[2] (the Norris-LaGuardia Act) and under statutes having entirely different objectives (the antitrust laws and the labor laws). This result has been severely criticized by many learned and liberal spokesmen including some of the Supreme Court Justices; e.g. "Our holding . . . leaves labor unions free to engage in conduct which restrains trade." (Mr. Justice Black in the Allen-Bradley case[3]; see also, pages 828-831, Mr. Justice Jackson, dissenting in the Hunt case[4].)

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[1]Corwin D. Edwards, "Maintaining Competition: Requisites Of A Governmental Policy," New York, 1949, P. 84.

[2]e. g. U. S. v. Hutcheson, 312 U. S. 219.

[3]Allen-Bradley Co. v. Local 3, IBEW, 325 U. S. 797

[4]Hunt v. Crumboch, 325 U. S. 821 (1945)

Double Standard of Antitrust Application

Centralized monopoly power rests in the hands of the national and international unions. Local unions are supposed to be concerned with negotiating employment conditions, as an agent of the employees, with their employer. However, the constitutions and practices of international unions take most control out of the hands of the local union and the employees it supposedly represents.

It is the concentrated power of a combination of labor organizations, acting as an international union, which poses antitrust analogies. For example, no one would deny the right of the organized or unorganized employees of an individual employer to strike for more favorable working conditions. By the same token, an individual producer may act independently to curtail production, or raise or lower prices for economic reasons. However, when producers do so in concert with their competitors, there is a clear violation of the antitrust laws. Likewise, when local unions combined into a national or international union agree to take joint action (an increasing trend even between *international* unions since the AFL-CIO merger) as in the nationwide rail, coal and steel strikes and settlements, the same antitrust philosophy against restraints of trade and the exercise of monopoly power should apply, but it does not. The monopolistic practices of such combinations of labor unions have an effect more far-reaching than ever exerted by business combinations. Yet the one is prohibited while the other has been freed from restraint and, in fact, encouraged! This double standard of antitrust application is a principal cause of concentrated and monopolistic union power, with all the results which are contrary to the public interest.

To summarize certain of these aspects of union abuses and immunities (i.e. the "double standard" of antitrust application):

1. While group boycotts or concerted refusals by businessmen to deal with other businessmen are deemed undue restraints of trade, whatever their purpose, and are condemned under the antitrust laws, unions may freely engage in similar activities. Unions demand and obtain contracts under which non-union employers are boycotted, as well as other employers and products which the union chooses to designate as "unfair."[1] *It is clear that such agreements to boycott would violate the antitrust laws except for the immunity of unions.*

[1]Typical of this is a clause in a labor agreement such as frequently occurs, under which the union and its members may refuse to handle goods to or from any firm or truck involved in a controversy with that union or any other union.

2. Unions continuously impose unreasonable restrictions on the use of modern innovations, and thus retard production and increase costs. But, in cases where businessmen have combined to suppress patented inventions or new technologies, their conduct has been held unlawful under the antitrust statutes.

3. Agreements between businessmen, either actual or potential competitors, not to compete in specified territories violate the antitrust laws. However, unions freely divide territories and restrict business competition.

Unions Act With Impunity

4. Businessmen violate the antitrust laws when they enter into agreements which restrict production and increase prices. However, the unions arbitrarily restrict production with impunity. For example, the United Mine Workers, in 1949, arbitrarily curtailed all coal production to three days a week in order to "stabilize" production and prices. Manifestly, any such arrangement by the mine operators would have brought immediate indictment and conviction under the antitrust laws. Because of union immunity, however, the Department of Justice took no action after investigation presumably had satisfied it that the union was acting on its own initiative, and was not carrying out a plan instigated by the operators. Even greater curtailment and control of production, supplies and prices have resulted from the many complete industry-wide strikes in other basic industries – notably: steel, railroad, copper, maritime and others. Any agreed-upon curtailment or shut-down by the companies would, of course, constitute a serious violation of the antitrust laws, regardless of motive, simply because it was concerted action.

5. The Supreme Court has held that Section 2 of the Sherman Act is violated if a single business firm, or group of firms, possesses sufficient economic power to exclude new competitors, or fix market prices. Unions, however, may and do possess and exercise the same monopolistic power with impunity, arbitrarily dividing up and allocating industries, territories and jurisdictions among themselves, to the exclusion of competitors and without regard to the wishes of the employees they are supposed to represent.

6. Finally, the monopolistic powers of some labor unions have been used to force business enterprises in some areas to use only products manufactured in plants employing members of a certain local union. This

conduct has created artificially high prices to the consumer and has excluded competing products. Some unions have even gone so far as to use their power for the purpose of revenge against some employer by seeking to exclude his products from competition. Yet it is fundamental that the exercise of monopoly power by a businessman—or group of businessmen—to exclude a competitor violates the antitrust laws.

