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AMERICAN LABOR and the AMERICAN SPIRIT



(Bulletin No. 1145)

UNITED STATES DEPARTMENT OF LABOR

James P. Mitchell, *Secretary*

U.S. BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*

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American Labor and the American Spirit

Unions, Labor-Management Relations,
and Productivity

by Witt Bowden

(Bulletin No. 1145)



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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., January 4, 1954.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a Bureau bulletin entitled *American Labor and the American Spirit*.

One purpose of the study was to provide the members of productivity teams visiting the United States under government auspices with background and insight into various aspects of our trade union movement. Beyond this, it was believed that the study would have substantial interest and use for many individuals and groups within the United States concerned with industrial relations problems.

The bulletin was prepared by Witt Bowden under the general direction of the Bureau's Division of Wages and Industrial Relations. Mr. Bowden, a former Bureau staff member, was Chief of the Office of Labor Economics.

EWAN CLAGUE, *Commissioner*.

Hon. JAMES P. MITCHELL,
Secretary of Labor.

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American Labor and the American Spirit

WITT BOWDEN

Chapter I.—Historical Background and Present Status of Labor Unions

Three Stages in American Labor History

Labor unions in the United States have attained in recent decades an unprecedented power and responsibility. Their earlier growth was less rapid than that of unions in many of the countries of Europe because of distinctive characteristics of the economy of the United States.

Three broad stages of development, corresponding to the economic evolution of the United States, have marked the growth of labor unions.

The first, covering most of the country's history, was an era of predominantly small-scale farming and manufacturing when there was a comparatively slight differentiation between labor and capital. Widespread opportunities for small-scale investment and for self-employment were maintained by the sparsity of population and by the process of expansion into unsettled areas. These conditions naturally minimized the feeling of need for labor organizations.

During the second stage, labor was progressively differentiated as a distinct group. A large and increasingly self-conscious wage-earning group emerged in connection with the growth of large-scale enterprises. Nevertheless, labor organizations remained comparatively unimportant

because many wage workers had not come to think of themselves as members of a distinct group in need of unions for maintaining group interests and because such efforts as were made to organize met with serious obstacles.

The third stage, extending to the present, has been a period of intensive and increasingly successful organization of workers. Wage earners have joined unions not so much from "class consciousness" (in the Marxian sense) as from acceptance of the basic American principles and customs of free association and collective self-help.

These three stages of labor history have no exact boundary lines either of time or of geography. The relative recency of industrialization, ethnic factors, and other causes have retarded the growth of unions in the South. In much of agriculture and in many service industries, there is still, in accord with the first stage, a merging of labor and capital; about three-fourths of American farm-workers, for example, are self-employed. In contrast, there were scattered local instances of third-stage labor behavior (group consciousness, organization, and deliberate group action) by the end of the 18th century, as when, in 1799, the Philadelphia Journeymen Cordwainers (shoemakers)

induced their employers to accept for a time a system of collective bargaining through joint representation.

Historical Merging of Labor and Capital

Opportunities for small-scale investment and for self-employment in the United States were associated historically with the advancing frontier and the colonization of the West under conditions of a liberal land policy.¹ In addition, saving for investment was widely stimulated by scarcity of capital and by an almost continuous expansion of opportunities for investment.

The United States remained largely agricultural until past the middle of the 19th century; and the usual type of farming has been described as a "way of life," with relatively slight dependence on a market economy. Not only farmers but also such groups as shopkeepers and the craftsmen who made things and kept them in repair were commonly both laborers and capitalists. A man who worked for hire, if ambitious and not peculiarly unfortunate, could generally acquire some land, or a small shop or store, or a fishing boat; or he could become a frontiersman in a largely self-sufficing economy.

Under the stimulus of the rapidly advancing frontier and the rapidly growing western communities, Thomas Jefferson's intellectual and somewhat theoretical democracy was transformed into the crude but vigorous democracy of the era of Andrew Jackson, President from 1828 to 1836. Important achievements of the democratic "revolution" were the removal of property qualifications for voting and somewhat later the general introduction of the secret ballot. Prior to the Civil War, of course, individual liberty and economic opportunity were not available to the Negro slaves. Slavery had gained impetus from the growing demand for cotton; but, while the areas of slavery became increasingly static, the "free soil" areas were dynamic and expanding.

There followed the era of preoccupation with economic expansion in the "free soil" areas and of conflict between the sections. The outcome was

the victory of the antislavery forces and of the forces of nationalism as opposed to sectionalism and States rights.

Long after the last geographical frontier had been passed, late in the 19th century, there still was magic in the West. Many of the traits of mind and personality in the United States today are traceable to our experience in expanding over the continent—traits such as energy, optimism, individualism, love of freedom from traditions and restraints. These traits were accentuated by the fact that most of the immigrants during the early period of colonization and later period of rapid settlement came to this country to escape from inequality, tradition, and arbitrary power and to find greater liberty and opportunity.

Increasing Importance of Hired Labor

After the Civil War (1861-65), hired labor became increasingly important. Negroes, freed from slavery, rose in some cases to the status of self-employment, especially as farm tenants; but prevailing in cities they became hired workers. To these were added the great numbers of immigrants, at first predominantly from northern Europe, later mainly from southern and eastern Europe. Cities grew rapidly, railroads were laid across the continent, and large-scale mining, milling, and manufacturing enterprises demanded many wage earners. These changes called for increased capital investments and a progressive concentration of hired workers in large establishments and enterprises. The worker, tending in the mass to lose his individual status and identity, began to feel the need for group organization.

Early Experiments in Unionism

Workers resorted in the main to the strengthening and expanding of the craft unions. Some of these had existed even in our early history on the models of the English and European craft guilds of journeymen, usually on a local basis. The interregional and national expansion of transportation facilities and markets and of corporate operations made necessary an adaptation of the local craft unions for dealing with questions arising out of industrial expansion and the increasing interregional flow of products and workers.

¹The most influential study of the frontier is Professor F. J. Turner's essay, *The Significance of the Frontier in American History*, first published in 1893, and conveniently available in *The American Reader* (pp. 99-115), edited by C. A. Simpson and Allan Nevins. Boston, Heath & Co., 1941.

Unions had to face many difficulties in dealing directly with employers on wages, hours, and conditions of work. Civil equality, including such basic rights as voting and holding office, appealed to many unions as affording a more effective way of improving the conditions of workers. Many unions were therefore diverted into the pursuit of political and oftentimes somewhat remote and Utopian aims. One of their political aims, however, was immediate and practical—the liberalizing of the public land policy. The success of that program, especially the enactment of the Homestead Act of 1862, actually retarded unionism because it strengthened the prevailing ambitions for self-employment and because it maintained the impression, increasingly ill-based but influential, that land was readily available to urban workers.

The tendency of unions, before the formation of the American Federation of Labor in 1881, to support broad political and idealistic programs at the price of the most effective dealings with employers was exemplified by the National Labor Union of 1866. This was the first effort to establish unionism on a national basis. Its preoccupation with cooperation and political programs brought about its undoing by 1872. In the meantime, a small local group of garmentmakers was organized in Philadelphia in 1869 as the Noble and Holy Order of the Knights of Labor. Various labor groups in other cities joined the Order, and by 1886 it could claim a nationwide membership of 700,000. But the membership was inflated (and diluted) by a polyglot inflow "from all branches of honorable toil;" and its effectiveness as a labor organization was made impossible by its advocacy of an indiscriminate program of political and social reforms. Even the Order's moderate aims of an 8-hour day and equal pay for women were generally viewed at the time as extremely radical. Its leadership was divided over the question of bargaining with employers for immediate gains versus long-term aims of basic change through political action.²

Unions were thus weakened by internal conflict. The sponsorship of political aims, especially those that would bring about basic economic and social

changes such as the abolition of the competitive system in favor of a cooperative commonwealth, aroused widespread hostility among the general public as well as employers. It was under these circumstances that "pure and simple" unionism gained ascendancy in a new federation of unions.

The American Federation of Labor

The Federation of Organized Trades and Labor Unions, forerunner of the American Federation of Labor, was organized at Pittsburgh in 1881. The Federation was made up of six craft unions: those of the carpenters, the cigarmakers, the glass workers, the iron and steel workers, the molders, and the printers. The leaders included Samuel Gompers of the cigarmakers. The new group was at first overshadowed by the Knights of Labor. The breakup of that organization began with its refusal, in 1886, to recognize the autonomy and jurisdiction of some of the large craft unions. These withdrew from the Order and together with the six unions of the Federation formed in 1881, they organized the American Federation of Labor, at Columbus, Ohio, in 1886.

The component unions of the new federation had substantial autonomy, and their practices and policies varied. These unions and the federation officials were in general agreement, however, as to the need for avoiding preoccupation with political aims and methods in favor of efforts designed to obtain directly from employers a maximum of benefits.

As early as 1883, Adolph Strasser, a close associate of Samuel Gompers and an outstanding leader, replied to questions in a Senate committee hearing regarding the "ultimate aims" of unions by saying: "We have no ultimate ends. We are going on from day to day. We are fighting only for immediate objects—objects that can be realized in a few years." When asked further: "You want something better to eat and to wear, and better houses to live in?" he replied: "Yes, we want to dress better and to live better, and become better citizens generally." Samuel Gompers himself, writing in 1919, stated: "The primary essential in our mission has been the protection of the wage worker, now; to increase his wages; to cut hours off the long workday, which was killing

² A convenient factual summary is in Brief History of the American Labor Movement, Bulletin No. 1000, Bureau of Labor Statistics, U. S. Department of Labor, Washington, D. C., 1951.

him; to improve the safety and the sanitary conditions of the workshop; to free him from the tyrannies, petty or otherwise, which served to make his existence a slavery."³

While union leaders generally avoided preoccupation with political aims and methods, especially those concerned with the hope of a radical transformation of society, they gave up no political or civil rights as individuals; indeed, they often tried to bring to bear the influence of their unions upon governments for the achievement of changes they viewed as desirable.

The leaders of the American Federation of Labor emphasized their opposition to political measures and proposals for radical social change partly as a protective coloration against attacks which had been fatal to earlier political unionism. The federation was in a sense a reaction against the Knights of Labor—its conglomerate composition, its far-reaching and unrealistic aims, and its vulnerability to attack by the general public as well as employers.

Early Slow Growth of AFL Unions

The American Federation of Labor for several decades made no spectacular gains. It gradually consolidated its position, gaining here a little and there a little and yielding when opposition seemed too powerful. Most of the influential unions sooner or later joined the federation. Outside of the federation were such diverse groups as the left-wing Industrial Workers of the World and the conservative railroad brotherhoods of operating groups or roadmen. By 1920, the high point of membership before the thirties, the federation counted somewhat more than 4,000,000 members in its affiliates, and the independent unions had somewhat less than a million members. Membership fell off during the twenties; the number of workers in unions in 1929 was somewhat less than 4 million. Further declines occurred during the economic depression of the thirties until in 1933 hardly 3 million workers retained union membership.⁴

³ E. Wight Bakke and Clark Kerr, *Unions, Management, and the Public*, pp. 30-32. New York, Harcourt Brace, 1948. (Quoting *Labor and the Common Welfare*, by Samuel Gompers, and *American Labor Dynamics*, edited by J. B. S. Hardman.)

⁴ *Handbook of Labor Statistics*, 1950 edition, p. 139, and 1951 Supplement, p. 47. Bulletin No. 1016, Bureau of Labor Statistics, U. S. Department of Labor, Washington, D. C., 1951.

Workers had succeeded in forming strong and stable organizations, especially in the skilled and semiskilled trades; but the unions failed to make gains and even suffered losses during a period when industrial changes appeared to intensify the need for organization. Large-scale enterprises gained rapid momentum in the early decades of the present century in such basic industries as milling, meat-packing, lumbering, mining, transportation, and the smelting and refining of metals. Other influences included the extension of markets by railroads and later by motor transportation; the large-scale capitalization of market operations; the commercializing and, in part, even the mechanizing of many forms of recreation; and the development of machines and power devices requiring for their utilization large aggregations of capital and centralized management. The need for unions was comparatively slight in our early history of widespread opportunities for self-employment and of wage labor in small-scale enterprises; more recently, and certainly during the early decades of the present century, the need for concerted action was intensified. Why, then, was there a lag in union membership and strength? There were several causes.⁵

Workers were influenced by the sway of "property" concepts. Many workers still hoped to attain self-employment in small businesses of their own or as "independent" farmers. Mobility of workers in changing jobs was accelerated by private automobiles and new public-transportation systems, and also by rapid changes in industrial techniques. At the same time, mass production techniques produced major changes in the content of jobs, reducing skills and increasing specialization and repetition. These changes tended to break down union loyalties and to create new problems of adjustment for unions, which were organized prevailingly on occupational and craft lines.

Employers found it difficult to reconcile themselves to unionism of either the "political" type or the "business" type. Influential economists and businessmen continued to think in terms of the individualistic or "atomistic" doctrines of an earlier period. The public interest, it was held, is

⁵ H. A. Millis and R. E. Montgomery, *Organized Labor*, pp. 150-171. New York, McGraw-Hill, 1946.

best maintained automatically by the free competition of the market place; and businessmen perhaps naturally were not too much concerned about the actual existence or maintenance of competition except in the labor market. They generally (but with important exceptions) combated unionism by a variety of means. They used legal procedures such as court injunctions and damage suits. They widely maintained a policy they described as "the open shop," using it in effect to deny recognition and collective bargaining rights to unions; that is to say, to close their shops to effective unionism. They often planted company detectives ("spies") in their shops and also in unions. They maintained and widely circulated among themselves "black lists" of active union members. They resorted to the "yellow dog" contract (requiring workers to agree not to join unions). They made extensive use of "professional" strikebreakers. When unions were strong and well established, notably in the period just after World War I, many employers resorted to "flank attacks" by forming "company" unions; by sponsoring "employee representation" plans under strict company control and limited to a single plant or company; and by adopting paternalistic employee "welfare" plans.

Laws and judicial doctrines and procedures (discussed later in detail) were on the whole unfavorable to unions. Before the enactment of the Norris-LaGuardia Anti-Injunction Act of 1932, employers could readily obtain injunctions in the courts to prevent work stoppages and boycotts. Government under *laissez faire* was theoretically neutral but under conditions which in effect disadvantaged workers in tests of strength with powerful employers. The basic rights of free assembly, free speech, and free association, embodied in the Bill of Rights and in Federal and State constitutions and laws, were often nullified, under conditions of inequality of strength of the parties, through lack of positive governmental protection of the rights.

Up to World War I, an extremely rapid and heterogeneous inflow of immigrants tended to flood the labor market. Their comparatively low living standards and their lack of knowledge of our language, customs, and traditions created grave problems of assimilation and set up tensions among workers competing for jobs. The floodtide of immigration thus aggravated for many years the dif-

ficulties of maintaining the membership and strength of unions. In time, however, these workers from other countries became bulwarks of unionism.

During the economic depression beginning in 1929, the intensified competition for jobs raised new obstacles in the way of progress toward strong unions.

Recent Growth of Unions

The nearly 3 million workers who retained their union membership even during the depth of the depression in early 1933 formed nuclei or centers of vitality which gave promise of rapid growth under more favorable conditions. That those conditions soon came about is apparent from the rapid increase in membership in the thirties and the continued rise to nearly 17,000,000 members in 1953.

The recent rapid growth of unions is not to be explained merely as a response of unions to the basic needs of workers, such as collective action for individual security, because those needs already existed and the best efforts of unions had brought no marked success in meeting them. Recent relatively rapid progress was made possible by the removal of obstacles in the way of unionism.

One of the obstacles had been a prevailing point of view or attitude of mind compounded of such traits as individualism, *laissez faire*, and ambitions for self-employment. A change in mental attitudes, which had been gradually emerging, was accelerated by the economic depression of the early thirties. A rapid rise in the bankruptcy rate and in the foreclosure of mortgages and the widespread loss of savings notably through bank closings and the depreciation of stocks and bonds—such changes as these, accompanying widespread unemployment, made apparent to all groups the need for new ideas and new measures. Unionization was stimulated by the success of wage earners, in collaboration with farmers and businessmen, in transforming traditional *laissez faire* attitudes into policies and programs of positive action by governments, especially the Federal Government.

Specifically, in relation to unions and labor-management relations, the most important change in public policy was the adoption of a program for

removing obstacles in the way of freedom of association and collective bargaining. Technically, unions were already free to organize, but the "neutrality" or "hands off" policy of Government had in fact added to the strength of the already stronger party by permitting management to interpose many obstacles in the way of organization and especially in the way of the use of unions for effective bargaining. The new policy of Government went beyond the establishing of union rights firmly on a statutory basis; it also set up administrative machinery, notably the National Labor Relations Board, to protect those rights.

Employers at first widely opposed the new governmental policies embodied in the National Labor Relations Act (Wagner Act) of 1935, but gradually accepted them. Some significant limitations on union activities were adopted in the Labor Management Relations Act (Taft-Hartley Act) of 1947, but unions and collective bargaining were accepted as the institutions and procedures for determining labor-management relations.

Changes in Unionism: "Dynamic Adaptability"

The new governmental policies, the widespread acceptance of unionism by management, and rapid changes in occupations and industrial techniques, stimulated significant changes in unionism itself. The efforts to achieve a better adaptation gave rise to conflicting views, especially those which culminated in the splitting of unions into the two main groups, the American Federation of Labor and the Congress of Industrial Organizations. That schism itself, however unfortunate, tended to stimulate organizing work. Especially significant was the progress made by both the AFL and the CIO in meeting the needs of workers in the great mass-production industries. Little success had been made earlier in organizing these industries.

Another significant change in the union movement was the response of union leaders to the protective policy of government and to the general acceptance of unions by management. When union leaders had found it necessary to think primarily in terms of fighting for the recognition and even the survival of their unions, they had occasion to resort to militant organization and

more or less arbitrary power to meet emergencies, and they were required to maintain an attitude of belligerency. More favorable conditions led many unions to modify their traditional militancy and to emphasize peaceful and orderly procedures. A larger use of political measures to gain their general ends and the spread of peaceful bargaining to gain the immediate objectives of satisfactory labor-management relations brought about a system of industrial "law" and "jurisprudence" in areas where the alternatives formerly were either complete and arbitrary control by management or resort to tests of economic strength to limit the power of management.

The recent growth of unions has given them such strength and status as to cause an outstanding scholar in the fields of economics and labor-management relations to assert that we are now in, or are entering, the era of a "laboristic society."⁶ He has defined this as follows:

" . . . employees are the most influential group in the community and . . . the economy is run in their interest more than in the interest of any other economic group. A community composed almost entirely of employees must be expected to have its own distinctive culture—its own scale of values, its own industrial institutions, its own public policies, and its own jurisprudence. . . . "

That point of view has validity only on the basis of a limited and modest interpretation of the term. Workers' organizations themselves have rarely aimed at more than general acceptance by the community on a basis of equality and mutuality in accord with the principles of free association. American trade unions have rarely accepted theories of class ascendancy such as those associated with the doctrine that value is exclusively the product of labor. Nor have they commonly thought of the product, however created, as limited or predetermined in amount, with an increase in the amount for one group requiring a decrease for others. Instead, these unions, especially in recent years of emphasis on productivity, have thought of production as accruing not merely from their work but rather from the use and improvement, by all groups, of nature's resources and of the common store of technical knowledge.