Legal Cases Dramatize Problem

Effective competition is vital to our system of private initiative and enterprise. The antitrust laws are actively and effectively enforced against those businessmen who violate them. The public interests safeguarded by these statutes must also be protected against actions by labor unions which are equally detrimental to the public good. The unions are rich and powerful. The circumstances under which their immunities were granted by judicial and administrative interpretation no longer pertain. They are engaged in many business, political and educational activities, in addition to labor actvities. They have attained enormous strength and stature and should be held to the same standards of accountability as every other citizen or group.

Nothing can point up these problems more dramatically than to summarize factual situations in some important legal cases and their judicial outcome:

APEX HOSIERY CO. V. LEADER, 310 U. S. 469 (1940). The company, a Pennsylvania manufacturer of hosiery, engaged in commerce, brought this private antitrust action against American Federation of Full-Fashioned Hosiery Workers, Philadelphia, Branch No. 1, Local No. 706, and Leader, its president, to recover damages resulting from a strike alleged to have been a conspiracy in violation of the Sherman Act.

The company, employing about 2,500 employees, was operating an open shop. The Federation, having only eight of such employees as members, ordered a "sit-down strike" when the employer refused to accept a closed shop agreement—an agreement which would compel all of the 2,500 employees to become members of the union. Immediately, "acts of violence" against the plant and employees in charge of it "were committed by the assembled mob" most of whom were members or agents of the union but not employees of Apex. The mob "forcibly seized the plant, whereupon, under union leadership, its members were organized to maintain themselves as sit-down strikers in possession of the plant."

Lawless Invasion of Plant

The locks on gates and entrances of the plant were changed by the union and only strikers given keys. No others could enter or leave the plant without the strikers' permission. While occupying the factory, "the strikers willfully wrecked machinery of great value, and did extensive damage to other property and equipment of the company." In fact, the Supreme Court charged, "The record discloses a lawless invasion of petitioner's plant and destruction of its property by force and violence of the most brutal and wanton character, under leadership and direction of respondents, and without interference by the local authorities."

However, the recovery of damages was denied the manufacturer.

HUNT V. CRUMBOCH, 325 U. S. 821 (1945). Hunt, an interstate trucking concern, instituted this private antitrust action against Crumboch and other officers of an AFL local union for treble damages resulting from destruction of its business caused by the union's refusal to provide drivers and helpers.

Hunt for about 14 years had engaged in contract trucking for A & P. The union called a strike for the purpose of enforcing a closed shop. Hunt, refusing to unionize his business, attempted to operate during the strike and much violence occurred.

A & P entered into a closed shop agreement with the union whereupon all A & P contract haulers, including Hunt, were notified their employees must join the union. All haulers, except Hunt, either joined or made closed shop agreements with the union. "The union, however, refused to negotiate with the petitioner (Hunt), and declined to admit any of its employees to membership." Thus A & P "at the union's instigation", cancelled its contract with Hunt in accordance with the obligations of its closed shop agreement. Hunt met the same fate with other customers. As a result of the union's action, Hunt "was unable to obtain any further hauling contracts in Philadelphia."

The Supreme Court summarized the facts by stating:

"The 'destruction' of petitioner's (Hunt's) business resulted from the fact that the union members, acting in concert, refused to accept employment with petitioner, and refused to admit to their association anyone who worked for petitioner."

Recovery for Hunt was denied.

U. S. V. HUTCHESON, 312 U. S. 219 (1941). The Government secured an indictment against Hutcheson and other officers of the AFL

Carpenters Union charging a criminal combination and conspiracy under Section 1 of the Sherman Act.

This case arose out of a jurisdictional dispute at the Anheuser-Busch company's plant between the Carpenters and Machinists Union, both of which were affiliated with AFL. There had been a series of agreements covering a period of several years between the two unions under which the machinists should do "the erecting, assembling, installing, and repairing of all metal machinery or parts thereof." The Carpenters' agreement provided that "The work to be done by the members of the union under this contract shall be, as, when and where determined and designated by the employer."

Despite this agreement, the Carpenters Union made demands upon the company to employ millwrights who were members of their union, instead of machinists, to perform certain work in erecting, assembling, installing and setting machinery in the company's plant.

Company Products Boycotted

The controversy over the assignment of this work to the machinists developed into a strike, not only of the millwrights but also a sympathetic strike of other AFL members employed by Anheuser-Busch and construction companies building plant facilities for the brewing company. In addition, the union boycotted the company's beer, distributed printed matter denouncing the company as unfair to organized labor, and urged other union members to refrain from purchasing the company's product.

The Supreme Court held that the union's conduct did not violate the Sherman Act. It was the court's view that the purpose of the Norris-LaGuardia Act was to relieve labor organizations of either civil or criminal liability under the antitrust laws. Thus it stated in the now famous language of Mr. Justice Frankfurter:

> "So long as a union acts in its self-interest and does not combine with non-labor groups, the licit and the illicit under section 20 are not to be distinguished by any judgment regarding the wisdom or unwisdom, the rightness or wrongness, the selfishness or unselfishness of the end of which the particular union activities are the means."

Present Law Invites Violations

What this means is that an act, illegal if committed by any one else, becomes legal when done by unions in what they consider to be their

self-interest. By this decision, any layman must conclude, the law in its present state openly invites labor unions to disregard the public interest and to violate laws which aim to protect that interest.

U. S. v. BUILDING AND CONSTRUCTION TRADES COUNCIL, 313 U. S. 539 (1941). The Department of Justice in 1940 obtained an indictment against the council, 21 AFL member unions and 22 business agents of such unions, charging a conspiracy to restrain trade in building materials and fixtures in the New Orleans area, violative of the Sherman Act.

The defendant union was charged with refusing to accept building materials and fixtures consigned to projects where its members were employed, when such shipments were transported in trucks operated by non-member drivers.

The trucking firm, prohibited from making deliveries, employed members of a CIO union which had been certified by NLRB as the bargaining agent for such employees. Thus, if the trucking firm continued to employ members of the certified union, it could not make deliveries and yet if it yielded to AFL demands and employed their members, it would be dealing with a non-certified union and undoubtedly faced with charges before NLRB.

The lower court dismissed the indictment, and its ruling was affirmed by the Supreme Court.

U. S. v. AMERICAN FEDERATION OF MUSICIANS, 318 U. S. 741 (1943). The Government filed a civil complaint under Section 1 of the Sherman Act alleging violations of the antitrust laws because of the Federation's refusal to permit its members to make phonograph records and electrical transcriptions for use by radio stations, juke box operators or in the home.

The union also imposed a requirement that radio networks boycott affiliated stations refusing to meet the union's demands for the hiring of unnecessary "stand-by" musicians.

Circumvents Antitrust Laws

The union's conduct was held to involve a labor "dispute" concerning "terms and conditions of employment" and thus not subject to the antitrust laws.

U. S. v. CARROZZO, ET. AL., 313 U. S. 539 (1941). In 1940 the Department of Justice secured an indictment against two labor unions

and 10 representatives thereof, charging a conspiracy in violation of the Sherman Act.

There the International Hod Carriers insisted that ready-mixed concrete could not be used, that concrete be mixed by the old puddle method, or, if the employer chose to use concrete mixers, then he must employ the same number of men that would be necessary if the concrete was mixed by the outmoded puddle method.

Lower court dismissed the indictment and its action was affirmed by the Supreme Court.

U. S. v. WOOD WIRE AND METAL LATHERS' INTERNATIONAL UNION, LOCAL NO. 46. The union and three representatives thereof were indicted under Section 1 of the Sherman Act.

The indictment charged that members of the union refused to install concrete and lathing specialties manufactured by concerns not employing its members. It also charged that the union resorted to coercion, secondary boycotts and threats of strikes to enforce this policy.

The case was never tried.

The foregoing cases are but a few of the examples which illustrate how labor unions are permitted to possess and use monopolistic powers which are denied by law to other citizens and groups.

Another source of union monopoly power lies in the inability of the states to pass laws which would protect the public interest, due to the doctrine of federal preemption in the field of labor law.

Federal Preemption Versus Local Regulation

The federal law, *as interpreted,* not only permits restraints of trade by unions, but also prevents the states from regulating them. Thus, in a 1955 case, *Weber v. Anheuser-Busch, Inc.,* 348 U. S. 468, the U. S. Supreme Court held that the State of Missouri could not enjoin union picketing designed to force an employer to agree to deal only with unionized contractors, even though this would violate the state's antitrust law. The court reasoned that the federal Labor-Management Relations Act has preempted the field and precluded the states from regulating conduct touched upon in any way by the federal law.

Clarification Badly Needed

The need for clarification and reappraisal of federal-state relationships has long been recognized by many spokesmen. President Eisen-

hower did so in his January 11, 1954, Taft-Hartley message to Congress. The Supreme Court Justices have done so in their published decisions on this subject (see *Garner v. Teamsters' Union,* 1953, 346 U. S. 485, page 488). The more recent decision of the Supreme court in the Nelson case,[1] which went so far as to prevent enforcement of a Pennsylvania statute against communism, has aroused public sentiment and bi-partisan support for legislation which would clarify this entire subject. So far as the subject of concentrated union power is concerned, it is obvious that ever since the enactment of the Wagner Act in 1935 a doctrine of federal preemption has developed which precludes state regulation over most aspects of the employer-employee-union relationships. Under these decisions, the results are as follows:

1. Where the federal law affords the mere possibility of a remedy against unlawful union conduct—no matter how remote or inadequate it may be—no state remedy is available.

2. Where a union activity is in any way "protected" under Taft-Hartley, the states may not prohibit, limit or qualify that activity. This is true no matter how beneficial the results of the state regulation. For example, a Michigan law providing a secret strike ballot was invalidated even though it had reduced strikes substantially and had provided each employee with the opportunity to vote on a matter so vital to him.

3. It is doubtful that states now can regulate even within the area of labor relations left ungoverned by administration of the federal act. Often parties have been denied relief in their local courts against acts clearly unlawful under the state law, even though the NLRB has specifically declined to assert its jurisdiction for such reason as insufficient impact on interstate commerce.