⁶ Sumner H. Slichter, *The American Economy: Its Problems and Prospects*, pp. 7-13, 213-214. New York, Knopf, 1948.

Unions as economic institutions have been concerned with defining and safeguarding the wage earners' interest in the social product. This has been undertaken directly by wage programs and indirectly in various ways, including efforts to reduce hours, improve working conditions, and achieve favorable public policies (e. g., in such fields as taxes, education, and social security). Unions seek to obtain these benefits and to achieve their other aims through the democratic procedures of collective bargaining with employers and of participation, through their individual members and as free associations, in political activities and community life.

The necessarily limited role of present-day unions is indicated by a comparison of union membership with the entire labor force—the labor force is nearly four times as large as the number of workers in unions. The term labor force, as used in the United States, includes self-employed workers; salaried workers as well as wage earners; casual and temporary workers; and those who are not at work but are looking for jobs. Various groups of hired workers, as well as the self-employed groups, lie beyond the natural scope of unionism. Many of these, however, have organizations which perform group-interest functions

similar to those of labor unions. Associations of this nature are prominent, for example, among farmers, physicians, lawyers, engineers, school teachers, college professors, and managers.⁷ Efforts have been made to bring about a measure of collaboration between unions of wage earners and some of the other associations, particularly those of farmers; but the ideal mutuality of interests of "productive" workers has met with too many obstacles for embodiment in tangible programs. Some professional workers, however, such as actors, musicians, airline pilots, and others, have formed unions affiliated with the major federations.

The present status and role of unions are still controversial; and industrial conflict is still and will no doubt remain a part of the American scene. Nevertheless, during the past two decades a highly significant transformation has occurred. Unions emerged rather slowly out of our distinctive environment and history and have now grown rapidly to substantial maturity to play a vital role in one of the most critical periods of our own and the world's history.

⁷ Herbert R. Northrup, "Collective Bargaining by Professional Societies," in *Insights Into Labor Issues*, pp. 134-162, edited by Richard A. Lester and Joseph Shister. New York, Macmillan Company, 1948.

airline pilots), or members of a number of related crafts (as bricklayers, masons, and plasterers), or various kinds of workers in a plant or a community (as all of the workers in a coal mine).

Thus, the national union comprised of locals (or the international union if provision is made for the chartering of Canadian locals) may be a single-craft union, or a multiple-craft union, or an industrial union, or a multiple-industry union. In recent decades, many unions have tended to become mixtures of craft and industrial unionism.

In addition to membership in their national or international unions, locals in a particular community (Pittsburgh, Pa., for example) usually form local federations known as city "centrals," or "councils." Since the splitting of the labor movement into the American Federation of Labor and the Congress of Industrial Organizations, the locals in the larger communities have formed two groups. Beyond the city groups are State federations or councils, as the Illinois State Federation of Labor (AFL) and the Illinois State Industrial Union Council (CIO), also affiliated with one or the other of the two national groups, as are some locals which are not affiliated with any national union.

Importance of the Local Union

The strength of a national union depends on the vigor and loyalty of its locals. The combining of locals of various communities came about as a result of changes which impaired the strength of the isolated local. These changes included the expansion of local markets into regional and national markets; the increasing mobility of workers as well as investments and trade; and the bringing in of nonunion craftsmen by employers to combat the demands of local journeymen's unions. The associations of locals were the forerunners of modern international craft unions, such as the International Molders' Union, the International Typographical Union, and the Journeyman Tailors' Union, now fused with the Amalgamated Clothing Workers.

When national unions and federations of nationals acquired strength, organizing drives often led to the formation of locals by nonlocal initiative and support. The growing interdependence

of locals, especially in employments with expanding and nonlocal markets and fluid occupational requirements, tended to reduce the relative importance of locals and to centralize union activities and functions. The negotiation of agreements, for example, is increasingly performed by district unions or regional groups of locals or by the national unions, especially in employments dominated by nonlocal markets. The day-to-day plant relations, however, and particularly the ordinary grievance procedures, are still handled to a large extent by the local unions.

This trend is analogous to developments in the sphere of political administration: local and State governments, although retaining vitally important duties, have come to be somewhat overshadowed by the activities of the central government—activities made necessary by the intricate national and international problems of assuring high levels of production and employment, maintaining defense, and administering such comprehensive programs as old-age and survivors' insurance. Nevertheless, the vigor of national unionism, no less than that of National Government, is still nourished by active local institutions.

More than 70,000 local unions are affiliated with the national unions, and many locals are affiliated directly with the American Federation of Labor and the Congress of Industrial Organizations. In size, locals range widely. The craft unions frequently have small locals, but there are notable exceptions, as in some of the citywide locals of the International Typographical Union. The unions in the mass-production industries, such as automobile manufacturing, often have locals with thousands of members. Some locals are in reality amalgamations or in a sense federations of a variety of local groups.

The government and functions of local unions are extremely diversified. At the same time certain characteristic features can be concisely described in general terms.⁸

Locals almost always have written constitutions and bylaws. They elect their officers, usually for 1 year; members must be duly notified of pending elections; open nominations and secret bal-

⁸ Florence Peterson, *American Labor Unions: What They Are and How They Work*, chapter 5. New York, Harper and Brothers, 1945.

loting are generally required. Officers of small locals (president and secretary-treasurer) may continue their regular work and look after union affairs without salary, but many locals employ paid "business agents" who bear the brunt of the local's routine work and maintenance of relations with employers. Larger locals have paid officers and employ staffs additional to the business agent.

Shop stewards, varying in number with the size of the local and the nature and variety of the work of the members, are chosen as a rule in each establishment on a departmental basis. The stewards, who are themselves workers, maintain most direct and intimate relations with individual members of the union, particularly through handling grievance procedures at the shop level.

The relations of a local to other locals and to the national union to which it belongs are maintained by the election of delegates to represent the local. These delegates serve on city centrals or councils; or on joint boards or district councils, which may handle such problems as the negotiating and administering of local or regional agreements with employers and the settling of jurisdictional disputes among unions; and they represent the local in the convention of the national union, which is that union's highest governing body. The membership dues, ranging widely, are shared in varying proportions by the local and the larger groups with which it is affiliated, particularly the national union.

National (or International) Unions

The 1953 Directory of Labor Unions in the United States⁹ lists 215 unions (nationals and internationals). Of these, 109 were affiliated with the American Federation of Labor and 33 with the Congress of Industrial Organizations; 73 other unions, usually called "independents," were affiliated with neither of the two main groups. Union affiliations were substantially affected by the expulsion from the Congress of Industrial Organizations, after World War II, of several Communist-controlled unions and the assignment of their jurisdiction to either existing or newly

organized unions. The most notable example was the organization of the International Union of Electrical, Radio, and Machine Workers, which attracted a large proportion of the membership of the expelled union, the United Electrical, Radio, and Machine Workers.

The diversity among national unions is exemplified by the range in the size of the national unions and of their locals. In January 1952, there were 23 national unions each of which had fewer than a thousand members; and there were 7 unions each of which had more than 500,000 members. The United Automobile, Aircraft, and Agricultural Implement Workers (UAW-CIO) had nearly 1,200,000 members and only 1,150 locals and some of these had many thousands of members; the National Association of Letter Carriers (AFL) had more than 4,000 locals with a total membership of only about 95,000. In types of government, in range of activities, and in the degree of integration in the labor movement, unions also exhibit great diversity.

The supreme governing body of a national union is its convention. Most of the unions hold conventions either every year or every other year. Delegates from the locals form the convention, which elects the union's officers to serve until the next convention meets. The convention handles larger questions of policy and organization and has power to amend the union's constitution. Some unions, including several of the large ones, have arrangements for referring some types of questions to a membership vote for decision. The officers, including an executive board, govern the union between conventions. The larger unions also have extensive staffs, appointed by the officers.

The aims of the officers and their staffs include basically the survival of the union and its growth in strength. The strength of the union is affected by its dealings not only with employers but also with other unions, especially when disputed jurisdictions are involved or when there is rivalry for favorable terms in collective agreements, or when concerted action among unions is needed in supporting governmental policies desired by labor.

The unfavorable environment in which unions developed and the struggle for survival against hostile employers and neutral or unfriendly gov-

⁹ Directory of Labor Unions in the United States, 1953. Bulletin No. 1127, Bureau of Labor Statistics, U. S. Department of Labor, Washington, D. C., 1953.

ernments put a premium on quick, centralized decision making. A more general recent acceptance of unions and collective bargaining has tended to broaden and liberalize the control of union policies. The officers of unions, like the officers of many other types of associations, have a strong position and in some unions they have at times exercised almost unrestricted power. In most of the unions the conventions retain the final power of decision and actually exercise their power on issues of a vital nature.

The AFL and the CIO

The apex of union structure and organization is the federation of national unions, or national trade-union center. Before the schism of the thirties, most of these unions were affiliated with the American Federation of Labor. In 1935, jurisdictional questions came to a head in the federation's convention. Certain unions, such as those in automobile, radio, and rubber industries, were denied their demands for industrywide jurisdiction because of the conflicting claims of the older unions for jurisdiction over certain occupational groups in these industries. As a result of this controversy, eight of the Federation's affiliates formed, in November 1935, a Committee for Industrial Organization. Later, several other unions in the federation joined the committee, and unions of newly organized workers, together with some unaffiliated unions, furnished additional strength. Efforts at compromise and reconciliation failed, and in 1938 the AFL expelled the members of the committee on charges of establishing "dual" unions. Later in 1938, the Committee for Industrial Organization was transformed, by a constitutional convention, into the Congress of Industrial Organizations.¹⁰

The split of the labor movement into the two major groups was accompanied by much controversy and by many hard words exchanged between rival leaders. The two groups of unions, however, have managed on the whole to live together successfully and even with a considerable measure of concerted action, usually of an informal nature, with recurring discussions of organic unity. Pro-

fessor Lloyd G. Reynolds has aptly described the actual relationship:¹¹

The AFL-CIO rivalry is sometimes dramatized as a profound difference of principle between the two groups. Actually, the two are similar in organizational structure and general objectives; and they are more similar today than they were in 1935. Both are loose federations with primarily political functions; collective bargaining functions rest with the constituent national unions. The great majority of both CIO and AFL unions are "business unions." They operate primarily through economic pressure on employers, they are distrustful of theorists and abstract principles, they follow the Gompers line of "More, more, more—now!" The differences in the bargaining tactics of the CIO unions spring from the nature of the industries in which they operate rather than from differences of principle.

Differences between the two organizations certainly do exist. Almost all CIO unions are of the industrial type; only a minority of AFL unions are industrial, though these include several of the oldest and largest. The CIO leaders are something like 15 years younger on the average than those of the AFL, and are correspondingly flexible in policies and tactics. To a considerable extent, indeed, the rise of the CIO has been simply the rise of a new generation of union leaders. CIO headquarters exercises somewhat more influence over its affiliated national unions than does AFL headquarters, partly because many of the new industrial unions were organized from CIO headquarters. The CIO is perhaps more interested than the AFL in labor political action, though in recent years the AFL has been moving increasingly in this direction. On the whole, the differences seem less important than the basic similarities between the two organizations.

Union Organization and Industrial Change

Diversity of organization and institutional form has advantages. The existence of rival and competing unions is an indication of a basic process observable among institutions of all types in a free and flexible society. Institutions, once organized, tend to maintain the status quo in the face of circumstances calling for change and flexibility. The setting up of rival institutions is often a means of counteracting a natural tendency toward institutional rigidity or ankylosis—"a stiffening of the joints."

Labor unions came into being in an earlier society when economic processes and occupations survived from generation to generation without

¹⁰ Florence Peterson, *American Labor Unions*, pp. 27-29.

¹¹ Lloyd G. Reynolds, *Labor Economics and Labor Relations*, p. 109. New York, Prentice-Hall, 1949.

radical change. "Once a cobbler, always a cobbler." Shoemakers, carpenters, tailors, and numerous other craftsmen had well-defined and stable jobs; furthermore, the traditional crafts met a large part of the market needs for fabricated goods and for services. Occupational traits and interests formed a natural basis of association. Workers belonging to the various crafts naturally sought to maintain their comparatively high status.

Recent technology and industrial organization interfered with occupational status and the occupational basis of unionism in two ways: Many occupations become obsolete or obsolescent; and traditional craftsmanship, even when it survived, lost its relative importance. Men's tailors, for example, gradually found that they had fewer and fewer customers because men were buying more and more of their clothing as "readymade" (not "made-to-order") garments produced in factories, by men of new and specialized techniques, and sold in retail stores. Changes of this nature, typical of a large part of our economy, gave rise to a more detailed division of labor affecting occupational boundaries; they also brought about a constantly changing specialization and caused a constant fluctuation in the boundary lines of occupations or, more precisely, of industrial techniques.

Obviously, if workers (for example, in men's clothing, and indeed in a large and expanding part of our economy, embracing services as well as the making and selling of commodities) were to maintain effective unions, it would be necessary to transcend the traditional craft or occupational basis of unionism. The establishment of a new noncraft basis for workers using the newer industrial techniques was only a part of the problem. It was necessary also to avoid or to minimize the overlapping of union boundaries, that is to say, to prevent disruptive controversy over the conflicting claims of different unions to "jurisdiction" over the same industry or the same area of employment or the same group of workers.

Before the CIO was formed, the AFL and its component unions had recognized these problems and had made some progress toward workable relationships. Some of the federation's unions were simple craft unions, but there were industrial unions in the federation, and most of its unions included a variety of crafts and occupations.

Some were "compound" unions, with members "engaged in interrelated crafts and processes or in closely allied trades that are competitive or substitutive in nature." This type of unionism was noteworthy in the building trades and the metal and machine trades. Many of the federation's unions had departed so far from simple craft unionism as to become quasi-industrial unions; they tended to recognize occupational boundaries in their locals, but their amalgamation of earlier craft unions and their organizing activities were designed to include an entire industry or at least a major branch of an industry.¹² There were even multiple-industry unions in the federation before the split, as the Brewery, Cereal, and Soft Drink Workers Union. In other cases, as for automobile workers, the AFL had organized federal labor unions chartered directly by the federation.

Unions have been confronted with far more complex questions of structure and jurisdictional boundaries than merely whether to take the form of a craft or an industrial union. No completely logical or rational procedure is possible.

Where unions retained jurisdiction over craftsmen in the various industries (for example, electrical repairmen, painters, machinists), these groups placed obstacles in the way of an industry-wide union organization on noncraft lines. At the same time there remained in each industry groups of workers, without distinct craft connections or with fluid job specifications, who could organize, if at all, only on some noncraft or non-occupational basis. Changes and adjustments of various kinds were made under the influence of the federation's officials. But the federation recognized the substantial autonomy of its component unions; and the efforts of these powerful unions to protect their jurisdictions prevented the flexibility necessary to preserve the unity of the labor movement.

Problems arising out of the quasi-static structure of unions in a dynamically fluid environment are illustrated concisely by a recent writer:¹³

Conflicts arise when a union seeks to continue its jurisdiction over the function performed, regardless of new materials or processes which may be intro-

¹² L. L. Lorwin, *The American Federation of Labor*, pp. 305, ff. Washington, Brookings Institution, 1933.

¹³ Florence Peterson, *American Labor Unions*, p. 225.

duced; or when a new process arouses a desire for a new craft autonomy. Thus the Carpenters' Union has had many disputes with the Sheet Metal Workers, Structural Iron Workers, and Machinists as steel and other metals were substituted for wood to perform essentially the same function. The Bricklayers have clashed with the Glaziers when glass blocks were substituted for bricks and stone. The discovery of acetylene torches not only brought disputes between the Blacksmiths and Machinists but gave rise to a new Welders' Union which is now in conflict with the older metalworking unions. The introduction of the offset process in printing occasioned an unresolved conflict between the Lithographers', Pressmen's, and Photoengravers' unions.

The national unions have retained their autonomy but have sought means to avoid jurisdictional work stoppages, partly because of a natural dislike of public intervention. Both the AFL and the CIO have developed procedures for adjusting the rival claims of their component unions. The Building Trades Department of the AFL, for example, in collaboration with the Association of General Contractors representing employers, set up in 1948 a National Joint Board for the Settle-

ment of Jurisdictional Disputes. By early 1952, all CIO unions had entered into an "agreement governing organizational disputes" and had arranged for an impartial arbitrator.

One form of public intervention has been widely acceptable as well as effective in resolving conflicts between rival unions in the AFL and the CIO and between affiliated and independent unions. The National Labor Relations Board and, in railroad transportation, the National Mediation Board are authorized by law to hold elections in unresolved disputes among unions and to certify the union which obtains a majority as entitled to representation for collective bargaining in a specified collective bargaining unit. Thousands of elections have been held; and democratic procedure in determining the preferences of workers actually on the job has been a highly significant means of promoting adaptations of union structure to changing conditions as viewed by the members of unions. Limitations on jurisdictional work stoppages imposed by the Taft-Hartley Act were generally opposed by unions.

Chapter III.—Collective Bargaining

What Collective Bargaining Includes

Unions carry on many activities, but in the highly specialized and impersonally organized industrial establishments of today, collective bargaining is the main reason for the existence of unions. Collective bargaining is the central fact, the focal procedure, of labor-management relations.

There is no precise agreement as to the definition of collective bargaining, but usage tends to give a broad meaning to the term. The various phases of the process are described by the editor of a recent compilation of cases:¹⁴

The phrase "collective bargaining" is sometimes restricted to the legislative act of the creation of the charter of relations between the parties. At other times, the term is used to include the discussions between management and union representatives under the agreement. These discussions may be of mixed character; they may constitute the administration and interpretation of the agreement or they may consist of the creation of supplemental agreements. The administration of a contract involves judicial elements, interpreting the meaning of particular sections of the agreement. The creation of supplemental agreements is a return to legislative action. In actual practice it is frequently impossible to separate these elements in discussions between the parties under an agreement. As a consequence, general usage loosely applies the term "collective bargaining" to all discussions between representatives of unions and managements. It is desirable for many purposes, however, to distinguish the general process of creating an agreement or supplemental agreements and the process of interpreting and administering an agreement on a day-to-day basis.

Strikes and Collective Bargaining

An understanding of the process of negotiating collective agreements calls for an answer to the question: What is the relation of the strike to collective bargaining?

Collective bargaining is the normal peaceful procedure for resolving conflicts of interests and points of view. Nearly all of the more than 100,000 agreements in force at a given time are peacefully renegotiated and new agreements are constantly being adopted. Nevertheless, since by its essential nature, collective bargaining is a voluntary process, it does not necessarily result in agreement. In particular areas of employment, such as vital public utilities, some form of public intervention to prevent organized or concerted work stoppages is viewed as essential even in times of peace. Normally, however, in ordinary private enterprises, the final resort in bringing about an agreement is the exerting of pressure by means of a work stoppage—a strike or a lockout.

Strikes in the United States have been almost wholly economic rather than political and have been undertaken, with rare exceptions, for obtaining limited and specific economic results—the improvement or maintenance of wages or hours or conditions of work, or the safeguarding of basic rights of union organization and collective bargaining. Neither the general strike nor any limited form of the political strike has ever been viewed favorably by any large or influential group of workers in the United States. The main reason is to be found in the availability of political methods—the ballot, eligibility for office, and freedom of association for political as well as economic objectives.

The simple economic strike for limited objectives has survived as a basic right because no practical alternative has ever been devised within the framework of our civil liberties and our constitutional prohibition of involuntary servitude. The extent of strike activity has varied widely, with no decisive long-term trend. Strike activity has tended to decline during wars and national emergencies and to increase during periods of postwar readjustment. The main observable changes relate to the character of strikes. There has been a highly significant decline in violence accompanying

¹⁴ John T. Dunlop, *Collective Bargaining: Principles and Cases*, p. 67. Chicago, Richard D. Irwin, Inc., 1949.

strikes, notably since the middle of the thirties. Employers themselves, especially since their general acceptance of unionism and collective bargaining, have upheld the right to strike in preference to compulsory arbitration or other available alternative.

The place of the work stoppage in the United States is well defined by a prominent scholar and public administrator in the following statement:¹⁵

In collective bargaining, there is but one way—note, one way only—for determining the conditions of employment. That is by an agreement between management and organized employees. Under these circumstances, understanding of the strike and lockout cannot be secured merely by talking about them as “rights.” The strike and the lockout have definite functions to perform. They are accepted devices for resolving the most persistent differences arising in an employment relationship where differences must be resolved by agreement. . . . Although the strike has its own obvious conflict characteristics, it can more fundamentally be viewed as a mechanism for resolving conflict. This requires a recognition of the fact that the critical conflict is over the terms and conditions of employment. A simple elimination of the right to strike would soon make clear the necessity for inventing some other device for resolving the underlying conflict.

Bargaining Units: Who Bargains With Whom

More than 100,000 collective agreements are in effect at a given time; these are negotiated by a great variety of agencies representing both parties, in application to an immense diversity of workers and employment conditions. A local union of a single craft, as patternmakers, may deal with a local company in a single plant for an agreement covering its members. The possibilities for coverage in bargaining range from this simple local situation to national bargaining in a great industry, as when the United Mine Workers has entered into a national master agreement with associations of bituminous-coal operators, with regional and local adaptations of the agreement. An even more complex bargaining situation is the case of the various unions, usually 15, of nonoperating railroad employees (representing, among others, such groups as shopmen, maintenance-of-way men, freight and baggage handlers, and office clerks) when they engage in joint nego-

tiations with the great regional associations of railroad companies for a national agreement.

From the union's point of view, the bargaining unit may be a single local union; or city locals acting jointly; or a regional grouping of locals; or the national union; or even a group of national unions. The bargaining may be carried on with the management of a single company or with an association of employers, on either a local or a nonlocal basis. From the point of view of the workers affected, the coverage ranges from a single occupation in a local plant to all types of workers in an industry on a national basis.¹⁶

There is no clearly defined or generally accepted procedure by which unions and managements privately determine the bargaining unit. An outstanding tendency, resulting from several economic forces, has been an increase in the size of bargaining units. Markets have tended to become national. Large corporations have established plants throughout the country. Local crafts have tended to lose their distinctive characteristics and their relative importance. National unions have become increasingly powerful, especially in mass-production industries, and have tended to take over bargaining functions on a regional or national basis, although local bargaining continues to be predominant in many industries.

Public agencies, by settling disputes about representation rights, have had much to do with determining appropriate bargaining units, or with answering the question: Who bargains with whom? Especially noteworthy has been the work of the National Labor Relations Board, but before it was created in 1935, another agency, the National Mediation Board, had begun its work in representation cases in the railroad industry. Under the Wagner Act, the National Labor Relations Board held secret ballot representation elections upon petition by unions or employee groups; under the Taft-Hartley Act, employers also have the right to petition for elections.

Before the public agency (ordinarily the National Labor Relations Board) can decide what workers are eligible to vote, it must determine what is the appropriate bargaining unit. In a large

¹⁵ George W. Taylor, “Collective Bargaining in a Defense Economy,” in Proceedings, Third Annual Meeting, Industrial Relations Research Association, 1950, p. 4.

¹⁶ On types of bargaining units, see Bulletin No. 908-19 (pp. 5-18), Bureau of Labor Statistics, U. S. Department of Labor; Florence Peterson's *American Labor Unions*, pp. 191-198; Joseph Shister's *Readings in Labor Economics and Industrial Relations* (New York, Lippincott, 1951), pp. 195-232.

proportion of cases, the parties, unions and managements, agree as to the appropriate unit. But disputes naturally arise. Thus, one union may insist on a particular occupation in a particular plant or group of establishments as the most suitable bargaining unit; another union may claim all the workers in the plant or in the employment of a company. Changes in techniques or other causes may give rise to disputed jurisdiction over the same group of workers. A company may insist on its plants being viewed as separate bargaining units because unionism may be strong in some plants and weak in others; a union may insist that all of the company's plants be combined into one unit. When there is conflict, existing practices, if relevant, are considered by the public agency. In any event, various criteria have been worked out and applied in the thousands of cases in which public agencies have been called upon to determine the bargaining unit.

Many public determinations of the bargaining unit naturally fail to please either the unions or the management or both. Craft unions, especially, were critical of many determinations during the rapid rise of industrial unionism; and some general fears were expressed because of the tendency toward the expansion of bargaining units on a national basis. The Taft-Hartley Act of 1947 limited the power of the National Labor Relations Board to deny separate bargaining representation to an individual craft.¹⁷

In summary, conflicts are resolved by public determination of the appropriate bargaining unit and by secret vote of the workers themselves, in the bargaining unit, to determine which union, if any, must be recognized by the employer for bargaining purposes. The law thus makes multiple representation impracticable in cases of conflict resolved under the law; in effect, it prevents separate bargaining by unions representing minorities in the bargaining unit.

The Negotiation of Agreements

The collective bargaining agreement is the organic law governing the day-to-day relations be-

¹⁷ On the public determination of the bargaining unit, see Harold W. Davis, *Contemporary Collective Bargaining*, pp. 40-46; Neil W. Chamberlain, *Collective Bargaining*, pp. 197-199; L. G. Reynolds, *Labor Economics and Labor Relations*, pp. 278-282.

tween the employer and the union membership in his organization or plant. The negotiation of this instrument, a written document under American custom, is but a single event in the continuous process of human relationships at the plant level. The circumstances which surround this event and the mutual understanding and accommodation which enter into the terms, will have a direct bearing on the success of the collective bargaining process.

A successful relationship can hardly be maintained in a hostile atmosphere in which the parties are suspicious of each other and of the intent of the terms of agreement. Constant discord may be the result in the day-to-day relationships, with disagreements over the terms, worker discontent, and threats of strikes or actual recourse to work stoppages. In some instances, effective collective bargaining relationships have developed by the sheer necessity of day-to-day accommodation to ensure the success of the enterprise. In others, however, overt conflict in strike action finally tempered the relationship, culminating in a new spirit for the determination and administration of the agreement.

Agreements negotiated in a spirit of mutuality, on the other hand, provide a salutary climate for rapid and full growth of the collective-bargaining process. The agreement then assumes its appropriate role of aiding in the development of successful labor-management relations.

The machinery for contract negotiation includes bargaining committees composed of officials, who are usually aided by specialists. The larger unions have come to depend increasingly on their own research staffs. Some of these unions, and more commonly the smaller unions, engage consultants for the preparation of briefs and often for the actual presentation of evidence. An outstanding change in recent years is the increase in the use of factual data in support of the claims advanced in the course of negotiations and also in efforts to win popular support.

Provisions of Collective Agreements

The subjects covered by the more than 100,000 collective agreements currently in force in the United States have been classified by Professor Lloyd G. Reynolds under 5 heads to include, in his

view, probably 80 to 90 percent of the significant provisions of all agreements:¹⁸

1. *The structure of the agreement.* This includes provisions concerning the scope and purpose of the agreement, duration of the agreement, and method of extending or renewing it, prevention of strikes and lockouts during the life of the agreement, enforcement of the no-strike clause, and handling of grievances arising under the contract.

2. *The status and rights of the union and management.* Under this heading come clauses dealing with recognition of the union, voluntary or compulsory union membership, union participation in hiring, checkoff of union dues, union activity on company property or company time, and "management prerogative" clauses providing that certain kinds of decisions are within the sole discretion of management.

3. *Amount and method of compensation.* This includes provisions concerning the basic wage schedule and general changes in this schedule; the method of wage payment and, if a piece rate or incentive system is used, the extent of union participation in the administration of the system; the setting of wage rates on new or changed jobs; wage increases for individual workers on a seniority or merit basis; and a wide variety of indirect or supplementary wage payments to workers, including pension funds, "health and welfare" funds, vacations with pay, paid holidays, night-shift premiums, pay for "call-in" time and travel time, and dismissal compensation.

4. *Control of job opportunities.* This includes all provisions concerning the filling of vacancies and the worker's tenure of the job. More specifically, it includes clauses dealing with hiring and discharge, apprenticeship periods, promotion and transfer, layoff and reemployment, and the method of preparing and maintaining seniority lists.

5. *Work speeds, work methods, and working conditions.* This includes the determination of proper work speeds—size of machine assignments, proper speed of assembly lines, time standards under incentive systems, and similar matters; regulations concerning methods of work which may be used, the amount of work to be done in a certain time, the number of workers to be hired on a job, and so on; and working conditions of every sort, including health, safety, sanitation, heating and lighting, and ventilation. Under this heading we shall place also rules concerning the length of the workday and the workweek, though these might be regarded as forming a separate category.

Only the agreements covering larger and more complex bargaining units have the profusion of detail suggested by the above analysis. The agreements of today, however, differ significantly from earlier agreements in the inclusion of many sub-

jects which were formerly viewed as being exclusively within the control of management. Typical earlier agreements rarely went much beyond simple declarations regarding wages and hours, although many unions adopted detailed working rules and tried to enforce them by requiring conformity on the part of their members.

Unions in recent years have so greatly expanded the subject-matter of collective agreements that managements have usually come to insist on the inclusion of provisions for "management security." The National Labor-Management Conference of 1945 failed to achieve agreement on a national program largely because management representatives sought to commit the labor representatives to a formal definition of management's "prerogatives."

Management continues to be particularly insistent on its prerogatives in such questions as types of products, prices, marketing, plant location, technological process, and selection of employees. The economic basis of management's claims is the primary responsibility of management for the success of the enterprise. The question of business risk is involved, and unions do not desire to share the risk with employers. In the case of a public or quasi-public enterprise, as for example, the Tennessee Valley Authority, the responsibility for the economical operation of the enterprise in the public interest is primarily a management responsibility. Unions generally have not sought to share the responsibility and attendant risk of enterprise, either private or public; they have, however, frequently disagreed with management as to the effects of management's primary responsibility on labor-management relations.

Union leaders as a rule have sought and have widely gained participation in the carrying out of policies initiated by management, especially when these policies, as in the case of technological changes, may affect wage rates, employment, and working conditions. Generally speaking, they also are interested in methods by which the union and its members are kept informed regarding management's policies. Some of the unions with the most successful labor-management relations may not press demands for the inclusion of provisions beyond those which more directly affect the conditions of employment. Managements, also, under collective bargaining arrangements

¹⁸ Lloyd G. Reynolds, *Labor Economics and Labor Relations*, pp. 198-200.

that embody a spirit of mutual confidence and respect, are less inclined to insist upon a rigorous boundary line between management and union prerogatives. "Frequently, the actual experience of collaboration even in very limited areas leads to the discovery and exploration of larger areas."¹⁹

The expanding coverage of collective agreements and the increasing influence of unions on broader business policies are indicated by the tendency of corporations and employers' associations to assign their line executives to the negotiating role. Personnel officials and lawyers have increasingly been given advisory roles.²⁰

The Process of Administering Collective Agreements

Collective bargaining in the broader sense includes the interpretation, application, and enforcement of collective agreements. Essential as is the agreement itself, its value depends upon its administration, which will vary in quality with the attitudes of the parties and the procedures for giving effect to the agreement.

A recent study of collective bargaining makes use of the analogy of the wedding and the subsequent domestic relations:²¹

Typically, then collective bargaining involves, first, the negotiation of a general agreement as to terms and conditions of employment and, second, the maintenance of the parties' relations for the period of the agreement. The first process is the dramatic one which catches the public eye and which is sometimes mistaken to be the entire function of collective bargaining. But in fact, it is to labor relations approximately what the wedding is to domestic relations. It launches the parties on their joint enterprise with good wishes and good intentions. The life of the enterprise depends on continuous, daily cooperation and adjustment.

Another familiar analogy, used by many students of labor, is the political comparison. Collective agreements have been likened to public laws or even a bill of rights; and the processes of

interpreting and giving effect to the agreements have been compared to the executive and judicial functions of the Government. The analogy suggests the essential nature of the change that has occurred alike in political government and in the government of industry. Traditionally, men were governed by hereditary and aristocratic rulers in an arbitrary and often tyrannical manner. The great political transformation produced by the independence of the United States and the adoption of the American Constitution, but preceded by the beginnings of constitutional government elsewhere, introduced the principles of civil equality, political rights, and gradual social adjustment by the ballot as opposed to the earlier necessity of appeal to revolution. Traditionally, management had arbitrary power in labor-management relations, a power mitigated only by management's own self-restraint or by a show of economic force by labor. Collective bargaining has introduced a continuously operative system of industrial government for defining and limiting the powers of the parties and regulating their relations.

Collective agreements have been viewed as contracts, and they do conform in some respects to the contractual pattern. Both unions and employers are subject, under the Taft-Hartley Act, to prosecution in the courts for violation of agreements. The legal liability, however, is not clearly defined; and court actions have been comparatively unimportant and indecisive. Collective agreements differ significantly from ordinary contracts, a fact which is stressed, for example, by Shulman and Chamberlain.²²

The purpose of the parties to a collective agreement is to maintain "the operation of the enterprise in which each has indispensable tasks;" and the agreement itself is normally "a means of aiding them in their performance of those tasks and in the operation of the enterprise for their joint benefit." The parties to an agreement, unlike the parties to an ordinary contract, "have little or no choice in selecting each other for the relationship. The union hardly chooses the employer; and the employer does not choose the union. Both are dependent on the same enterprise, and as a practical matter, neither can pull out without destroying it." Without regard to the agreement, "the

¹⁹ Clinton S. Golden, in Proceedings, Fourth Annual Meeting, Industrial Relations Research Association, 1951, p. 165.

²⁰ Neil W. Chamberlain, *Collective Bargaining Procedures*, quoted in Joseph Shister's Readings in Labor Economics and Industrial Relations, pp. 222-225.

²¹ Harry Shulman and Neil W. Chamberlain, *Cases on Labor Relations*, quoted in Joseph Shister's Readings in Labor Economics and Industrial Relations, p. 153.

²² *Ibid.*, quoted in Shister's Readings, pp. 153-154.

parties must live and work together daily and continuously." An agreement is made between the employer and the union, but in fact it deals "not merely with the relationship of these two institutions but even more with the relationships between numerous people" with varying personalities, jobs, interests, and points of view. Collective bargaining is therefore, in its essential quality and purpose, not the making and executing of a contract but rather it is a continuous process of adaptation and adjustment on the basis of agreed-upon conditions and principles formally set forth to serve as a guide to the parties.

Essentials for Successful Administration

There are two essentials for the successful effectuation of a collective agreement. First, both parties must have elementary attitudes of mutuality and respect. Second, organizational machinery is necessary, particularly in large bargaining units, for joint participation in the interpretation and application of the provisions of the agreement. In most agreements, this machinery has to do mainly with grievance procedures. Most agreements also provide for some final form of arbitration of grievances that cannot be settled at earlier stages in the grievance procedures.

Agreements usually define the nature of grievances in general terms. A typical agreement states, for example, that "the word 'grievance' means any manner of dissatisfaction on the part of an employee or employees or the company which does not involve the relationship between the company and employees in general or does not involve a modification of this contract."²³

Two simple illustrations of down-to-earth grievances at the shop level, arising from provisions of an agreement, describe typical grievance procedures:²⁴

The contract may say: "If ability and physical fitness are equal, seniority shall govern in making promotions to higher jobs." A job vacancy occurs which is wanted by both John Smith and Tom Jones. John Smith has greater seniority, but the company claims that he has less ability than Jones. How is ability to be determined? Which of the two men shall be promoted?

Even when the wording of the agreement is perfectly clear, its application to a particular case frequently involves a finding of fact. The agreement may say that smoking on duty is a valid reason for discharge. A foreman recommends a man for discharge on the grounds that he was smoking on duty. The man says that the foreman's charge is incorrect. Was the man smoking or wasn't he? Shall he be discharged or not?

Even seemingly trivial grievances may have utmost importance to the individual workman because a petty grievance may sometimes take on the importance of a symbol of prevailing grievances or attitudes. Grievance procedures for the fair and prompt handling of even the trivial cases are therefore of utmost importance.

The usual procedure for handling an individual grievance on the job is the making of the complaint to the foreman directly, or, more frequently, through the shop steward or committeeman. The stewards are chosen by the workers themselves in each department or subdivision of an establishment. If this first step fails, the grievance, usually reduced to writing, may be taken up by the union's grievance committee and the superintendent of the plant or department. That procedure failing, the complaint may go, at length, to a representative of the national union and a high company official, with many variations, depending on the gravity and complexity of the complaint and such circumstances as the size and the organizational setup of the establishment and the union.

Role of Arbitration

Most grievances are adjusted by the joint grievance procedures. Nearly all agreements provide, however, for some form of arbitration as the final step. Such arbitration must be clearly distinguished from arbitration of the *terms* of agreements. With a few exceptions, both unions and employers oppose the arbitration of the terms or provisions of agreements; unions are jealous of such a crucial function and managements fear a weakening of their "prerogatives." Arbitration of grievances, however, is almost universally acceptable, especially to unions. Many managements have been inclined to exclude certain questions from arbitration. Nevertheless, at the National Labor-Management Conference in 1945, representatives of both groups unanimously endorsed arbi-

²³ Bureau of Labor Statistics, U. S. Department of Labor, *Collective Bargaining Provisions*, Bulletin No. 908-16, p. 8.

²⁴ Lloyd G. Reynolds, *Labor Economics and Labor Relations*, p. 188.

tration as the last step in grievance procedures.²⁵

Agreements usually provide for the appointment of an arbitrator by the parties. Many agreements designate some public agency, as the Federal Mediation and Conciliation Service, or a private agency, frequently the American Arbitration Association, to select the arbitrator if the parties cannot agree on their choice. Some of the larger companies and the unions to which their employees generally belong jointly select permanent "impartial arbitrators." In the industries in which a union makes agreements with associations of employers, an umpire, arbitrator, or "impartial chairman" is frequently chosen to aid in the administration of an agreement between the union and the association. In railroad transportation, the Railway Labor Act provides for a joint agency appointed by labor and management, the National Railroad Adjustment Board, for final adjudication of grievances in that industry.

Arbitration of grievances under collective agreements has significantly limited the areas of industrial conflict and work stoppages. Labor arbitration has come to be an important phase of a procedure widely adopted in the United States in lieu of resort to litigation in the courts. The widespread employment of professional arbitrators also exemplifies the general trend toward dependence upon specialists and the professionalizing of personnel in the field of labor-management relations.