For all practical purposes, federal intervention has destroyed the power of the states to prevent acts clearly unlawful under state laws. The only real area now open to state regulation is under Section 14(b) of Taft-Hartley which permits states to pass right-to-work laws. These, in effect, provide that an individual may not be forced to join a union in order to get or keep a job.

So far as the *federal* government is concerned, it has again applied a double standard in favor of the labor unions. Under federal law, it is unlawful to discriminate against employees because they belong to a

[1]Pennsylvania v. Nelson, 350 U. S. 497.

union but, at the same time, there is no adequate protection for employees who, for reasons of their own, prefer not to join a union.

Double Standard Favors Unions

Although this area has been left open to the states, only eighteen states have passed protective legislation and one of the eighteen has already repealed its statute as a result of union political activity and pressure. There is constant pressure for repeal of Section 14(b) of Taft-Hartley which would remove the states even from this narrow field and which would practically condone compulsory union membership, or "the union shop." Employers long ago abandoned the so-called "yellow-dog contract," under which a new employee was required to agree not to join a union. The "union shop" contract is a blood-brother to the "yellow-dog" contract. The former says that one must join. Yet it is condoned while the latter is forbidden.[1] But the degree of compulsion, and the infringement on personal liberties is exactly the same!

The federal government, as well as thirty-one (31) of the states, makes no provision whatever against the most flagrant discrimination which is practiced every day against American workers who prefer not to join a labor union. Federal government contracts and FEPC laws in many states make provisions against discrimination in employment by reason of race, creed, color or national origin. *Our laws should uniformly protect all persons from discrimination in employment by reason of membership or non-membership in a labor union.*

Even though Section 14(b) still stands, employees everywhere are being forced into unions against their will—by coercive tactics if not by union contracts. Not only the wealth and power but also the concepts of the labor unions have radically changed. It is a far cry from the principle of "voluntarism" held by Samuel Gompers, the founder of the American labor movement, to the current practices and policies of compulsion.

Under judicial rulings (and not by any express congressional enact-

[1]It is important to note that the United States is one of the few countries which has a statute (the National Labor Relations Act) specifically providing that a union bargaining agent, chosen by a mere majority of those voting, becomes the exclusive representative for all employees in the bargaining unit (even those who voted against the union). This principle has been severely criticized because it overlooks the rights of minorities (the avowed purpose of FEPC and other legislation). In fact, the original statute was upheld by the U. S. Supreme Court by a bare majority (five justices for and four dissenting) after its predecessor (Section 7 of the National Recovery Act) had been declared unconstitutional. Observers have emphasized that our laws provide such widespread protection and powers that the unions really do not require "union security" clauses.

ment) the federal laws reach as far as the constitutional power of Congress over interstate commerce. Therefore, the federal authority applies not only to situations which really affect interstate commerce, but also to primarily local matters. These local matters, standing alone, would appear to have only the remotest connection with interstate commerce and often the NLRB itself refuses to exercise jurisdiction. Yet the state agencies are precluded from acting. This simply means that almost all employers, their employees, their suppliers, customers and other members of the public often can obtain no relief against acts which are clearly unlawful in their own states and communities, whose governing bodies are closest to the scene and most competent to regulate matters within their borders. As a result many employers have been put out of business and many employees have lost their jobs (See Garner v. Teamsters' Union, 1953, where it was held a state court could not enjoin an organizational strike, even though the employees did not want to join the union; here the Supreme Court urged clarification of the area of state and federal action).

We sometimes regard widespread strikes in vital industries as a principal disadvantage of concentrated union power. However, without access to adequate legal remedies against unlawful acts, and unable to withstand the great power of the union and the far greater power a combination of unions could bring to bear, employers are often forced to accept the union's terms, feeling it is hopeless to go through a strike. Bad as strikes are, there are worse threats to the public interest. Union monopoly power often does its greatest damage to our economy when strikes do *not* occur and when employers, however unwillingly, accede to demands they consider excessive, unwise and uneconomic, the cost of which is passed on to the public, in order to escape the cost of prolonged strikes.

III. ILLUSTRATIONS OF EXERCISE OF UNION MONOPOLY POWER

An ample and detailed account of the facts relating to labor union monopoly practices is to be found in the testimony before House and Senate Congressional committees. For years, these committees have had placed before them a record of practices which any layman would consider clear violations of rights and laws. What follows, then, is only a sample of such records.

Before dealing with specific items of this character, it is imperative to observe that the most far-reaching trend toward monopoly power is to be found in the centralization of authority in national and international unions. This process reached its climax in December 1955, when strong federations of national and international unions, the AFL and the CIO, pooled their resources and power.

Even before this merger, national and international unions already had amassed such power that they felt themselves free, under the laws of the land, to replace collective bargaining with force, and to impose upon industries labor contracts containing terms about which there was no pretense of bargaining.

This simple and obvious fact was recognized and deplored by a Federal Government board – the fact-finding board appointed by President Truman to deal with the steel dispute and strike of 1949.

Though its language was mild, the board's intent was unmistakable when it said:

"In collective bargaining in the steel industry, the practice has developed by which almost the entire industry generally follows the pattern set by United States Steel Corporation and perhaps a few of the other large companies in their contracts with the union.