Patterns of Collective Bargaining

The diversified nature and expanding subject matter of collective agreements should not be allowed to obscure certain significant patterns of collective bargaining. Diversity is restrained by the fact that many national unions whose locals prevailingly negotiate agreements provide their locals with information about current trends and minimum standards, and frequently with specific advice and guidance. Furthermore, many local agreements are subject to approval by the national union.

²⁵ Bureau of Labor Statistics, U. S. Department of Labor, Bulletin No. 908-16, p. 81. Arbitration provisions are given on pp. 81-129.

Some indication of the importance of arbitration procedures is to be found in a 1949 compilation, in 1,266 pages, of arbitration cases: Shulman and Chamberlain's Cases on Labor Relations.

The term pattern, in application to collective bargaining, has been used in a variety of senses. One use, after World War II, was in reference to the several "rounds" of wage increases, each round tending to follow a pattern set in certain key industries or employments. Thus, the second postwar "round," in 1947, tended to conform to the "pattern" of 15.5 cents per hour in such industries as steel, machinery, and railroad transportation. Agreements in important industries or between influential companies and unions usually tend to become patterns in the sense of being adopted by others, not only because of competitive influences (such as union rivalries and the manpower needs of employers) but also because of a desire to conform and to avoid criticism.

Other highly important trends in bargaining were associated with "fringe" or nonwage benefits, such as paid vacations and holidays, shift differentials, pensions, and health and welfare plans. The quest of nonwage benefits was intensified by wartime and postwar limitations on formal wage increases.

Another use of the term pattern of bargaining has referred to the entire framework and content of bargaining in one industry or set of circumstances as compared with another. Thus, Professor Richard A. Lester reviews and compares the "patterns" of bargaining in railroad transportation, coal, clothing, and automobiles.²⁶ These may be viewed as exemplifying the diversity and at the same time the flexibility and adaptability of unions and managements in dealing with the distinctive conditions and problems of different industries.

Within the clothing industry, for example, different patterns are observable, as in the men's clothing branch and women's clothing. Bargaining in both of these branches, however, follows a pattern of exceptionally wide scope, especially in reference to the degree of union participation in the business policies of employers. The particular "pattern" of bargaining is an adaptation to the small-scale and highly competitive traits of enterprises in the clothing trades. In the automobile industry, to cite a contrasting example, large and powerful corporations make a similar type of union participation inapplicable. At the same

²⁶ Richard A. Lester, *Labor and Industrial Relations*, pp. 225-260.

time, bargaining in the automobile industry has developed its own characteristics which have influenced bargaining in several other industries, notably the wage-adjustment policy based on changes in cost of living combined with an annual "improvement" or "productivity" wage increase.

The term "patterns" of bargaining has also been used in reference to the nature of the bargaining units involved as distinguished from the content of the agreements reached. Thus, the increase of multiemployer bargaining may be described as a change in the pattern of bargaining.

The enlargement of bargaining units has been accompanied by a widening of bargaining scope both as to worker coverage and as to the subjects included in agreements. This highly significant general transformation has itself been called, perhaps not too appropriately, a change in "patterns" of bargaining. It was brought about by the unionizing of mass-production industries; the fivefold increase since the early thirties in union membership; and the protective policy of Government. "In less than a dozen years," asserted a student of unionism in 1946, "collective bargaining has been

transformed from a process involving only a small sector of our economy into a major institutional force in American life."²⁷

Particularly emphasized is the new pattern of method. Industrywide bargaining and even companywide bargaining in key industries is recognized as tending to set patterns and impose the results on other industries. This has resulted in a new economic approach by the unions and by management, their recognition of the public interest in large-scale nationwide bargaining, and their effort to identify their wage policies with the national interest. Unions have insisted, for example, on the possibility of wage increases without corresponding price increases on the basis of rising productivity, if only managements can be induced to follow policies of maintaining a high level of output with low profit per unit of output. Management has expressed its concern with the inflationary possibilities of particular wage proposals.

²⁷ Everett M. Kassalow, "New Patterns of Collective Bargaining," in Joseph Shister's *Readings in Labor Economics and Industrial Relations*, pp. 160-169; quoted from Lester and Shister's *Insights Into Labor Issues*.

Chapter IV.—New Attitudes in Labor-Management Relations

The fact of outstanding significance in labor-management relations in the United States is the prevalence of collective bargaining. Already described are collective agreements and the processes of giving day-to-day effect to those agreements. Even more important than the mechanisms, the negotiating committees, the formal provisions of agreements, the grievance procedures, arbitration—whatever the mechanisms may be—is a new attitude, a new concept of labor-management relations that has gained ascendancy in this generation.

Spirit of Mutuality

An attitude of mind is a subtle, intangible thing. A new attitude may not even be recognized by a new generation as a change. In the field of labor-management relations there has been nevertheless a highly significant shift in point of view. The representatives of labor and management, not without many exceptions, but prevailingly, have achieved a new sense of mutual respect and reciprocity, of give and take, of interdependence. Differences of interest and outlook, keenly recognized, still at times seem to require a resolving of conflict by such methods as work stoppages. However, a spirit of mutual recognition, acceptance, and respect guides the parties in a quest for compromise and for agreement on modes of working together for common ends as well as distinctive group ends.

The steel industry may be cited as an illustration of the change in basic attitudes and at the same time of the survival of conflicting points of view and even work stoppages. However, even the steel strike of 1952 exemplifies a new attitude. It was described by the president of the United States Steel Corp. as "the most friendly strike" he had ever witnessed. The euphemism was a way of emphasizing a profound amelioration of

labor-management relations even during strikes—a change that was symbolized by "bored pickets" merely checking the admission cards of maintenance employees. Everyone recognized the strike as merely a peaceful suspension of work pending a necessary settlement. The traditional hostility of the larger steel companies to unionism before 1937 had been exemplified by a refusal to meet and talk with union officials, even at the request of the President of the United States. Numerous measures were taken to keep employees from joining unions other than "company unions" or local "representation committees" controlled by the companies.²⁸ Beginning in 1937, the United Steelworkers of America was given full recognition by the United States Steel Corporation.

After the 1952 strike, the president of that company attended a meeting of the United Steelworkers Policy Committee. He described Philip Murray, at that time president of the union, as "a great leader, an honest man, a great American for whom I have the greatest respect." He added that during their 15 years of dealings they had more often agreed than disagreed. He promised that the corporation's labor relations policies would be overhauled and stated that he and the president of the union, whom he called "Phil," would together tour the corporation's plants, "start something new in labor relations," and give continuous joint consideration to the problems of both management and labor.²⁹

The contrast between present-day and earlier attitudes is of course far from absolute or universal. The extent and degree of difference nevertheless provide a significant contrast that calls for explanation.

²⁸ L. L. Lorwin, *American Federation of Labor*, pp. 180-184; H. A. Missis and R. E. Montgomery, *Organized Labor*, pp. 145-146, 222-226.

²⁹ Reported in the daily press of July 26, 1952. Mr. Murray died that fall, but the proposal was carried out by his successor.

Individualistic Background

America has been traditionally a country of individualism and economic opportunity. The doctrines of the early economists found a favorable environment and long prevailed—ideas of automatic adjustments by the price mechanism and a minimum of governmental “interference.” The price mechanism was believed to be applicable to the price of labor no less than to the prices of commodities. Labor organizations were looked upon as restraints on the “natural” process of wage determination; they were widely viewed as “conspiracies in restraint of trade.”

The rise of factories brought about a great increase and concentration of hired labor and gave added significance to these ideas. The relationship of the worker to his employer was viewed as that of an individual labor contract. The employer was viewed as buying labor time, which became his property and subject to his control. The worker as producer was set apart from the worker as consumer and citizen. Labor-management relations were widely viewed in a legalistic manner; they were limited to individual contractual relations for the buying and control of labor time and for claiming the contractual wage. Economically, labor-management relations were rationalized in terms of impersonal forces to which were attributed the more or less automatic determination of the wage-price-profit ratios of the market place.

These tendencies were observed even as early as the thirties of the last century, notably by Alexis de Tocqueville, whose world-famous book of observations and reflections about the United States was translated from the French as *Democracy in America*. He described the impersonalizing of relations between workers and employers in the newly rising factories—a tendency not limited, of course, to the United States but probably intensified by the prevailing individualism. Furthermore, the accelerated processes of technological change, industrial concentration, and corporate organization virtually displaced the personal relationships of earlier small-scale establishments. In trade and service industries, many small-scale plants survived, and also in some of the manufacturing industries, such as clothing and job printing. These small shops, however, in trying to hold their own against more efficient plants, often de-

generated into sweatshops or high-cost plants providing little more than a subsistence for either the owners or the workers.

In general, especially in the larger establishments, there developed a gradation ranging from the highest administrative officer to the foreman. The foreman embodied the surviving personal relationship of management to the worker. Gradually the foreman's functions were formalized and routinized. The whole hierarchy of management, and with it the relations of management to labor, became increasingly systematized and institutionalized in “scientific management” and later in personnel management. These changes came to be associated by workers with the speedup and the stretchout and with methods of assigning and supervising tasks and fixing rates of pay that tended to make of them little more than automata.

Emergence of Mutuality

These tendencies were opposed by various forces favorable to a spirit of mutuality in labor-management relations. The primary influence was the establishment of strong unions committed to the principle of peaceful collective bargaining.

Basically, the principles of free association in economic life and the procedures of collective bargaining are thoroughly consistent with early American spirit and traditions as embodied in our Declaration of Independence and our Bill of Rights. The restricting of civil equality and civil rights to a somewhat narrow political area proved in the end to be a denial of our early traditions of individual liberty; the economic environment of large-scale industry required a reinterpretation and extension of our basic principles in terms of the maintenance of individual liberties by means of collective measures. On the world stage, nations have learned even more slowly and painfully that national liberty and national autonomy can be maintained only by means of collective action or “collective security.”

The earlier ideas of freedom in the United States were in a sense negative, to be achieved by imposing limitations on governments and thereby preventing them from interfering with individual and private liberties. While many restraints on the power of government remain essential, grad-

ually our individualism has undergone a tempering process. More rapidly, in recent decades, the earlier negative attitudes have been replaced or supplemented by positive ideas and measures. These include the concept, long held by labor unions and now prevailing, of maintaining liberties within the framework of groups and enlarged governmental activities.

The positive approach has included the assumption that a major responsibility of government is the maintenance of balance between economic groups and interests. Noteworthy in the carrying of that responsibility into effect was the new public policy of the thirties for protecting workers in their constitutional rights of free association for collective action and self-help. These measures were in reality a revival of the principles of our Bill of Rights and their adaptation to present-day industrial conditions. Labor organizations, thus protected, were able to engage, with an approach to equality, in negotiations with employers.

Government contributed further, in its new role in economic affairs, to rational and amicable labor-management relations by bringing representatives of unions and of managements together in their dealings with public agencies. A prominent agency from 1933 to 1935 was the National Recovery Administration, charged with the working out of industry codes in consultation with representatives of labor and management. These groups found that under the overshadowing common interest of restoring production and employment, they could work together in amity. Other agencies with which unions and management have dealt, frequently in association or with joint representation, have included the National Labor Relations Board in connection with determination of collective-bargaining units and the representation rights of unions for collective bargaining; the Wage and Hour and Public Contracts Divisions; the Federal Mediation and Conciliation Service; the Employment Service; congressional committees; and various wartime and emergency agencies, such as the War Manpower Commission and the National War Labor Board.

These agencies, and others of a similar nature in the States and even the larger cities, have been in a sense forums for obtaining the support of public opinion. They have stressed not the traditional appeal to economic strength in deciding issues

but rather an appeal to facts and reason. Joint participation stimulated mutual respect as well as rivalry. It also had much to do with the recent growth of union research staffs and the extension of the research activities of managements in the fields of personnel and labor-management relations.

Changes in public policies and the responses of unions and managements to their new obligations and rights were accompanied by an unprecedented public interest in unionism and industrial relations. Universities and colleges had traditionally dealt with labor mainly as a phase of courses in economics, with an occasional separate course in such subjects as labor legislation and labor problems. Labor as a "problem" had usually been considered primarily as a phase of business administration and management policy. Within two decades a remarkable change became evident. Many of the larger schools set up special departments and even autonomous institutes concerned with labor-management questions. Most of these new groups no longer emphasized the management and engineering aspects but, in one form or another, stressed labor-management relations as "human" relations and as involving questions of interest and concern to labor and the public no less than to management. Many of them invited joint labor-management participation, especially in forums and training facilities. One of the new groups, Cornell University's School of Industrial and Labor Relations, initiated a journal, the *Industrial and Labor Relations Review*, which at once became a prominent medium of discussion.

Management associations exhibited a significant change of emphasis. The Taylor Society and some other groups, which had been concerned mainly with technical questions, such as those associated with the Taylor system of "scientific management," were merged to form the Society for Advancement of Management, much broader and more humanistic in outlook. The American Management Association became increasingly concerned with non-technical and "human" problems, and union leaders were more frequently invited to take part in its meetings.

The trend is further exemplified by the formation of the National Planning Association, a private organization with members from industry, agriculture, labor, and the public. The specific

inclusion of labor representation is characteristic of the spirit of mutuality. A series of studies by the Association, described as "Causes of Industrial Peace," give support, on the basis of careful selection and objective study of cases, to the practical value of mutual recognition and respect, a problem-solving approach (as distinguished from both legalism and belligerency), and a continuously open and available system of mutual communication between unions and management on a "two-way" basis.

The widespread interest in questions of unionism and labor-management relations brought about the formation of a new group, the Industrial Relations Research Association, composed of individuals on the staffs of colleges and universities, research foundations, labor unions, business enterprises, and public agencies. Its proceedings and special papers, published since 1948, exemplified, and at the same time powerfully reinforced, the newly developing tendencies in labor-management relations.

Some of the universities pioneered many years ago in the study of what has come to be known as human relations, and their researches were extended to include case studies in the labor-management field. An outstanding illustration is the study at the Hawthorne Works, Chicago, Ill., of the Western Electric Company, described by Stuart Chase as "the most exciting and important study of factory workers ever made."³⁰

Studies of this nature called attention anew to what should have been apparent but had been obscured by legalistic and theoretical conceptions and by overmuch dependence on such techniques as time-and-motion studies and mathematical formulas for establishing job specifications and wage rates. "Human relations" students made the "discovery" (or rediscovery) that workers are human beings on the job as well as off. The investigations emphasized the existence of complex interests, motivations, and "patterns" of behavior. They recalled to mind the fact that workers respond, as workers, not merely to wage incentives

but also to the ordinary stimuli of human interest, free association, and mutual respect.

"Labor is not a commodity," even though it is bought and sold; wages are not merely cost of production but are a large and increasingly important part of the general flow of income on which production and employment as well as consumption depend. Living is a unitary process or flow in time. Working time cannot be isolated from leisure time. The individual as a worker cannot be walled off from the individual as a citizen and member of social groups without danger of a split personality and impairment of work as well as other activities.

Limits to a "Human Relations" Approach

These truths were not "discoveries," but perception of them had been dulled and their application had been impaired. Their rediscovery was in fact a revival of our historical spirit and traditions of civil equality, civil liberty, and individual dignity and their extension to labor-management relationships. The concern of scholars and research groups with these mundane questions had a vital significance as evidence of the extension of objective research and scientific attitude to the workshop, the industrial association, and the neglected problems of the worker as a human being on the job.

The new types of research which emphasized human relations also called attention to the characteristics of the industrial environment which tended to impair the human qualities of the worker—to stifle his individuality and to merge him in the mass or subordinate him to the machine or the process. Large-scale enterprise and mass production unavoidably entail specialization and a routine which add to the worker's difficulty in maintaining his identity and preventing frustrations of his natural human interests. Students in this field have therefore emphasized the added importance, under these circumstances, of a "humanized" management policy. Instead of aggravating the effects of specialization and mass-production techniques by the pursuit of impersonal, routinized, and legalistic policies and procedures, management, it has repeatedly been urged, should seek to counteract such influences by every possible recognition of the individual worker's identity

³⁰ *Management and the Worker: An Account of a Research Program Conducted by the Western Electric Co., Hawthorne Works, Chicago.* By F. J. Roethlisberger and William J. Dickson. Cambridge, Mass., Harvard University Press, 1939. (Tenth Printing, 1950.)

A brief summary of recent trends of study is in the *Monthly Labor Review*, October 1951, pp. 432-434, "Studies of Human Relations in the Labor-Management Field," by John N. Thurber.

and human interests and sense of participation in a joint enterprise. "Granted that large-scale organization is necessary and that it inevitably implies certain types of restriction and even of regimentation, the problem remains of attaining the required efficiencies with the maximum amount of human satisfaction, not only from its end product but also from its very operation."³¹

It is recognized almost everywhere that labor-management relations should conform to the elementary needs of workers not merely as workers but as individual identities and human beings. Nevertheless, there may be inadequacies in the avowed recognition and adoption of the "human relations" approach. Even the avowedly objective study of industrial psychology can be used to set up a mere façade of democratic procedures for hiding arbitrary methods; or to formulate a set of "manipulative techniques" for controlling workers under the appearance of their self-direction; or to devise "a method of handling people, not living with them." A prominent scholar and administrator, after observing certain uses of applied psychology, issued a general warning.³² He referred to the mistakes of the "traditional economists" in assuming an "economic man" and an extreme competitive individualism. He stated that some of the psychologists "seem intent on reversing rather than correcting" these errors by minimizing wages and by setting up a standard of "perfect collaboration" in place of the "perfect competition" of the traditional economists.

The greatest danger [he stated] is that management having found how to make contented workers, the state may learn how to make contented citizens, when the consultant to industry becomes the brain trust for government. The common man, rather than be molded without his knowledge by a new psychological elite, might prefer to remain unregenerate and unpsychoanalyzed. Just as economists have failed to make an 'economic man' out of man, so may the psychologists also fail in trying to make him into a loyal and contented cow satisfied to collaborate for any purpose, so long as he is allowed to collaborate.

³¹ Daniel Katz and Robert L. Kohn, "Human Organization and Worker Motivation," in *Industrial Productivity*, Industrial Relations Research Association (1951), p. 151.

³² Clark Kerr, in *Psychology of Labor-Management Relations*, Proceedings of September 1949 Meeting of the Industrial Relations Research Association, pp. 103-106.

See also pp. 51-56 (statement by William Gomberg of the International Ladies' Garment Workers' Union) and Proceedings of the Fourth Annual Meeting, Industrial Relations Research Association (statement by Solomon Barkin of the Textile Workers Union).

In respect to collective bargaining, he continued, "instead of either perfect competition or perfect collaboration we may come to prefer acceptable accommodation."

Rather than support the single-minded loyalty to self assumed for the 'economic man' or the single-minded loyalty to the organization encouraged by those supporting 'collaboration', we may find that the greater hope for democracy lies with a multiplicity of allegiances—to self, family, union, church, employer, and government among others. The great danger is not that loyalties are divided today but that they may become undivided tomorrow.

Union leaders reiterate the basic differences of interest and point of view and the basic role of collective bargaining in maintaining cooperative relations. Thus, Mark Starr of the International Ladies' Garment Workers' Union asserts:³³

First of all, it must never be assumed that union-management cooperation on a consultative level replaces the normal processes of collective bargaining. In other words, the natural and expected opposition between those who sell their labor power and those who buy it cannot be *talked* away even in an era of good feeling. A recognition of this is the only honest way of clearing up doubts and suspicions. . . . [It] leads to realistic cooperation for efficiency in the shop and for a better understanding all around.

The genuine coin may be paid the tribute of counterfeiting. The human relations concept remains valid and retains its genuine significance as long as it infuses the basic and democratic processes of collective bargaining and is not debased into a substitute for them. The truly objective study of human relations and industrial psychology led to a needed wider recognition of the fact, already apparent to the worker on the job, that there can be no satisfactory substitute for his own initiative through his own independent organization. The conditions necessary for human satisfactions on the job include a feeling of having something to say about those conditions; and in large-scale enterprise it is only through his union that he can hope to exert effective influence. Formal studies have again reinforced the wisdom of the worker's experience that unions and management must have a continuous procedure of "two-way" communication and a desire to use it for mutual understanding and respect, even when differences prove to be so serious that they can be decided only by resort to economic force.

³³ Mark Starr, "The Search for New Incentives," in *Industrial and Labor Relations Review*, January 1950, p. 248.

Chapter V.—Collateral Activities of Unions

The Scope of Union Activity

On the main highway of American labor, as distinguished from such bypaths as the Knights of Labor and the Industrial Workers of the World, unions have been concerned chiefly with improving the conditions of employment within the framework of privately operated enterprises. Before unions were generally recognized for collective-bargaining procedures, they sought to exert influence indirectly by means of apprenticeship regulations, rules of work, and strikes or threats of strikes for obtaining concessions even in the absence of formal agreements. Currently, the stronger position of unions gives primacy of method to collective bargaining.

Nevertheless, there are other highly important activities of unions, although many of these overlap the function of collective bargaining. A union obviously must maintain its organizing activities as a prelude to obtaining the strength required to qualify as bargaining agent; but organizing is also a part of the normal activity, a part of the basic reason for existence, of a vigorous union. The work of the research staff, support of friendly legislators, and efforts to obtain laws favorable to unionism, are among the collateral activities that have a bearing on the making and carrying out of collective agreements.

The success of a union depends ultimately on the merging of its activities in the general purpose of meeting the needs of workers. Regarding these needs, the Division of Labor Studies of the Yale Institute of Human Relations made an extensive study of workers' own ideas, mainly by interviewing both union members and workers who had not become members. These inquiries led to the following conclusions:³⁴

Analysis of our interviews with workers has indicated almost universal recognition that one is living successfully if he is making progress toward the experience and assurance of:

- A. The society and respect of other people.
- B. The degree of creature comforts and economic security possessed by the most favored of his customary associates.
- C. Independence in and control over his own affairs.
- D. Understanding of the forces and factors at work in his world.
- E. Integrity [wholeness, self-respect].

We shall refer to these as the workers' goals. Workers would not phrase them in this way. They may have made no conscious formulation of such objectives. These goals are our own shorthand description of the types of responses which were made when, during our interviews, workers talked about what they were striving toward, what marked a man as successful, what their anxieties and hopes were. . . .

Whatever the success or failure of a particular organizing attempt, . . . it is safe to conclude from the persistency of unions in industrial nations that on the whole they have met conscious needs of workers through a technique which in general conforms to their pattern of life. . . .

To classify unionism, therefore, merely as a mechanism for collective bargaining for economic advantages is to underrate its importance in a democracy. The contribution of unionism at its best is its provision of a pattern of life which offers chances of successful adjustment and goal realization, not for the few who get out of the working class but for the great majority who must stay there. It provides them with a realistic medium through which their common interests may be expressed and their common needs met. It gathers together the threads of individual lives, made of the same stuff but tangled, straightens them out and weaves them into a patterned fabric which is not only of importance in itself but which gives new importance to each thread.

The needs of workers and the resulting purposes of unions have been described by two prominent former union leaders with experience as workers:³⁵

³⁴ E. Wight Bakke, "Why Workers Join Unions," in *Personnel*, American Management Association, Vol. 22, No. 1, pp. 2-11; quoted in Bakke and Kerr's *Unions, Management, and the Public*, pp. 41-48.

³⁵ Clinton S. Golden and Harold J. Ruttenberg, *The Dynamics of Industrial Democracy*, New York, Harper, 1942; quoted in Bakke and Kerr's *Unions, Management, and the Public*, pp. 51-52.

To look upon industrial unrest and the formation of labor unions as springing primarily from economic factors is an oversimplification of the problems of human relations. The basic needs of human beings who make American industry's working force are threefold:

1. Economic—an adequate plane of living and the necessary amount of job and wage protection.
2. Psychological—the personality needs of freedom of action, self-expression, and creative outlets.
3. Social—the ties and bonds of group relations and community life.

Workers seek these three things in their jobs. When they fail to find satisfaction for all of these needs, or any one of them, in their daily work, they seek the fulfillment of the unsatisfied need or needs outside. This finds expression in many forms of individual and group activity. We are concerned solely with the manner in which workers seek a well-rounded life through union membership, and the extent to which they find satisfaction of their threefold needs through their unions. Union membership is not an escape or a substitute satisfaction, but a means for workers to find direct satisfaction in their daily jobs for economic, psychological, and social needs.

The sense of belonging and of participating in a common enterprise is sustained largely by direct membership in local unions. Many locals now have a diminished direct part in collective bargaining but they retain important basic activities, not the least important of which is the maintenance of direct personal ties among members.

A Traditional Function: Mutual Benefits

Some local unions still administer mutual benefit funds, and these activities, going back to the early history of unions, do much to bind the members together in bonds of mutual interest extending even to death benefits. Union benefit funds are now important in comparatively few unions; but most unions are closely associated with their present-day equivalents—pensions and health and welfare benefits and vacation pay in collective agreements, and various community, State, and national programs such as workmen's compensation, unemployment insurance, and old-age and survivors' insurance.

Before the legal recognition of unions and employer acceptance of collective bargaining, many associations of workers were held together largely by their mutual benefit activities. Historically, in Europe and to a smaller extent in the United States, forerunners of modern unions escaped pub-

lic and employer opposition as mutual aid clubs and friendly societies. Some of the guilds of journeymen in the skilled crafts were mainly benefit societies. Such prominent American unions as the typographers, the locomotive firemen and enginemen, and the iron molders supplied "sickness, old-age, and mortuary aid to members or their widows. Welfare activities preceded the 'bread and butter' activities of wages, hours, and working conditions."³⁶

These benefit funds are now comparatively unimportant but they remain integral parts of the work of many unions, especially those of skilled craftsmen with comparatively stable membership and with similarities of economic and social status. Some unions, as the International Brotherhood of Electrical Workers, have provided for elasticity of membership and at the same time maintained the stability of their mutual benefit systems by adapting the dues and the benefits to the types of members.

The present-day equivalents of the traditional mutual benefit schemes are of outstanding importance in many unions. Some of these activities have considerable experimental significance. Noteworthy examples are the New York Health Center of the International Ladies' Garment Workers' Union and the United Mine Workers' funds for health, welfare, and retirement. Some unions have also undertaken such enterprises as credit associations, cooperative housing projects, and banks.

A Primary Function: Organizing Work

Organizing activities are primarily important in obtaining union recognition and bargaining rights; but they are also a normal and continuing part of the work of most unions, especially in expanding industries and employments. In older communities, with well-established unions, organizing work is easily sustained to the extent of maintaining normal union membership or expanding it when employment rises or when new plants or industries are introduced. A particular local union, or a city central or council, may provide the organizing facilities. Workers themselves,

³⁶ Abraham Weiss, "Union Welfare Plans," in Hardman and Neufeld's *House of Labor*, p. 277. Part Five of this volume (273-355) is entitled, "Welfare, Health, and Community Services."

especially when they include those with union experience, may take the initiative.

A serious organizing problem has been encountered in recent years in such industries as the textile group. These industries have been declining in the older centers and expanding in other regions, particularly the Southern States. There has been need for the initiation and support of organizing work at the highest levels of union organization. A union organizer under such conditions needs a combination of the qualities of a group leader, a salesman, and a diplomat. Workers in newly industrialized communities where neither they nor the communities have had much experience with unions are not simply waiting for a chance to join a union. Substantial experience with factory jobs and disciplines and with dependence on money wages is often necessary before workers, especially those who have come from farms, become conscious of the need for unions. Furthermore, union organizers in newly industrialized communities are often confronted by community opposition arising in part from bias due merely to lack of experience with unions.

With some unions, organizing activities are necessary for the protection of the jobs of their existing members and for union survival; for the competition of nonunion establishments may undermine the unionized segments of the industry. One of the most successful of unions confronted by employers who seek to run away from union standards is the International Ladies' Garment Workers' Union. "By dint of great resourcefulness and even detective-like ingenuity, the ILGWU has been able to catch up with these 'runaway' shops and bring union conditions to their employees wherever they may be. This persistence is not alone a matter of a sentimental desire to extend union organization, but it is a matter of life and death for the union."³⁷

Political Activities

Another vital activity of unions, often misunderstood, is in the political arena. The great national unions have a large measure of self-government; naturally, their political interests and ac-

tivities range widely and are not necessarily consistent with positions taken by the AFL or the CIO.

The prevailing types of political activity in both the AFL and the CIO have been described with substantial validity as forming a policy of "nonpartisan political action." That policy has included the championing of a great variety of legislation and of administrative policies and the support of individuals for public offices believed to be most likely to favor those policies and programs. Many of these have been of broad public interest, as when the AFL advocated, in 1918, a graduated system of income and inheritance taxes and a tax on idle land and when in the same year it urged the development of State colleges and universities. Naturally, the main concern of unions has been with measures and policies more directly affecting labor, such as the advocacy of State workmen's compensation laws and a national unemployment service.

The political role of unions in the United States is more readily understandable if the nature of political parties is kept in mind.

Parties in many countries are often essentially "interest" groups centering around the political aims of a particular class of people with more or less homogeneous points of view and interests. The focal point or the organizing influence may be almost purely economic, or it may be regional, or racial, or ecclesiastical. A party in that sense adheres rather rigorously, although not necessarily so in its public pronouncements, to the specific aims and interests of the group. A truly national government, under these circumstances, depends upon temporary combinations or coalitions of parties. Labor groups, as influential "interest" groups, have played increasingly important parts in many of these governments. In some countries, as England (with a two-party system), the labor group has so expanded the meaning of the term labor and so broadened its program as to claim an appropriate basis for assuming responsibility for a national government independently of other parties.

The two main political parties in the United States both claim to be national and to govern the country, when given the electoral mandate, by reconciling conflicting group interests in what each sets forth as a program in the interest of the country as a whole. Corresponding roughly to the

³⁷ Jack Barbash, *Labor Unions in Action*, New York, Harper, 1948; quoted in *Shister's Readings in Labor Economics and Industrial Relations*, p. 40.

various political parties in a multiple-party system, there are in the United States, with its two-party system, what are sometimes termed "pressure groups." For example, the farmers of the dairying regions may form such a group and may seek to promote or oppose such legislation and public policies as impinge upon their group interests. To that end, pressure is exerted upon both parties. One method is lobbying—literally, the influencing of lawmakers in the lobbies adjacent to legislative chambers but in practice, of course, much broader in scope. A "pressure group" may seek to influence political action indirectly through public opinion or by bringing about the election of persons favorable to the group, regardless of party.

Wage earners in the United States have had little ambition to form the nucleus of a party which, to be effective, would have to supplant one of the two existing major parties. Workers naturally have certain group interests or points of view, and individually or through their unions they seek to have these views and interests reflected in public policy regardless of the party in power. An exceptional example of "pressure group" tactics is the influence exerted on Congressmen of both parties by railroad unions and the coal miners' union, in combination with certain other interests, to prevent the construction of the St. Lawrence River waterway because of their fear that it would take traffic away from the railroads and, by means of water power, adversely affect the demand for coal. Significant recent examples of union political influence less explicitly connected with group interests include outstanding union support of the European Recovery Program, measures to sustain employment such as the Employment Act of 1946, slum clearance and low-cost housing, and, in general, those types of measures that are widely described as liberal and progressive.

Political activities extend to the State federations and to the city centrals and councils. State and local governments play important parts in such policies and programs as factory and workplace inspection; accident prevention; workmen's compensation; building codes and regulations affecting union jurisdictions and relations with contractors; and the regulation of the work of women and young persons. Unions regularly divide

their support of parties, although many unions remain officially neutral.

Both of the major political parties have regularly had the support of some union leaders and members in national as well as local and State elections. But when the AFL or the CIO officials have declared themselves in support of a particular candidate or issue, the declaration is purely advisory. The officials of a national union have no power to bind the locals of the union or their officials or members. When John L. Lewis, president of the United Mine Workers, one of the most powerful and most strongly centralized of all unions, urged the election of Wendell L. Willkie in 1940, the coal miners were credited with commonly having refused to heed his advice. The united opposition of union officials to Senator Taft in 1952 failed to carry for his opponent even some of the strongest labor centers in the State of Ohio.

The political attitudes and activities of unions have been aptly summarized in a recent study of unionism:³⁸

The differences between unions with respect to the utilization of political action and the political apparatus of the state are differences in degree and articulateness. This is another way of saying that (1) no union can function in modern society without seeking in one way or other to influence government; (2) some unions utilizing government do it as part of a systematic philosophy; while others just do it as a matter of run-of-the-mill union activity. Although there are differences in temperament and technique and emphasis in utilizing government there is little evidence of much difference in the substance of what the unions seek to get out of government. On Federal and local domestic government policy there has been a remarkable unanimity of opinion among labor groups.

Unions have become increasingly interested in political activities mainly because they have recognized the need for an expanding role of Government. Many leaders have limited their political activities to the somewhat narrowly interpreted and direct interests of their unions; others, recognizing the increased importance of unions in the national economy and the ultimate dependence on the long-term soundness of that economy, have tended to take a broader view. A broader outlook has also been a natural result of the more extensive participation of unions in community affairs.

³⁸ *Ibid.*, Quoted in Shlister's Readings, p. 132.

Integration With the Community

Labor organizations in some countries have avoided community integration and have tended to think in terms of the ultimate supplanting of other institutions by labor organizations. The ambitions of Samuel Gompers and his associates as founders of modern American unionism included a general acceptance of unionism by the community and a recognition of unions on an equal plane with other institutions. To that end, Gompers took the momentous and often criticized step, early in the century, of accepting appointment as vice president of the National Civic Federation, with representatives of employers, employees, and the public. Gompers answered his critics by saying that his action "helped to establish the practice of accepting labor unions as an integral social element and logically of including their representatives in groups to discuss policies."³⁹

The general public acceptance of unions and their integration in community life have exceeded even the apparent ambitions of Samuel Gompers. A noteworthy development has been the increased participation of unions in community service work and in various other community and group activities. The 1949 AFL Convention strongly urged joint labor-management support of community chests and councils and of the social welfare agencies, commonly called "red feather" agencies, sponsored or aided by the councils and chest funds. The AFL has worked out a detailed year-round program and has gained the support of a large proportion of its national unions, city central bodies, and State federations in carrying out its program, which even includes labor-management social work institutes. An account of CIO participation in community services and related activities has some interesting reflections on the trend.⁴⁰

In 1942 the CIO was represented on 90 community-service programs; last year the number was 7,000. In Akron alone—the bloody labor-management battle-

ground of the thirties—16 CIO people serve on various boards of the Community Chest. "We're in about everything in this town except the Portage Country Club," said one CIO leader to John Dos Passos. There is still plenty of resistance by "polite society" against accepting the union leader. But the resistance is hardly more strenuous today than that always offered to the newcomer—for example, the resistance of the New York "society" of merchants and bankers in the 1870's and 1880's to the new industrial magnates.

In some places—one-industry towns with a strong union like Saginaw, Mich., and the paper and pulp towns of Wisconsin—even this resistance is disappearing. There union men are accepted by the groups that run the communities and set the mores for them: the Parent-Teacher Association and the school board, the elders of the churches, the hospital board, the volunteer firemen, and the dramatic society. Even the "service clubs" of the small-business man, such as Rotary or the Lions—once strongholds of antiunion sentiment—are beginning to bring union men in as members. There is also an increasing acceptance of union men as normal and regular members in management workshops and panels. For years, of course, union leaders have delivered set speeches to such groups as the American Management Association and the National Industrial Conference Board. But now they are coming more and more into the small, informal, off-the-record groups where the real work is being done—and as men who have something to contribute to a common problem, not just under a flag of truce as emissaries of an enemy power.

Education, Research, and Public Relations

Pervading all of the aims and activities of unions are their educational interests. Before reference is made to the specific educational activities of unions, the relationship of unions and their members to the general educational system may be noted.

Unions throughout their history have given expression to their general public interests as well as the interests of union members by reiterated insistence upon free schools, compulsory school attendance, better salaries for teachers, and freedom of teaching. They have often demanded and in some areas obtained free text books for students in the public schools. They have also supported such programs as free lunches in the schools.

Reference has been made already to the transformation and expansion of courses in the field of labor in colleges and universities. These changes, together with improved facilities in the

³⁹ Quoted by Daniel Bell, "The Worker and His Civic Functions," in *Monthly Labor Review*, July 1950 (35th Anniversary Issue), p. 63.

⁴⁰ *Fortune*, February 1951, p. 161 (in an article, "The U. S. Labor Movement," part of a special issue entitled "U. S. A., The Permanent Revolution").

See also *The House of Labor* (pp. 333-344), edited by J. B. S. Hardman and M. F. Neufeld, New York, Prentice-Hall, 1951.

public schools, limit the need for specialized educational work by unions. There remain, however, many phases of educational activity, broadly defined, which unions have undertaken, notably the national federations (the AFL and the CIO) and some of the larger national unions. Union activities that may be put under the general heading include short-session institutes and other programs (including, of course, the labor press and extensive radio broadcasting activities) for promoting general participation in union affairs; schools or special facilities for training union officials; cooperation with universities and colleges; and the carrying on of research and informational work. Some unions have adopted the widespread practice of maintaining specialized provisions for what are commonly called public relations.

Workers have made much progress in taking advantage of improved educational facilities, aided, of course, by better wages, improved economic conditions, and limitations on child labor. In 1900, only about 8 persons per 100 of the population in the usual high-school age groups (15 to 19 years) attended high schools, in contrast to 58 per 100 in 1948. More than two-thirds of craftsmen and kindred workers 25 to 29 years of age in 1940 had gone beyond the elementary or first 8 grades of school, as compared with only 3 out of 7 of those who were 45 to 54 years of age, with their school ages extending over the early years of the century. In 1900, about 25,000 persons graduated from colleges; in 1948, the number was 271,000. Among those 14 to 19 years old in 1952, nearly one-half (47 percent) had completed a full 4 years of high school work; among those 65 years old and over only 1 out of 10 had been in high school as long as 4 years. Ten percent of persons from 25 to 29 years old in 1952 had completed 4 years or more of study in college; among those 65 years old and over, only about 4 percent had gone to college as long as 4 years. Some evidence of the educational progress of the nonwhite population is reflected in changes in literacy. More than 96 percent of the nonwhite population from 14 to 24 years old in 1952 were literate, in contrast to only two-thirds of those 65 years old and over.⁴¹

⁴¹ Monthly Labor Review, July 1950, p. 28 (article on "Changing Modes of Living" during the present century); U. S. Bureau of the Census, Statistical Abstract, 1951, p. 118; U. S. Bureau of the Census, School Enrollment, Educational Attainment, and Illiteracy, October 1952, Series P-20, No. 45, pp. 18, 22.