"As a result, there is frequently little or no serious bargaining or discussion between most of the individual employers and the union.

"This practice is clearly a variation from the accepted concept of collective bargaining as defined in the statutes and interpretations; it tends to promote a feeling of dissatisfaction and disharmony between the parties which makes cooperation difficult.

"Now that the organizational phase of union activities has been passed, the field ought to be re-examined to see whether the public interest requires any modification in the definition and theories of collective bargaining in accordance with the new situation faced, not only in the steel industry but in other industries where varying kinds of industry-wide rather than individual collective bargaining have grown up."

What the board here describes as the bargaining practice in steel has not changed since 1949. What the steelworkers union does in this respect is no different from what other strong national and international unions are constantly doing. It is hard to see how any one can seriously doubt that such policies and practices of unions are monopolistic in character.

1. Restraints of Trade and Price Fixing. The lines drawn in the law and public policy today between restraints of trade and price-fixing practiced by business, (which are presumably illegal and against public policy), and practically identical conduct by unions, (which is presumably legal and in accord with public policy as the Supreme Court interprets the intent of Congress), is the root of the growth of monopoly power in unions. This is a fact recognized even by commentators who think they see a legitimate distinction between commercial competition and labor competition. Thus, Edwards[1] writes:

> "A union that acts alone appears to be exempt even when it fixes prices. Business and labor may act together about labor conditions but not about commercial competition. Thus the effect of the judicial doctrine is not merely to exclude labor relations from the antitrust laws but also to make the illegality of monopolistic practices in commercial markets depend, not upon the nature of the practice nor upon its effects, but upon the organization which undertakes it . . ."

Again, discussing price-fixing by such unions as the Teamsters and Bakers he observes: "If such policies should become general in the Teamsters union, the jeopardy to the antitrust laws would be as great as this union's control over the distribution of commodities. If similar policies should be adopted generally by unions, they might easily be sufficient to destroy the effectiveness of the antitrust laws."

The ramifications of restraints of trade initiated and enforced under union auspices are forcibly and currently illustrated by what goes on in

[1]Corwin D. Edwards, "Maintaining Competition," pages 84-85.

trucking and railroading when these common carriers encounter the secondary boycotts of the Teamsters and agreements outlawing "hot cargo." Early in 1956 the Rocky Mountain Motor Tariff Bureau, Inc., a group of trucking companies in 19 western and midwestern states, filed tariff schedules with the Interstate Commerce Commission which would permit them to refuse service when there were pickets at the place of business of the shipper, the interline carrier, or the consignee. The ICC will have to decide whether it should void operating rules or tariffs which permit common carriers to refuse pick-up and delivery service when a shipper or consignee's place of business is being picketed or where there is a strike or labor disturbance.

Obviously, organized labor in the U. S. being as large, powerful and far-flung as it is today, its usual methods of applying and increasing its power result in more direct and effective restraints on the movement of commerce than either our law makers or courts have been willing to recognize.

2. Dividing Territory.[1] As stated above, the dividing up of territory which is illegal for businessmen under the antitrust laws, is a standard monopolistic device of unions. Unions can and do tell employers where they may operate and where they may not enter. In one instance cited before a Congressional committee, a roofing concern, Fry & Son of Chicago, testified it was told by the union not to accept any jobs north of 47th Street. When the company refused to obey, it found itself unable to get supplies and builders were told they would be shut down if they did business with Fry & Son.

In another "landmark" case of this nature, The Schultz Company, truckers, decided to move their terminal from New York City to New Jersey. In New York, they had employed members of Teamsters Local 807. In New Jersey, they hired members of the same union's Jersey local. But Local 807 wouldn't let these New Jersey drivers make deliveries to Schultz's old customers in New York. Schultz's trucks were picketed and New York warehousemen wouldn't unload them. Schultz was put out of business, but the NLRB found all this perfectly legal.

3. Regional Monopolies. Probably the best known example of the practice of regional monopoly is found in the electrical industry of New York City. In this case, the Brotherhood of Electrical Workers,

[1]Several of the following monopolistic practices were adapted from "Should Unions Have Monopoly Powers?" by William L. White, Reader's Digest, August, 1955.

AFL, in an agreement with New York manufacturers of electrical equipment, refused to install in New York City fixtures made by manufacturers not parties to the agreement, thus effectively excluding from the New York market competitive electrical equipment. After long litigation, the U. S. Supreme Court in 1945[1] found this practice illegal, but only because the union acted in collusion with the employers. If the union bars equipment on its own, as it has done since the Supreme Court decision, what was hitherto illegal is again legal.

4. Banning of New Products or Processes. The progress of the economy and advances in the standard of living require that newer and more efficient methods and machines be adopted whenever available. But when such a technological advance seems to pose a threat to the narrow interests of a union, the union often openly imposes a ban.

In 1942, the American Federation of Musicians imposed a ban on phonograph records and electrical transcriptions. As a result, phonograph records practically disappeared for three years, until union terms for their use were met. However, the union's conduct was held not subject to the antitrust laws.