Mark Starr, a labor leader primarily concerned with labor education, has asserted: "No institution in the United States has such a record of consistent support for public education as has the organized labor movement."⁴²

Following is a recent summary of educational work by the AFL and the CIO in collaboration with their national unions and regional groups:⁴³

The AFL Workers Education Bureau, made a formal part of the federation in 1950—some 27 years after the founding of the Bureau—reports service to 500 national and international unions, State federations of labor, central bodies, local unions, and workers' educational enterprises. At the 1948 convention of the AFL, the bureau reported that during the year it had sponsored 21 institutes on economic and industrial problems in 14 States, in cooperation with its local constituent organizations, universities, and community associations. It also conducted educational meetings at a number of conventions of AFL affiliates and participated in conferences sponsored by other organizations. The bureau services its affiliates and cooperating groups by circulating literature and information of various types. It also publishes a monthly education news letter.

In the same year, the CIO Department of Research and Education conducted five regional conferences in Oregon, Massachusetts, Indiana, and Wisconsin, and sponsored leadership training courses in Maryland, Missouri, Colorado, and Tennessee. The Department acts as a clearinghouse for CIO education directors, and as part of this function, has arranged quarterly meetings for these staff members to consider current problems. The department maintains a rental library of 60 films, which were seen during 1948 by more than 50,000 CIO members. Over 400 albums made up of three 12-inch records of the CIO's "America's Favorite Union Songs" were sold during the year.

The institutes mentioned in the preceding quotation bring union members together in small groups, which, in the summer, often combine discussions and lectures with vacations; winter institutes usually are more strictly limited to study. Labor institutes exemplify cooperation with universities; the first was held in 1931 at Rutgers University. Many universities and colleges now have summer schools primarily for workers, and a large number have a variety of cooperative arrangements with unions.

Some of the larger unions, such as the Inter-

⁴² In Hardman and Neufeld's *House of Labor*, p. 423.

⁴³ J. B. S. Hardman, in Hardman and Neufeld's *House of Labor*, p. 420. Part Seven of this volume (pp. 417-482) is entitled "Union Educational Activity."

national Association of Machinists, the United Automobile Workers, and the International Ladies' Garment Workers' Union, have programs that extend from services for the members of the constituent local unions to the training of staff officers of the national union. The Training Institute of the ILGWU provides 12 months of intensive training of candidates for official union positions. Candidates are not required to have experience in the industry. Field work, however, as well as class work, is included in the course.⁴⁴

The activities of unions broadly classifiable as educational include research and industrial engineering. As a distinct staff function, union research was virtually unknown as recently as the early thirties. Some of the more influential unions, notably the United Mine Workers and some of the railroad brotherhoods, still depend largely upon outside specialists for preparing economic briefs. Most of the larger unions, however, and the AFL and CIO, have regularly employed staffs. These staffs are commonly viewed as "service bureaus" for the use of union officials.

⁴⁴ A series of articles on workers' education began in the November 1951 issue of the *Monthly Labor Review* and continued at varying intervals. The article in the November 1951 issue (pp. 529-535), by M. Mead Smith, was entitled "The ILGWU Approach to Leadership Training."

The informational and background data supplied by research staffs concern all of the major problems with which union officials must deal.⁴⁵ If the union is undertaking the organizing of workers, detailed information is needed regarding the plant, the company, the community, the industry as a whole. The negotiation or renegotiation of a collective agreement calls for study of such subjects as "comparative wage standards, working conditions, finances, cost analysis, competitive position of the plants, and actual industrial standards and conditions secured in other contracts." The information needed will naturally vary with the scope and circumstances of different bargaining situations. Handling of grievances calls for relevant data applicable to a great variety of cases. Arbitration may call for special briefs. Presentation of cases before public agencies has called for increased reliance on accurate data and on analytical work that can withstand public scrutiny as well as the criticism of management representatives. Some unions have engaged in special research in industrial engineering and the problems of management.

⁴⁵ Solomon Barkin, "Expanding Functions of Union Research," in Hardman and Neufeld's *House of Labor*, pp. 236-237.

Chapter VI.—General Outlook and Aims of Unions

Philosophy of Democratic Participation

The labor organizations of the United States in recent decades have followed with minor exceptions a pragmatic course of recognizing the existing economic order as a "going concern," dynamic and evolutionary in nature. They have suffered little from conflicts among themselves over ultimate aims for social transformation or over procedures for achieving aims of that nature. They have in fact been criticized for lack of a general philosophy or ideology.⁴⁶

It is true that American labor unions have often impressed observers as being preoccupied with details of collective agreements and with the procedures of bargaining and negotiating and the adjusting of grievances. Paradoxically, however, even this characterization suggests a significant general outlook or philosophy. It indicates a prevailing aim of community integration, of "belonging," of democratic participation in economic government. It means the general recognition of trade unionism "as a willing and essential partner in the conduct of the nation's economic affairs."⁴⁷ This attitude is an integral trait of American society, with its prevailing spirit of give and take, or democratic compromise; its fluidity of class boundaries; and its ideals, imperfectly realized to be sure, of individual freedom and dignity and opportunity to advance by merit and ambition.

These attitudes and ideals leave comparatively little place for class conflicts and revolutionary aims. In contrast, the social structure in some countries has tended to prevent the community integration of unions and to limit severely their

role in democratic participation. Capitalism itself, in some countries, seems to have become somewhat static or to have been stalled on dead center instead of achieving a dynamic and evolutionary adaptability. Some labor movements have therefore been torn between the conception of serving as "a doctor at the sickbed of capitalism" and that of allowing the patient to die and inheriting the legacy.⁴⁸

Drastic Change vs. "Practical Idealism"

Before the unions of the United States achieved their recent stature and generally recognized status, they were less firmly committed than at present to the seeking of adjustment by means of democratic participation. Thus, the Knights of Labor, described in an earlier chapter, had ideas and ambitions looking toward a cooperative commonwealth. They proposed an idealistic and somewhat vaguely conceived substitute for the prevailing employer-employee relationship, a system in which modern collective bargaining would have no clearly defined place.

Another movement on a bypath of American labor history, but paralleling the rise of the American Federation of Labor, centered around the Industrial Workers of the World. Formed in 1905 in an effort to supplant the AFL, the IWW made a distinctive contribution to American labor thought by its emphasis on the organizing of workers by industry and structural group corresponding to the newly rising forms of industrial organization. It made its main organizing efforts among more or less neglected or isolated workers, such as those in textiles, meatpacking, logging and lumbering, and the migratory farm groups.

The IWW was an indigenous American movement. It was torn, however, by conflicting ideas, some of which came from abroad. Revolutionary

⁴⁶ Questions of this nature have been raised not only by foreign observers but also by some Americans, as Professor Robert S. Lynd in Hardman and Neufeld's *House of Labor*, p. 514.

Problems arising from basic differences in points of view are discussed by David C. Williams in *Interpreting the Labor Movement* (pages 192-207), a special volume issued by the Industrial Relations Association (1952).

⁴⁷ A characterization applied by the author of the quotation, Allan Flanders, to British unions since the middle thirties. See *Comparative Labor Movements* (p. 12), edited by Walter Galenson. New York, Prentice-Hall, 1952.

⁴⁸ Adolf Sturmthal, *The Tragedy of European Labor*, especially chapter 7, "Doctor or Heir." New York, Columbia University Press, 1943; second printing with new preface, 1951.

syndicalism, for example, came to have increasing influence among the leaders, especially after they became active in organizing immigrant workers. Some of the leaders had favored political action and even collective bargaining, but for the most part they accepted the slogan, "The working class and the employing class have nothing in common." Any contractual relationship was therefore viewed as merely a tactical or palliative measure. It appears that the leaders generally hoped to achieve the great transformation by direct action such as strikes, restriction of output, and the bringing about of a general breakdown of the capitalistic control of production as a necessary prelude to the taking over of industry by the workers, solidly organized by industry and ultimately as "one big union."

Never touching directly more than a small fringe of American labor, the IWW nevertheless influenced indirectly the whole labor movement. It pioneered significantly in the newer forms of industrial organization; and it prodded "the dominant labor movement into giving more consideration to the problem of organizing the unskilled." It also brought upon the labor movement as a whole unfounded suspicions and many specific charges of having revolutionary aims.⁴⁹

More recently, the ideas of sudden and drastic change advocated by the IWW found refuge in the Communist movement. The IWW differed, however, from communism in opposing the role of the State and favoring direct action. More significantly, the IWW was distinctly American in origin; the Communists increasingly assumed the role of agents of a foreign power. After World War I, Communists adopted the policy of forming "cells" in key industries and labor organizations and of "boring from within." The public revelation of Communist tactics led to widespread attacks, effective although completely unfounded, on the AFL as having alien and subversive purposes.

Before the late thirties Communists were not able to obtain any significant influence in unions. They pursued for a time but without success the "party line" policy of dual unionism. The "bor-

ing from within" tactics were again resorted to during the period of rapid expansion of unions in the late thirties. Communists, sometimes in disguise, gained influence in many of the CIO unions. They were able, after the invasion of Russia by the Germans, to consolidate and extend their influence. Some unions in which Communists gained influence succeeded in ousting the Communist officials by normal electoral procedures. Among these was the large and powerful United Automobile Workers (CIO). In other unions the Communist officials proved to be strongly entrenched, and in the World Federation of Trade Unions (formed in 1945) they gave unmistakable evidence of their greater loyalty to the Soviet Union than to the CIO and free unionism. At length, in 1949 and 1950, the CIO undertook a general expulsion of the Communist-controlled unions.

The unions which were expelled from the CIO were not predominantly Communist but were controlled by Communists. The members, generally speaking, were either unable to oust their officers; or they were not convinced of the Communist affiliations of the officers; or they were inclined to think of their unions in the traditional nonpartisan sense without recognizing the concealed partisan and pro-Russian aims of their leaders. The expulsion of the Communist-controlled unions from the CIO was followed by the decline of many of these unions and by the extensive shifting of their members to CIO or AFL unions.⁵⁰

"Pure and Simple" Unionism

American workers have overwhelmingly rejected proposals for sudden and drastic change. They have preferred to pursue, in their own institutional life, those down-to-earth, pragmatic aims which appear to have a reasonable chance of attainment. Unions and their members have exhibited much idealism and devotion to causes not always popular; but rarely, since the era of the Knights of Labor, nearly three-fourths of a century ago, has their idealism been of such nature or intensity as to prevent their immediate pre-

⁴⁹ A convenient summary of the rise and decline of groups like the IWW is in *Organized Labor*, by H. A. Mills and R. E. Montgomery, pp. 115-123.

An outstanding early study is *Left Wing Unionism*, by David J. Saposs, New York, International Publishers, 1928.

⁵⁰ Florence Peterson, *Survey of Labor Economics*, Revised Edition, pp. 504-509. New York, Harper, 1951.

occupation with trying to maintain or improve their job status and working conditions.

From the founding of the AFL (1886) to the depression years of the thirties, prevailing conditions gave ascendancy to "pure and simple" unionism. An expanding, assertive, and successful industrial capitalism brought a widely sustained if uneven prosperity and maintained an effective accord with major elements of the self-employed and salaried groups. Union members were an ineffective political minority, and in the two-party system with majority rule, political influence could best be exerted by a nonpartisan policy. Unions were prevailing on the defensive. The effective role of unions was restricted to measures designed to minimize or ward off outside attacks and to retain the loyalty and support of their members by meeting their basic needs.

It was toward the end of that period of union vulnerability and struggle for the maintenance of essential functions that the most widely known "theory" of American unionism was formulated. That theory is associated most prominently with Professor Selig Perlman of the University of Wisconsin.⁵¹

The Perlman theory began with the observable facts of the prevailing limitation of union aims and activities to the conditions of employment. The theory also contrasted these facts, and the nonpartisan political activities of unionism in the United States, with tendencies in Europe toward political action, often influenced not so much by the expressed wishes of union members as by the ambitions of party leaders and the "ideologies" of intellectuals. The Perlman theory rooted the prevailing unionism in the attitudes and interests of the members. The central idea of the theory is "job consciousness," intensified by the consciousness, or the fear, of job scarcity. A union's main function, to which its other functions are either contributory or subordinate, is job control. "From this is developed the rules which, first, establish a collective control of the limited opportunity, second, the rules of occupancy and tenure, and, third, the rules to preserve or expand that opportunity."⁵²

⁵¹ Selig Perlman, *A Theory of the Labor Movement*, New York, Macmillan Company, 1928; reprinted, Kelley, 1949.

⁵² Russell S. Bauder's summary, in *Proceedings, Industrial Relations Research Association, Third Annual Meeting, 1950*, pp. 170-171. Part VI (pp. 129-183) is a report of discussions of "Theory of the Labor Movement: A Reappraisal."

This concept of unionism has been described as unionism "pure and simple" or "business" unionism or "bread and butter" unionism. On the basis of these characterizations, American unions have been criticized both at home and in other countries as merely materialistic, or at least opportunistic, and lacking in idealistic social aims or consciousness. Professor Perlman himself, referring to such criticisms, said that they often arise from "a disposition to class as idealistic solely the profession of idealistic aims—socialism, anarchism, and the like." Union members, he pointed out, have often displayed, purely on the basis of the "job-consciousness" philosophy, a "mutual cohesion" and a "readiness to subordinate the interests of the individual cell to the aspirations of the whole labor organization." He also pointed out, in his *Theory of the Labor Movement*, that many influences affect job control. "Every union soon discovers that the integrity of its 'job territory,' like the integrity of the geographic territory of a nation, is inextricably dependent on numerous wide relationships."

Basic union functions, now as well as when Professor Perlman's study was published, are derived from "job consciousness" and are concerned with the security of the individual union member in getting and holding his job and with his protection while on the job. These are compelling reasons for union membership and union loyalty.

Shifts in Labor Policy and Theory

Nevertheless, in recent decades, vital changes have occurred in the national economy, in the policy and world status of the country, and in the membership, influence, and responsibilities of unions. These changes and their effects in calling for a shift of emphasis in the analysis of labor theory were noted in discussions reappraising earlier theories at a 1950 meeting of the Industrial Relations Research Association, and in the papers comprising a special volume issued by the association (1952) entitled, "Interpreting the Labor Movement." A vigorous criticism was expressed by J. B. S. Hardman, in the light of his own concept of labor "dynamism" or "power accumulation": "Though cloaked in personalities, and emphasizing special aims, the 'core-substance' of

unionism is an ever evolving contest for a satisfying share in carrying on the business of living within the reach or the outlook of the nation and the time." The "power motivation" of unions, in the view of Mr. Hardman, is rooted in the "historic dynamism" of the American people, and it lacks the "we versus they" bias of the European labor movement. Unions go beyond the direct aims of collective bargaining and job control; they "engage their power of organization to wrest recognition from the extant social order and to participate in decision making." Thus, union power is "social power." It is "not a force against society but a constituent element in the functioning of the whole of society."⁵³

A summary of the discussions of the 1950 meeting of the Industrial Relations Research Association, by Everett Kassalow, supported the call for reexamination and reemphasis in the study of labor theory:⁵⁴

Try to recall the essentially defensive and highly circumscribed picture of the movement and philosophy which Dr. Perlman described in the twenties. Compare this with the position of the trade-union movement today. It is 15 million strong and it extends into virtually every important industry. By dint of these numerical facts alone, it has been led into many areas of new responsibility and new positions. As the largest mass economic interest group, organized labor, for example, has become the power center of progressive social and economic reform in American society.

Study the record on public and cooperative housing, social security, health insurance, minimum wages, fair employment practices, to name but a handful of modern-day basic social issues, and you must conclude that organized labor has been the single most important economic voice and political support of these programs.

If anyone thinks those policies are a simple reincarnation or extension of the job control unionism of the twenties, I suggest he study organized labor's changed attitude toward social security as a case in point. . . . In the heyday of job conscious unionism when Dr. Perlman was expounding his theory, organized labor, or at least its top leadership, in practice and in principle generally opposed such forms of government intervention in economic life.

⁵³ J. B. S. Hardman, in *Proceedings, Industrial Relations Research Association, Third Annual Meeting, 1950*, pp. 156-157. (See also Mr. Hardman's article, "Labor in Midpassage," in the January-February 1953 issue of the *Harvard Business Review*, and a summary of the article in the *Monthly Labor Review*, March 1953, pp. 258-260.)

⁵⁴ *Proceedings, Industrial Relations Research Association, 1950*, pp. 178-179.

In the IRRA volume referred to above, the following traits are noted: "(a) the pragmatic nature of the American labor movement, continually experimenting with a changing environment to survive and grow, (b) the diverse, multiform character of the movement attacking its problems and seeking its goals through the use of many different structures, policies, and techniques, and (c) the increasing complexity of its activities as it moves beyond the plant and industry into the community, State, national, and international arenas."

Unions in Relation to Socialism

Some of those who have criticized the unions of the United States as lacking in "ideology" recognize a recent expansion of the political and general interests of unions and yet believe that they should take a more positive stand particularly in reference to democratic socialism as a substitute for private capitalism. That point of view has naturally been widely held because the larger unions in most countries have had close ties with socialistic movements. Some unions, especially in countries slow to achieve a transition from feudal society to a modern dynamic society that affords opportunity for a new democratic integration of classes, have viewed revolutionary action as a necessary method; others have favored evolutionary and reformist advances toward socialization, which they, too, have held to be essential for the achievement of an equitable economic and social system.

These aims have often gone beyond the prevailing views of union members. Marx himself set an example of trying to control and utilize unions for the advancement of his political views—an example often later followed to the point of external domination of unions. But whether with or without the conscious general support of union members, union leaders of various other countries have widely favored a socialistic transformation and have sought to make use of unions in support of socialistic programs.⁵⁵

It is true that some unions in most of the free countries are not committed to socialism, certainly not in the form of the general nationalizing of

⁵⁵ The prevaillingly socialistic outlook of European unions and their conflicts over trade-union versus political objectives and over methods of trying to make the transition to socialism are described by Adolf Sturmthal in his *Tragedy of European Labor*.

industry. Furthermore, the non-Communist unions in these countries have come to recognize the menace to basic liberties of socialization by methods such as those that have been used in totalitarian countries. The achievement of well being in terms of individual dignity and democratic group participation is a far more complex and sensitive process, it is now recognized, than many idealistic proponents of socialism once supposed. Socialization itself is now widely viewed in less doctrinaire terms of nationalization or of public ownership than in earlier decades.

Changes in points of view have affected workers in the United States as well as those in other countries. Thus, a recent student of international unionism has noted in postwar Europe, outside of Communist-controlled countries, a "reformist trend" and a new emphasis on trade union as distinguished from political activities. "It is perhaps a symbol of these developments that cooperation between the unions of the United States and those of Western Europe has reached an intensity which few would have believed possible 20 years ago. It is sufficient to read Samuel Gompers' unhappy reflections on his meetings with European labor leaders during World War I to measure the distance which labor has traveled on both sides of the Atlantic."⁸⁸

It is nevertheless understandable that many of the leaders of unions in other countries have raised questions regarding the relationship of unions in the United States to the socialist movement. Why have American unions as a rule refrained, as unions, from either supporting or opposing socialistic proposals? The answer to the question is found in part in the prevailing American view of the appropriate aims and functions of a labor organization and in part in basic American philosophy.

The extent to which unions may appropriately, as unions, either champion or oppose measures for socializing the economy depends upon what labor regards as its objectives and functions. The labor organization is only one of many institutions in a free and highly complex society. Unions, as they are prevailingly viewed by labor in the United States, have certain basic functions, and those are chiefly concerned with the relations between their

members and the managements of the undertakings in which the members are employed. These relations are now far broader than those affected by the traditional "job control" policies. The basic functions connected with labor-management relations are in essence similar, in free societies (as distinguished from totalitarian states), whether the enterprise is owned privately, or by a cooperative association, or by government. In the United States there are many enterprises of all three types, and also many that are quasi-public, such as undertakings carried on by private contractors for agencies like the Tennessee Valley Authority and the Atomic Energy Commission. The major business undertakings are privately owned, although private ownership now has a meaning and power of direction vitally different and vastly more restricted as compared with private ownership of even a generation ago. Unions have found (especially by observation of conditions in some other countries) that public enterprise does not necessarily mean more satisfactory labor-management relations. Unions, while emphasizing their basic functions, have seen fit to take sides on political issues as they arise; and the range of these issues expands as governmental functions in relation to the economy become increasingly important and as unions themselves grow and become more influential.

Members of unions can direct their officers to favor socializing measures, but they have rarely taken such action. The individual officers and members are of course free to express their broader aims and ideals as individuals or in association with the members of appropriate groups. If a union member thinks that public ownership, for example, is desirable, he can support that view both as an individual and as a member of an appropriate association or party; if he desires to patronize the cooperative movement, he can join, or aid in forming, a cooperative enterprise. American trade unions have generally operated on the theory that a union, in a free and complex society, can best perform its distinctive functions when those functions have limited objectives, consistent with its tolerating, and being tolerated by, other institutions. Workers in the United States are not unaware of the experience of unions in countries, such as the Soviet Union, where workers are theoretically predominant but where

⁸⁸ Adolf Sturmthal in the preface (p. xviii) to the second printing (1951) of his *Tragedy of European Labor*.

their organizations are in fact merely subservient agencies of a self-perpetuating and arbitrary political regime.

American unions are often "idealistic" in the sense of supporting what they view as worthy causes. Their members have often demonstrated devotion to their ideals by sacrifices in the interest not only of union solidarity but also in support of community service programs, the larger political activities of their unions, and programs of international aid. Unions in the United States, however, are not "ideological" in the frequently used sense of that word; they have prevalently retained the restricted and pragmatic or practical view of their functions already described.

There has been comparatively little class consciousness in the United States; both class and occupational lines have been fluid; and unions have sought and generally achieved integration in American society and institutional life. There rarely has been any widespread, intense, or long-sustained feeling of need for extreme change. Prevailing ambitions have had little to do with ultimate faraway goals; they have emphasized making the most of available opportunities or of adaptations for improving opportunities. The distrust of ideologies and extreme social change has been intensified by knowledge of the actual course of recent revolutions, particularly in the subverting even of the existing liberties of those in whose behalf the changes were supposed to have been made. There has been a widespread inclination to view sympathetically the experiments in the nationalizing of industries by democratic processes in the free countries, but workers hold that nationalization is no panacea and that these various experiments have engendered problems of their own.

The Pragmatic Approach to Change

Americans, and certainly American workers and their union leaders, are not supporters of the status quo. The prevailing attitude of union leaders and members is consistent with the indigenous American spirit and philosophy. Pragmatism, defined broadly and not in its precise philosophical sense, has characterized much of American

life and thought. It has been expressed in varying forms by Benjamin Franklin, Ralph Waldo Emerson, Walt Whitman, William James, and John Dewey. The philosophy of pragmatism is an academic way of expressing the prevailing spirit and mode of change. "When the belief that knowledge is active and operative takes hold of men," said John Dewey, "the ideal realm is no longer something aloof and separate; it is rather that collection of imagined possibilities that stimulates men to new efforts and realizations. It still remains true that the troubles which men undergo are the forces that lead them to project pictures of a better state of things. But the picture of the better is shaped so that it may become an instrumentality of action."⁵⁷

The philosophy of pragmatism has given expression to the prevailing American experience and thought as to the method of change. American workers, in spirit if not in words, would substantially agree with John Dewey in viewing "men and events as a continuing process 'of communication and participation' between each and all." When ideas or ideologies (Marxism, for example, or its antithesis, private capitalism) are set up as "final, unchanging, eternally valid," their value as tools or instruments of change and adaptation is destroyed; the instrument suffers "hypostasis, or conversion from a tool to an idol."⁵⁸

Expressed in everyday terms, a characteristic attitude of Americans, including American workers, is that of overcoming obstacles, solving problems, achieving adaptation, amelioration, and progress. In the heat of controversy and of political or industrial conflict, they may use such extreme terms as to denounce an act of Congress as a "slave labor law"; they seek to "reward their friends" and "punish their enemies"; they "point with pride" to their achievements and "view with alarm" the dire results if their opponents win. But in the calm of day-to-day relations, after an election or a vital decision or a strike, the bitter end, last-ditch, angels-against-devils mentality subsides. The winners usually compromise with the losers in carrying out a program which, while

⁵⁷ John Dewey, *Reconstruction in Philosophy*, Mentor reprint (containing the author's new Introduction written in 1948), pp. 103-104.

⁵⁸ *Encyclopedia of the Social Sciences*, article on Pragmatism by H. M. Kallen.

not fully satisfying any group or party, usually represents a widely expressed demand or need.

There is in the United States a general expectation of change and improvement combined with a desire (in fact, the constitutional necessity) to go no faster or farther than is widely acceptable. Those traits have given to American political parties and to our unions and other institutions an appearance of opportunism as distinguished from undeviating adherence to a "cause" or an "ideology." Devotion to a cause may, however, result from the mistaken view of the infallibility of its devotees; and an attitude that appears to be merely opportunistic may in fact be an expression of tolerance and mutuality, a recognition that we may accommodate our own self-centered and imperfect ideas and interests to those of others.

The "Permanent Revolution"

Historically, men usually have associated themselves in a "do-or-die" spirit with causes or ideas when obstructions have been placed in the way of mutual association and peaceful adjustment. Generally speaking, Americans established a basis for democratic change and adjustment in their Declaration of Independence and their war for in-

dependence; they confirmed it in the Constitution and the supplemental Bill of Rights; and they extended the basis by such measures as the general right to vote and the secret ballot.

The American Revolution established what at that time was a startling novelty among men—a system which has been described as comprising liberty, equality, and constitutionalism; and these three in combination have been described as making a "permanent revolution."⁵⁹

Unions in the United States, like other institutions, have accepted the principles of the "permanent revolution" for continuous change and adaptation, and they have accepted its nonviolent procedures of achieving change "by due process," defined broadly, not in a legalistic sense. According to Marxian dialectic, such an attitude should long ago have demonstrated its futility. American workers, usually unaware of dialectics, have proceeded in that pragmatic spirit which adopts ideas that can be projected into action as a test of their value. The pragmatic test, far from demonstrating futility, has resulted in an almost continuous absolute improvement and a marked relative improvement in the status and economic well-being of workers.

⁵⁹ Fortune, February 1951: "USA the Permanent Revolution."

Chapter VII.—Government and Labor

Historic Influences

The relations of Government to labor in the United States are now far more detailed and complex than in earlier generations. The nature of governmental responsibilities and functions in relation to labor has been determined most significantly by three historic influences.

In the first place, labor in the present-day sense of the wage-earning groups was a comparatively minor element in the long-prevalent society of independent farmers, craftsmen, and small-business men. The individualism which actuated these groups and rigorously limited the role of Government still finds reflection, for example, in the preference of both unions and employers for self-help and voluntarily negotiated agreements. Secondly, the rise of large-scale business undertakings and the vast relative increase of wage-earning employments gradually tempered individualism and created conditions calling for extension of governmental activities. These activities, in relation to labor, have included various types of measures for safeguarding the health, working conditions, and economic security of workers and also many modes of public intervention in respect to labor-management relations. A third major influence (notably important in accounting for diversity and seeming inconsistency in labor policy) is the dual system of Government in the United States, together with the indefinite boundaries between Federal authority and the jurisdictions of the States which compose the Federal union.

The first 2 of these 3 historic influences—the earlier substantial identity of labor and capital in an individualistic and rapidly growing society and the transformation of ideas and attitudes accompanying the modern industrializing process—were described in earlier chapters. Moreover, these influences are comparatively familiar and well understood abroad as well as in the United States. The third influence—the Federal-

State system of government—calls for a brief explanatory statement. To be sure, federalism is not peculiar to the United States, but its American form of development and implications are in many ways distinctive.

The Federal-State Division of Functions

Anyone not familiar with the division of governmental authority in the United States may have difficulty in understanding the diversity of public policies. Understanding is less difficult if the origins of the United States are viewed in the light of the present-day efforts of Europeans to achieve a measure of political integration. The original thirteen States or commonwealths of the United States were political units which viewed themselves as States in the sense of sovereign political entities. After years of discord accompanied by dangerous internal weakness and the menace of aggression from the outside, these States formed a union but continued to claim many of the prerogatives of sovereignty.

The Federal Government is still limited to the powers granted to it, either explicitly or by implication, by the Constitution; and the Bill of Rights, which amended the Constitution, asserted that “the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Within each State are local political units: the townships and election wards with their precincts; counties or territorial units next in size to the States; and municipalities ranging from an incorporated village to a giant metropolis such as Greater New York with a budget larger than any of the American State Governments and many National Governments. State Governments must be republican in form and must not contradict or violate the Constitution, laws, or treaties of the United States.

The functions of a State within the United States comprise, theoretically, the control of all

affairs purely within its borders. Such a conception, although much more closely approximating reality in the simple environment of the eighteenth century, obviously was never literally applicable. Experience has brought about an intricate and flexible division of functions on a pragmatic, not a strictly legalistic or formal, basis. In some fields, the functions of Federal and State Governments are sharply differentiated. The State and local governments have nothing to do, for example, with treatymaking or with military policy; and the Federal Government does not license physicians and automobile drivers or appoint teachers in the public schools or prescribe police regulations or administer workmen's compensation laws. In a wide range of activities there is collaboration, not without some overlapping and conflict. The national employment service, for example, and the affiliated system of unemployment insurance are organized under Federal laws and in accord with national standards but are administered locally by State agencies under State laws with local variations and adaptations.

In labor-management relations, the regulations of the Federal Taft-Hartley Act apply directly to employers and employees in those industries which affect commerce between the States, with specified exceptions (railroad labor, for example, covered by another Federal law). Most of the States have passed laws for regulating labor-management relations in local industries not affecting interstate commerce. Some of these laws have differed in basic policy from the Taft-Hartley Act and have given rise to disputed jurisdictions.

Why Federal Functions Have Expanded

During much of the history of the United States, the powers of the Federal Government have been subjected to keen controversy. Those who favored a "strict construction" of the Constitution gradually lost ground to supporters of a "loose construction"; on the side of the latter, generally speaking, were the forces of growth, integration, specialization, and interdependence. The expansion of local markets into national and international markets; division of labor and specialization of economic functions; regional and national integration by means of new facilities for transportation and communication; the nationwide,

even worldwide, investment basis and operations of corporate business; increased demands upon the Federal Government for conservation of natural resources, informational services, and assistance to enterprise through such measures as trade regulations, land grants, and loans; and the intensification of national problems by economic depression and war: such circumstances contributed to a comparatively rapid increase in the activities of the Federal Government.

The expansion of Federal functions was in part simply an accompaniment of the vast increase in the relative importance of commerce between the States or in those activities which affect interstate commerce, as compared with the prevailingly localized and self-sufficing nature of earlier economic life. The undertaking of new political activities was facilitated by a liberalized interpretation of the interstate-commerce clause of the Constitution; by invoking its "general welfare" clause; and by the development of the doctrine of "implied" powers (powers neither granted nor withheld explicitly but viewed as vital to the proper exercise of recognized public functions). These tendencies limited the force of the doctrine of powers "reserved" to the States or the people. An increase in the indirect influence of the Federal Government has resulted from extensive programs of Federal "grants in aid" to State Governments for such purposes as old-age assistance, maternal and child health services, and education. The indirect effects of Federal legislation often extend beyond their legal scope; the Fair Labor Standards Act, for example, sets up standards in major industries affecting interstate commerce, and these standards, through competition and custom, tend to find acceptance in local employments exempt from Federal regulation.

Early Restraints on Unions

In another connection, it was stated that the historical role of Government in labor-management relations was in accord with the prevailing ideas that Government should have little to do with economic life. It has also been pointed out that with the growth of business units into large aggregations of capital operating on a regional or national scale, a hands-off policy became increasingly, in effect, a policy of opposition to labor unions.

A long-held judicial view in opposition to unions was the unlawful combination or conspiracy doctrine. This was stated in an extreme form by the Philadelphia judge who, in 1806, convicted the Cordwainers' (shoemakers') union: "A combination of workmen to raise their wages," the judge declared, "may be considered from a twofold point of view; one is to benefit themselves, the other to injure those who do not join the society. The rule of law condemns both." By the middle of the 19th century, a modified view came to prevail in the courts: A union is not in its essential nature an illegal combination; but it is illegal if it seeks to achieve unlawful ends or makes use of unlawful means. That point of view, reasonable as it appeared to be, nevertheless left unions at the mercy of the courts because of the discretion of the judges, often unfriendly, in deciding what was a lawful purpose and what was a lawful method. With the enactment of antitrust legislation, the doctrine of restraint of trade became a particularly effective legal weapon.⁶⁰

The legal barriers to unionism continued throughout the last century and the first three decades of the present century. They may be illustrated by the interpretation of the law of contract in the case of the *Hitchman Coal and Coke Company v. Mitchell*. The Hitchman Co., adopting a practice then widespread among employers, required its employees to accept what unions called a "yellow dog" contract. This was a promise exacted (or a "contract" entered into) to the effect that the employee's job would depend on his not belonging to a union, not going on strike, and not taking part in any group action against the employer as long as he held his job. His job tenure, despite the "contract," remained purely subject to the employer's will. Attempts by the United Mine Workers to organize the company's employees led in 1907 to the company's obtaining a court injunction to stop the union's organizing efforts.⁶¹

An injunction, in prevailing usage in the United States, may be described nontechnically as a court's order requiring that specified acts be done, or more often, prohibiting the doing of specified

acts. The injunction came to play so large a part, before the thirties, in limiting the activities and growth of unions as to give rise to the opprobrious term "government by injunction."

The "preliminary" and "temporary" injunctions obtained by the Hitchman Co. were in effect for nearly 2 years, during various delays in court procedure. A permanent injunction, finally issued in 1909, was based primarily on the ground that the union's efforts to induce the company's employees to join the union comprised a conspiracy to persuade the employees to violate their contract (the "yellow dog" contract). The injunction continued in effect during an appeal. In 1914 the original decision was reversed; but the company appealed to the Supreme Court of the United States, and on December 10, 1917, won a verdict from the highest court validating the company's actions. The verdict was based primarily on the same assumption, namely, that an employee's acceding to the company's prohibition of union membership as a condition of employment was a valid contract and that efforts to persuade employees to join a union were in fact illegal inducements to breach of contract.

The decision in the Hitchman case was particularly significant in encouraging injunctions and other judicial procedures to thwart union activities. These procedures, in the name of freedom of contract, individual liberty, and other widely acclaimed "liberal" principles, enabled an unfriendly employer to hamper a union in its basic organizing work and maintenance of membership as well as in its efforts to carry on collective bargaining and in its conduct of strikes. During World War I, unions, by their vigorous cooperation with employers as well as Government in support of war production, won a temporary respite from prosecutions in the courts. Thereafter they experienced little relief until the legislative measures of the thirties provided a new statutory basis for unionism.

The New Labor Policy of the Thirties

Efforts to modify judicial procedures in the interest of free unionism were made in 1914 with the passage by Congress of the Clayton Act. That act declares that "labor is not a commodity" and it sought to protect unions from prosecutions

⁶⁰ H. A. Millis and R. E. Montgomery, *Organized Labor*, pp. 22, 498-517.

⁶¹ The history of the Hitchman case is given in Elias Lieberman's *Unions Before the Bar*, New York, Harper, 1950.

There is a lengthy quotation from the volume in Shister's *Readings in Economics and Industrial Relations*, pp. 419-427.

under the antimonopoly laws. The act proved to be ineffective. It was not until 1932, with the enactment of the Norris-LaGuardia Anti-Injunction Act, that unions obtained substantial statutory relief from the rigors of injunctions and other court procedures. That act also changed the substantive law of labor, for example, by invalidating the "yellow dog" contract. The act also embodied, in a general statement of policy, the principles of freedom of association and of collective bargaining regarding the terms and conditions of employment.⁶²

In railroad transportation, new principles of law and public policy were adopted as early as 1926. The Railway Labor Act of that year was adopted as a result of conferences and a measure of agreement between representatives of the railroad companies and the railroad unions. The act incorporated the basic principles of free association; representatives of both parties were to be chosen "without interference, influence, or coercion by either party over the self-organization or designation of representatives by the other." Action by the United States Supreme Court in 1930 validating these provisions of the law initiated a significant change in judicial decisions more favorable to unionism. The Railway Labor Act of 1926 further provided that it was the duty of employers and employees to make every reasonable effort, by collective bargaining, to reach agreements regarding conditions of employment, and to settle all disputes, whether arising out of the application of such agreements or otherwise, without work stoppages. The act had many detailed provisions, but its basic importance was national recognition of free unions and dependence on collective bargaining to settle disputes both over the terms of agreements and over their interpretation and application. Furthermore, the act was no mere statement of policy in the form of a general principle; it provided the administrative machinery of the National Mediation Board and, under an amendment, that of the National Railroad Adjustment Board.⁶³

The National Industrial Recovery Act of 1933 included important principles of labor policy in its industry codes of fair competition. Every such

code, the law stated, must include provisions guaranteeing the right of employees "to organize and bargain collectively, through representatives of their own choosing, . . . free from the interference, restraint, or coercion of employers of labor or their agents." Every code must also specify that no employee and no one seeking employment should be required to join a company union or be prevented from joining a union of his own choosing or taking part in its activities. The various benefits which employers expected from the codes were available only to those employers who conformed to these conditions regarding unions.⁶⁴

The National Industrial Recovery Act was invalidated (on grounds other than its labor provisions) by the Supreme Court in May 1935.

In the same year, Congress passed the National Labor Relations Act (the Wagner Act). The new act went beyond the invalidated law in a more detailed statement of principles and of "unfair labor practices," and also in the setting up of administrative machinery, the National Labor Relations Board. Effective administration was delayed, however, by attacks on the law in the courts, until 1937, when the Supreme Court upheld its constitutionality.⁶⁵

Public policy designed to protect free unionism and to promote industrial peace by means of collective bargaining evolved from the Clayton Act of 1914 to the Wagner Act of 1935. The transformation of judicial as well as legislative policy is exemplified by the Jones & Laughlin case of 1937, upholding the Wagner Act.⁶⁶ The Court's opinion in that case set forth in summary the philosophy of the Congress in passing the act and of the Court in upholding it. The law, it was asserted, goes no further than to safeguard the right of employees to self-organization and to select representatives of their own choosing for collective bargaining or other mutual protection without restraint or coercion by their employer. "That [the Court asserted] is a fundamental right." Therefore, interference with that right "is a proper subject for condemnation by competent legislative authority." The opinion then set forth the Court's view of "the reason for labor organizations." A single employee, it was as-

⁶² *Ibid.*, pp. 521-522.