The Plumbers' Union has forbidden the use of plastic pipe in some instances. For certain purposes this product is better suited, cheaper and involves less labor in installation. But because of the ban by the union it has been kept off the market.

The use of ready-mix concrete in Chicago was held up for 20 years by the unions; Chicago unions also forbade the use of pre-glazed window sash in construction work. Such practices in restraint of trade are common in the construction industry. When factory-wired switchboards and other electrical apparatus arrive on the job, they often must be disassembled and re-wired. Paint brushes are limited to four inches in width in some instances and rollers or spray guns are barred altogether. Some authorities say such practices cost the buyer of a new house about one dollar out of every five he has to pay.

5. Featherbedding. Under the Taft-Hartley Law, employers cannot be forced to pay for services "which are not performed." However, the Supreme Court has ruled[2] that an employer can be forced to pay for services that are not wanted or not needed.

In the printing industry, certain advertisers prefer to supply their

[1]Allen-Bradley Co. v. Local 3, IBEW, 325 U. S. 797

[2]American Newspaper Publishers Association v. NLRB, 345 U. S. 100; NLRB v. Gamble Enterprises, Inc., 345 U. S. 117.

copy in the form of a mat or cut, with the type already set. The typographical unions require that an exact duplicate of the forms be set in the shop, proofread and corrected. This "bogus setting" is always junked and melted down, although considerable amounts of time and material are involved. Yet the United States Supreme Court decided that this useless work was still a "service performed" whether or not the employer wanted or needed it.

Trucks coming into New York City may be required to take on a "helper" who is not needed and not wanted. However, warehousemen may not enter trucks to remove merchandise and the driver of the truck may not touch a box or a crate. Therefore, the helper must be hired, at the ever-increasing union scale, to move the merchandise a few feet from the truck to the platform.

Should the truck be driven by a union driver from a "foreign" local, it may be forced to take aboard an extra New York driver before it enters the city. Local 807 of the Teamsters does not permit members of foreign locals to drive in New York unless one of its own men is aboard. The latter does no work, but he gets a full day's pay. Under the Supreme Court ruling he is available for work, even though his presence is entirely superfluous.

Other unions in which such "featherbedding" practices are common are the construction unions, the theatrical unions, and the transportation unions. The public pays the price in the long run in added costs.

6. Restricting Competition. In some industries, the building trades especially, the right to do business is openly and legally controlled by the unions. The unions decide who will be allowed to operate; who will be permitted to hire men and receive delivery of materials. The unions also tell the contractors whom they are to hire, what the wages and hours will be, and how much must be paid into the union's "welfare fund", which many of the men may never see.

The courts do not even dispute the legal right of a union to put out of business an employer it may dislike. In the Hunt Case[1], five out of nine Supreme Court Justices upheld such monopoly privileges for unions. In this case the majority of the court held that: "Had a group of petitioners' business competitors conspired and combined to suppress (his) business by refusing to sell goods and services to it, such a combination would have violated the Sherman Act. . . . The only combina-

[1]See Hunt v. Crumboch, 325 U. S. 821, pages 824-826.

tion here, however, was one of workers alone and what they refused to sell petitioner was their labor." The result was the same, in either case, because Hunt was put out of business, not by competitors but by the union.

In his dissent, Mr. Justice Roberts said that "the sole purpose of the (union) was to drive (Hunt) out of business". And Mr. Justice Jackson, also dissenting, observed that the decision "permits to employees the same arbitrary dominance over the economic sphere which they control that labor so long, so bitterly and so rightly asserted should belong to no man." He stated further that the Court's ruling upheld "the claims of a union to the right to deny participation in the economic world to an employer simply because the union dislikes him."

7. Keeping the "Supply" Short. Unions in the skilled trades severely restrict their membership rolls and thus maintain a permanent "sellers' market" for the skills of those lucky enough to hold cards. Some unions will admit as apprentices only the sons of members, or other relative if the member has no son. According to figures compiled by William L. White for his Reader's Digest article mentioned earlier, the plasterers union in 1954 admitted only 524 new apprentices, the iron workers only 1018, and the cement masons 756. Mr. White pointed out that roofers are becoming "scarcer than Confederate veterans" and that it's almost "as hard to get admitted to the New York Racquet Club as it is to get into a building trade union." It is perfectly legal for unions to "keep the supply short" by refusing membership to otherwise qualified applicants.

8. Jurisdictional Strikes and Boycotts. The law provides that employees shall be entitled to select their own bargaining representative by secret ballot. But the law offers little protection to the employees, the employer or the public when a union which fails to win a representation election chooses to disregard the verdict of the ballot box.

In one case, a maker of electric signs, Neon Products of Lima, Ohio, had to build a whole new plant it didn't need when its employees selected a CIO union to represent them. The AFL electrical union, which controlled installations all over the country, told its men not to work on signs with the CIO label. The company's only way out was to build another plant employing AFL members.

Because a subcontractor to one of its 15,000 suppliers was having labor trouble, Macy's in New York was threatened with a picket line. The purpose was to bring pressure on Macy's to bring pressure on its

supplier to bring pressure on the subcontractor to accede to the union's demands.

On another occasion, the New York Yankees found the entrance to their ball park picketed. Local 802 of the Musicians Union was having an argument with the radio station broadcasting the Yankees' games. The object of the picket line was to force the Yankees to go to bat for the union.

9. Coercion and Compulsion. Under the law, any group of employees in a plant affecting interstate commerce may choose a union to represent them by means of a Federally-supervised secret ballot. Congress also sought in the law to protect the right of those who do not want to join, to stay out of unions. In practice, unions use their monopoly powers to disregard the rights of individuals and force people into unions against their will.

Various and sundry devices are employed by unions for this purpose. A small New Jersey concern, Pleasant Farms Dairy, had 93 employees, only three of whom signed up with the Teamsters Union when it tried to organize the company.

The union thereupon threatened to picket the dairy's best customers if they continued to buy milk from Pleasant Farms. Many of these were industrial firms, which could not afford to have their raw materials and supplies cut off and shipment of their finished products blocked over anything as trivial as who supplied the milk for their cafeterias. The employees of Pleasant Farms never had a chance against the Teamsters.

The ability of the Teamsters Union to paralyze the movement of supplies and goods makes it virtually a law unto itself. It can bring almost any company into line if it wishes to get tough—and it does get tough at the slightest provocation. By playing ball with other unions, it can help them get what they want also.

In Los Angeles, the employees of the Danish Maid Bakery had voted 3½ to 1 against joining the AFL Bakers Union. The Bakers called on the Teamsters for help. The Teamsters picketed the back entrances of the bakery's best customers, the chain stores and supermarkets, where the supplies were delivered. If they wanted anything else to sell, the stores had to stop carrying Danish Maid products.

The law as it is interpreted and enforced today has very little restraining influence on the unions. They are well aware of the powers they wield and of how difficult it is for employers, the Government or their own members to curb their actions.

The most shocking aspect of uncurbed union power—and its misuse —involves the arbitrary domination exercised over the lives of both union and non-union employees. In a case arising out of the Kohler strike, the Wisconsin Employment Relations Board in a decision sustained by the Wisconsin State Supreme Court found that officers, members and agents of the UAW-CIO "(1) engage in mass picketing . . . , (2) attempted to prevent the lawful work or employment of persons desiring to work . . . by force, threats and intimidation and by massing pickets at the plant entrances, (3) the large numbers and mass formations around the entrances obstruct and interfere with the free use of public streets, and (4) the officers, members and agents of the union have forcefully taken into custody persons attempting to enter the plant of the Kohler Company, forced them to accompany such officers, members and agents to the strike headquarters of the . . . union and prevented them from pursuing their lawful work and employment." In addition "officers, members and agents of the union have followed the cars of persons attempting to enter or leave . . . the plant and picketed their homes and have threatened (them) with physical injury."

In this setting it is easy to see what tyranny is imposed on American labor by the requirement of compulsory membership.

In "Wanted: A Bill of Rights for the Union Man", Lester Velie answers this question: Where is the voice of the union members? He says, in part: "It has been choked by dictatorship . . . Yet in growing numbers citizens are losing rights to which they were born as free Americans: The right to vote, to speak up, to 'throw the rascals out', to have a fair trial, to know what's being done with their money. In months of digging into labor racketeering in a dozen cities, I have talked with scores of men, singly and by the roomful, who live under despotic government. Many gave up a day's pay to seek me out. Some risked a beating, others their jobs.

"In September, 1954, thousands of New York State union members learned how millions of dollars in their welfare insurance fund were being lost to them. They didn't learn it from their officers; they learned it from investigators for the state insurance department.

"When a St. Louis steamfitter boss was convicted of extortion, in 1954, it was learned he had accumulated a $200,000 'political defense fund,' to which members contributed daily. He did not account to members, and he paid his $40,000 legal fees out of the 'fund.'

"A St. Louis common laborers' boss, also convicted of extortion, continued to disburse union money from jail.

"A disabled veteran disclosed broken teeth and a scarred lip. The 'business agents' had 'leaned on him' for opposing the ruling clique. Another was suspended for 6 years and fined $3,500 for going to court against union officers. Other union members can't get jobs—the hiring hall dispatcher says there are none for 'trouble-makers'. That is the fate of union members who do not vote for the officers who rule them."

Every Citizen Affected

Mr. Velie wrote further: "All of us are affected because unions have become economic powerhouses that can starve out a town or shut it down completely." He further points out how union bosses gain their power over members by depriving them of their right to vote through special rules and "permit" systems.

"Even where men can vote, the 'ins' hold the reins—under the eyes of the business agents . . . the men who put you on the job—the rank-and-filers are polled. . . . When intimidation fails to get leaders' wishes through rank and filers' skulls, the skulls can be cracked open." There have even been instances of murder when the "outs" protest. The "outs" have no way to reach other members. For example, "the constitutions of 15 International Unions bar members from issuing circulars without first getting International officers' consent."

"The Internationals' dodges to enslave rank-and-filers are as ruthless as they are varied. . . . The International's trustee suspends local meetings, seizes its treasury, negotiates with employers without consulting members who must abide by his deals.". . .

"To the growing might of the International, add another reason for members' declining rights: The union constitution. Our Federal Constitution, with its Bill of Rights, is a blueprint for freedom. But not the union constitutions. Virtually none has even a rudimentary bill of rights to protect members.". . .

"At best, the rank-and-file rebel finds the legal cards stacked against him. Lacking money, he must rely largely on crusading lawyers who give their time free. And he's up against the best legal brains and the most protracted court battle that a rich union treasury can buy."

IV. SOME PROPOSED SOLUTIONS[1] TO THE PROBLEM OF "UNION MONOPOLY POWER"

A sound approach to dealing with the pressing problem of union monopolistic practices and excessive private power must be based on the assumption that unions have proper and legal functions to perform which our American industrial society has accepted. However, in the exercise of its legitimate purposes, it is contrary to the public interest and, hence, to public policy for organized labor to consider itself above the law and, in the pursuit of its objectives, to ride rough-shod over the rights of individuals and of the communities which are the source of its authority and privileges. In the long run both unions and the society in which they operate will be strengthened if labor unions are denied immunities under the law which are available to no one else. In the American system of government by law, no principle is more essential to the protection of our way of life than the principle of equality under the law. To this principle, American unions, in common with all other American institutions, should be required to submit. If, therefore, it is the policy of this country to outlaw monopoly and monopolistic practices, there is no ground for granting unions, the most powerful of our concentrations of economic power, special rights and dispensations.

In considering union concentration of power, this report has referred to the growing political, as well as economic, powers held by the unions. This report will not attempt to analyze the many ways in which labor unions enjoy political advantages over all other segments of our population including the ways in which union funds are used for political purposes without the consent of their members who contribute these funds. The use of corporate funds in politics is wisely forbidden. It is

[1]All of the proposals suggested in this report have, from time to time, been recommended by prominent and liberal spokesmen (both inside and outside of government circles) and have been contained in proposed legislation, some of which came close to passage (e.g. the Hartley Bill which passed the House and missed passage of the Senate by one vote in 1947; the Goldwater Bill to reaffirm rights of the states on which there was a very close Senate vote in 1954). There is no question but that we have been in a legal stage of active union promotion for many years and it is time to obtain a proper balance by necessary legislative amendments.

self-evident that, in a democracy, unions and union funds must be treated the same as other organizations and their funds are treated under the Federal Corrupt Practices Act, state election laws and all other applicable regulations.[1]

What Must Be Done

While it is not the purpose of this report to propose specific amendments to our complex labor legislation, federal and local, the facts presented herein indicate that the following objectives must be sought in order to protect the interests of the public and of union as well as non-union employees:

Real bargaining at the local level and an end to the domination of bargaining by international unions;

An end to compulsory union membership in any form;

An end to organizational picketing to force people into unions;

A ban on boycotts and on clauses in contracts which provide for boycotts against other employers;

A ban on economic waste in the form of "featherbedding", restrictions on output, unneeded employees, and refusal to allow new machines or processes to be used;

A modification of the doctrine of federal preemption so that state and local authorities can reassume their responsibilities in labor-management matters;

A prohibition against the use of union funds and union staff employees for partisan political purposes.

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[1]Labor unons are "boldly attempting to seize political control of the United States. . . . There has been no effort to conceal this power-grab from the nation. . . . The nation faces government responsive to the wishes of union leadership and no one else." (From an October 1956 speech by Cola G. Parker, NAM President, before the Economic Club of Detroit). Mr. Parker pointed out that the unions are using more than 60,000 full-time professionals to further their political program and "perhaps most effective of all, they are enlisting some two million campaign workers with the proclaimed objective of calling at every home in the land they can reach."..."With union leaders pulling strings behind the political scenes to run the country their way, we will have a vast extension of state socialism and welfare statism." Yet "many of the members who provide the resources . . . have different political ideas and objectives, and it is wrong for the officials of their unions to coerce them or commandeer and use union funds for these purposes."

In referring to the AFL-CIO Committee on Political Education (COPE), Raymond Moley wrote (Newsweek, October 15, 1956):

"Thus, with deliberate purpose and ruthless efficiency the political arms of the unions are making over Congress to suit their political objectives. . . .

"The Democrats have virtually turned over the campaign for Congressional seats to COPE. . . . An estimated 100,000 COPE cars will be working election day."

In preparing this report, it has been our objective to bring about public understanding of the basic problem of union monopolistic power and the sources from which this power comes. This report is concerned only with the public interest and with the preservation of the human rights and freedoms to which all are entitled in our democracy. It does not seek to benefit one group at the expense of another, but to make clear a situation which is harmful to all groups, including the unions themselves. Unions will not long continue to enjoy the confidence and good will of the American people, and the privileges of representing millions of American employees, unless they recognize that responsibility goes hand in hand with authority and reverence for individual rights goes hand in hand with power. It cannot be otherwise in a free society.