⁶³ Florence Peterson, *Survey of Labor Economics*, revised edition, 1951, pp. 401-492.

⁶⁴ *NLRB v. Jones & Laughlin*, 301 U. S. 1, 57 S. Ct., 615 (1937).

⁶⁵ Mills and Montgomery, *Organized Labor*, pp. 640-651.

⁶⁶ *Ibid.*, pp. 520-521, 737-748.

serted, is helpless in dealing with an employer; he is dependent as a rule on his daily wage for the support of his family as well as himself and he is therefore unable to seek a remedy for unfair treatment or even relief from it by giving up his job. The union, therefore, is necessary to enable individual workers to deal on an equality with their employers. Congress, recognizing these facts, has authority to safeguard the right of collective action and to seek to make it an instrument of peace. The prohibition by Congress of interference by employers with free unions and free choice of representatives for collective bargaining, "instead of being an invasion of the constitutional rights of either, was based on the recognition of the rights of both."

Postwar Modification of Labor Policy

Many employers and some individuals in all groups opposed the general change in attitude toward unions and collective bargaining. A number of influences gradually operated to turn a small minority into a powerful movement for a modification of public policies. Unions, growing rapidly, experienced internal conflicts over jurisdiction and jealousies over comparative membership and gains in wages and other provisions of collective agreements. The infiltration of Communists in some unions and the existence of abuses such as monopolistic membership fees in a few unions afforded propagandist materials to opponents. New members were unaccustomed to union discipline and many unions had to be staffed by inexperienced officers. Some unions, accustomed to legal obstructions as well as employer opposition, experienced difficulty in exercising needed self-restraint under the new and more favorable conditions. Workers generally were confronted during World War II and the reconversion period by demoralizing conditions such as a wholesale shift from peacetime to wartime industries and back again during reconversion, a process that was complicated by military mobilization and demobilization. Public agencies during the war had assumed much of the responsibility for policies in the field of labor-management relations as well as other phases of the national economy. Unions gave offense to many by their political activity. The removal of public controls led to a rapid upturn in

prices and contributed to industrial unrest and labor-management conflicts.

Such a combination of influences, although in large part beyond the control of unions, nevertheless led to charges of irresponsibility and excessive power. A strong reaction therefore set in against the Wagner Act. The result, in 1947, was the substitution of the Taft-Hartley Act for the Wagner Act. The trend of State legislation regulating unions and labor-management relations was also away from the generally more liberal laws of the thirties.

The basis and essence of the Taft-Hartley Act as viewed by Senator Robert A. Taft were summarized by him in a Senate speech in which he said:⁶⁷

The truth is that originally, before the passage of any of the laws dealing with labor, the employer had all the advantage. He had the employees at his mercy, and he could practically in most cases dictate the terms which he wished to impose. Congress passed the Clayton Act, the Norris-LaGuardia Act, and the Wagner Act. The latter act was interpreted . . . in such a way that it went far beyond the original intention of Congress, until we reached a point where the balance had shifted over to the other side, where the labor leaders had every advantage in collective bargaining and were relieved from any liability in breaking the contract after they had made the bargain. . . .

All we have tried to do is to swing the balance back, not too far, to a point where the parties can deal equally with each other and where they have approximately equal power. . . .

This is a perfectly reasonable bill in every respect. . . . There is no reason in the world why a union should not have the same responsibility that a corporation has which is engaged in business. So we have provided that a union may be sued as if it were a corporation. . . . There will be no free collective bargaining until both sides are equally responsible. . . .

A principal method used by the authors of the act to "swing the balance back" was the forbidding of unions, as well as management, to engage in various activities described as "unfair labor practices." Union leaders in the heat of controversy have called the Taft-Hartley Act a "slave labor law." In calmer moods, they have criticized it in detail. In general, they have viewed it as reimposing on labor many of the earlier legal shackles

⁶⁷ Congressional Record, Vol. 93, No. 119, pp. 7690, ff., quoted in Bakke and Kerr's *Unions, Management, and the Public*, pp. 890-892.

which originated in the common law in the United States particularly when individualism and small-scale business prevailed. That view won support outside of the labor movement. Thus, Professors Nathan P. Feinsinger and Edwin E. Witte say of the act: "While leaving the central theme of the Wagner Act—the right of organization for collective bargaining—untouched in the main, the Taft-Hartley Act has encrusted it with many pre-1930 restrictive notions, and has added restrictions advanced by groups which have traditionally been opposed in principle to the process of collective bargaining." They add that most of the debated or debatable issues were resolved against labor. These issues and the act's handling of them are illustrated by the act's restrictions on strikes, boycotts, and picketing; its revival, in restricted forms to be sure, of labor injunctions, damage suits, and criminal prosecutions; its restoration of "the technical doctrines of agency to determine wrongful activities in connection with a labor dispute;" and its prohibition of the closed shop and restrictions on the union shop.⁶⁸

In the view of many observers, the Taft-Hartley Act is perhaps chiefly significant in accelerating a shift of responsibility for labor-management relations from unions and managements to government. "Methods for dealing with 'the labor problem' in recent years," according to Professor George W. Taylor, an experienced arbitrator, "have tended to be strongly in the direction of increasing governmental regulation and control." In his view, "that trend is ample cause for disturbing concern to those who still believe in industrial self-government as the sound way to achieve both maximum production and the greatest personal freedom."⁶⁹

Proponents of the Taft-Hartley Act themselves generally agreed that changes in the act were needed. A few proposed to strengthen its restrictions on unions and collective bargaining; the usual view, however, favored a liberalizing of the law. Its bitter-end opponents demanded outright repeal and the substitution of a new law resembling the Wagner Act. Moderates deplored the

involvement of labor-management relations in partisan politics, and agreed widely with Professor Taylor that public regulation should be held to a minimum. It was hoped that unions and managements might come to recognize the alternatives, namely: a workable compromise agreement on a substantially nonpartisan public policy in support of collective bargaining and industrial self-government, or a continued expansion of governmental controls of both labor and management and their relationships. It was pointed out that in the field of railroad transportation, the Railway Labor Act had been worked out jointly by representatives of the unions and of employers and that it had been adopted on a nonpartisan basis.

Mediation and Conciliation

Public policy relating to labor-management relations has included mediation and conciliation for many decades, antedating even the establishment of the Department of Labor in 1913 as an agency of cabinet rank. Massachusetts and New York took the lead as early as 1886 in creating public agencies for industrial conciliation. The main national agency from 1913 to 1947 was the United States Conciliation Service of the Department of Labor. In 1947, the Taft-Hartley Act transferred the duties of that agency to a new independent agency, the Federal Mediation and Conciliation Service. It was given somewhat restricted powers but it has authority to require the parties to an agreement to notify the Service 30 days in advance of termination unless it has been renewed or a new agreement adopted. The Service may then at any time intervene without a request from the parties. Disputes in railroad and air transportation are handled by the National Mediation Board. Jurisdictional disputes among unions are within the province of the National Labor Relations Board. The President may intervene directly in disputes, especially if in his view a dispute may create an emergency that threatens the national health or safety.⁷⁰

The continuing problem of dealing with so-called national emergency disputes has not yet been provided with a ready solution, but continues to be one of the most vexing problem areas in industrial relations and legislative policy.

⁶⁸ Nathan P. Feinsinger and Edwin E. Witte, "Labor, Legislation, and the Role of Government" in *Monthly Labor Review*, July 1950 (Anniversary Issue), pp. 48-61.

⁶⁹ G. W. Taylor, *Government Regulation of Industrial Relations*, quoted in *Shlster's Readings in Labor Economics and Industrial Relations*, p. 508.

⁷⁰ Florence Peterson, *Survey of Labor Economics*, revised edition, 1951, pp. 618-630.

“Voluntarism” and Emergency Policies

Public policy in dealing with unions and labor-management relations has been strongly influenced by war and national emergency. Generally speaking, the emergency modifications have been designed for temporary use; special programs have been administered by emergency agencies; and maximum participation by representatives of management and labor has been sought.

The adaptation of democratic political and economic institutions to deal with the issues of war and national emergency has been a severe test of their essential liberalism. The test and manner of meeting it were discussed at a 1950 meeting of the Industrial Relations Research Association. “National defense,” Professor George W. Taylor stated in that connection, “is a social undertaking and not a private business.”⁷¹

Free people can defend themselves effectively. The history of World War II shows that. The record of that conflict also makes it clear that the adaptation of our institutions for defense can be substantially made in the democratic tradition of what has come to be known as voluntarism.

This concept implies a significant degree of participation in the formulation of emergency regulations by representatives of those directly affected and contemplates a general acceptance of or a widespread acquiescence in those regulations. When this concept is put into practice, the fight for freedom can be fought with freedom. Here is the power which no totalitarian state can match.

The preference of unions for “voluntarism” or industrial self-government has been influenced in part by their not too happy experience with governmental direction and control as distinguished from governmental protection of the basic rights of organization for collective action and self-help. Their attitude has been strengthened also by the special limitations upon labor-management relations in public employment.

Status of Public Employees

Employees of the Federal Government may organize and their representatives may carry on a modified and limited form of collective bargain-

ing. Their influence over basic wages and hours in the civil service is limited to influencing legislation. Wage schedules for large numbers of Government employees in establishments such as navy yards are adjustable by administrative agencies on the basis of prevailing wages in similar employments in private industry. Grievance procedures connected with the administration of wage and salary schedules and with personnel administration have been developed in varying forms and degrees of use in the various agencies. By virtue of the nature of public employments, strikes are prohibited. The Taft-Hartley Act states that “it shall be unlawful for any individual employed by the United States or any agency thereof, including wholly owned government corporations, to participate in any strike.” Many unions of Government employees have constitutional provisions prohibiting strikes.

Some of the quasi-autonomous government agencies, such as the Tennessee Valley Authority, have developed a detailed and mutually satisfactory system for dealing with representatives of their employees. A borderline area of great and expanding importance is the field of research, development, and manufacturing owned and supervised by Government but privately operated under contract. Outstanding is the work of the Atomic Energy Commission. In its crucial area of employment, the Commission has arranged for the appointment by the President of the Atomic Energy Labor Relations Panel, later made a part of the Federal Mediation and Conciliation Service. The Panel has had noteworthy success in mediating the peaceful adjustment of disputes.⁷²

Social Legislation, State and Federal

During the period of “pure and simple” unionism described in an earlier section, unions gave limited support to governmental activities beyond those necessary for the protection of basic rights and liberties. They favored laws such as those designed to protect women and children, to prohibit child labor, to maintain standards of

⁷¹ G. W. Taylor, “Collective Bargaining in a Defense Economy,” in *Proceedings, Third Annual Meeting, 1950, Industrial Relations Research Association.*

⁷² “Implications for Collective Bargaining in Quasi-Public Work,” by Oscar Smith, in *Monthly Labor Review*, March 1952, pp. 257-262; *The Labor Problem in the Public Service: A Study in Political Pluralism*, by M. R. Godine, Cambridge, Mass., Harvard Press, 1951.

safety and sanitation in workplaces, and to recognize the principle of employers' liability for accidents and industrial diseases. Beyond such measures, they looked upon governmental authority with not a little of the traditional American suspicion and were inclined to emphasize the view that what Government bestows it can also take away. Those earlier attitudes were gradually abandoned. Policies generally described as social legislation have won the strong support of unions as a result of the accelerated tempo of industrial change and recent experience with depression, war, and national emergency.⁷³

Labor legislation began with the State Governments. The earliest and most extensive State legislation concerned women and children: their hours of work; prohibition of work not suited to them (as underground work in mines); sanitary and rest facilities; mealtime and rest periods; and a great variety of other regulations. All of the States have child labor laws and laws requiring school attendance. Nearly all States require certificates or work permits as a means of administering child labor regulations. These authorizations are usually issued by local school authorities.

All of the States have adopted measures for the protection of men as well as women in certain hazardous occupations and for the enforcement of standards for safeguarding health and preventing accidents. Such laws have tended toward the laying down of general requirements with increased discretionary powers by responsible administrative agencies.

State control of such measures as the inspection of factories and other workplaces and the prevention of accidents has been accompanied by the development, among State Governments, of one of the oldest types of social security in the United States, namely, workmen's compensation. All of the States have enacted compensation laws, which are designed to assure prompt payment by employers of benefits to injured employees or to the

dependents of those killed in industry, regardless of fault. They provide administrative arrangements for handling claims without cost to employees, on the basis of the responsibility or liability of employers, who are required to carry appropriate insurance or to provide proof of adequate financial responsibility.

Closely associated with accident prevention and workmen's compensation programs is a recently developed program carried on jointly by the States and the Federal Government for the rehabilitation, retraining, and placement of workers whose capacity has been impaired by accident or industrial disease.

State laws also deal with minimum wages, especially for women; protection as to wage payments and liens against wages; use of lawful money; frequency of payments; and a great variety of other questions affecting workers.

The growth of legislation in the field of labor and social security is indicated by the development of public agencies. At the beginning of the present century, there were 45 States but only 34 labor bureaus, and most of those were primarily not administrative but factfinding or statistical in function. In many States they were concerned with agriculture and industry as well as labor. The Federal Bureau of Labor, organized in 1884, was a minor agency until given full administrative status in 1913 as the Department of Labor headed by a Secretary with cabinet rank. At the present time, the Federal Government has several administrative labor agencies, additional to the Department of Labor, for specialized functions such as those of the Social Security Board. All of the States now have administrative labor agencies.

Social-security programs going back in large part to the Social Security Act of 1935 illustrate the trend of Federal policy and also exemplify the joint responsibility of the Federal and State Governments. The present systems of employment offices and unemployment insurance were created by Federal laws; taxes for the maintenance of the insurance system are handled by the Federal Government; and Federal authority is responsible for the maintenance of minimum standards. The employment services and unemployment insurance arrangements are administered, however, by State

⁷³ The summary here given of changes in national attitudes and social policies is taken in part from chapter VI, "Social Security and Economic Stability," of *The Gift of Freedom: A Study of the Economic and Social Status of Wage Earners in the United States*, published in 1949 by the Bureau of Labor Statistics of the U. S. Department of Labor. Some relevant documents and current discussions are included in *Shister's Readings in Labor Economics and Industrial Relations*, pp. 513-650.

and local offices. During the depression years of the decade of the thirties, the Federal Government maintained large public works programs, partly under local administration, to provide employment for those who would otherwise have been unemployed. Public aid, such as assistance to needy older persons, care of the insane and handicapped persons, and public health activities, had traditionally been a function of the local governments of counties and towns. These activities are now shared more largely by State Governments with indirect Federal participation through extensive grants-in-aid.

The social-security program with the most extensive coverage is the Federal system of old-age and survivors' insurance. Most of the workers of the country are now covered; even self-employed persons are now eligible generally for insurance. Employees of State and local governments and of nonprofit private organizations (schools and churches, for example) are also eligible. Railroad workers, most Federal civil service employees, and the employees of many States and local governments are included in separate pension systems. Retirement benefits additional to those provided for in legislation have been obtained by a rapidly increasing number of workers under collective agreements. A noteworthy instance is the United Mine Workers' Welfare and Retirement Fund. The trend toward these private arrangements was particularly strong before the national system was liberalized in 1950.

Before 1938, the States had passed a great variety of laws relating to hours of work, wages, and child labor. The Federal Government had also adopted measures to maintain standards of hours and wages in public construction and public contract work. The Fair Labor Standards Act of 1938 set up national standards which, through competition and custom, were extended to many local employments.

The Fair Labor Standards Act requires the payment of a minimum wage of 75 cents per hour in all employments covered by the act. That new minimum, when it went into effect in January 1950, had a significant effect in raising wages in a limited number of industries and areas, but nearly all workers, even among the unskilled in low-wage

employments, were soon able to obtain wages in excess of 75 cents per hour.

The law also provides that for work beyond 40 hours per week, overtime shall be paid for at the rate of time and one-half. That provision of the law has had great significance in maintaining standards of straight-time work and wages and at the same time providing an incentive which has given great flexibility to working time when war or emergency needs have called for increases.

The Fair Labor Standards Act contains another provision, often overlooked but of great importance—regulation of child labor. The act sets a minimum of 16 years for general employment and 18 years for hazardous jobs.

Stability and Democratic Adaptability

Social-security measures and labor laws contribute to the much desired achievement of dependability and stability and the prevention of extreme fluctuations in production and employment. These measures tend toward stability without nullifying either the ideal of growth and adaptability or the processes of decision and action on the broad basis of free discussion and popular approval. They provide, for example, a cushion of purchasing power against depression in the forms of unemployment insurance, retirement benefits, workmen's compensation, and wages maintained by minimum-wage laws and collective bargaining on a basis broadly consistent with rising productivity.

In addition to social legislation and labor laws, there is a highly significant group of policies and agencies affecting agricultural and industrial enterprises and the national economy as a whole. Largely in connection with these measures, there has been a remarkable increase in our knowledge of our economy and how it works. Comparatively adequate current information is continuously available on production, employment, wages, income, expenditures, prices, trade, bank operations, consumption, and a great variety of other subjects vital to an understanding of the nature and functioning of the economy. There is also a more general recognition of the value and uses of eco-

conomic data. That attitude is reflected significantly in the Employment Act of 1946, passed overwhelmingly by Congress, for consolidating public and private efforts to maintain adequate levels of production, employment, and consumption.

There is also in the United States a general recognition of the interdependence of nations. Public policies widely supported by both of the major political parties have been increasingly directed toward the health and growth of the international community of all free nations.

Chapter VIII.—Labor and Productivity

Inertia Versus Initiative

It is the input and manner of use of labor and resources required for the output or production of economic goods and services that determines the productivity of an economy. The element of input most significant for the human and social evaluation of productivity, the labor input, is fortunately the most readily measurable for comparison with output.

Back of progress in the input and use of labor and resources are changes in the vast complex of the techniques of production. Technological changes, in turn, are made slowly or rapidly and are used inefficiently or competently in accord with basic human attitudes and experiences. Among all men there is a contention between inertia and resistance to change and a spirit of initiative, adventure, and progress.

The historical circumstances of the discovery, colonization, and development of the United States attracted from the older countries the types of individuals in whom initiative and adventure tended to prevail over opposing traits. The American environment, social as well as material, has been favorable to those particular types of change which we describe as technological.

These circumstances were observed by Alexis de Tocqueville a century and a quarter ago and noted in his *Democracy in America*.⁷⁴ He commented on the American spirit of equality and the occupational freedom and diversity: "Americans . . . change their means of gaining a livelihood very rapidly; and they suit their occupations to the exigencies of the moment. . . . They are not more attached to one line of operation than another; they are not more prone to employ an old method than a new one."

He noted also the general "passion for physical well-being" and its effect on the national economy.

He observed that in an aristocracy a producer "would seek to sell his workmanship at a high price to a few"; in the United States, his aim is "to sell them [his products] at a low price to all. But [he continued] there are only two ways of lowering the price of commodities. The first is to discover some better, shorter, and more ingenious method of producing them; the second is to make a larger quantity of goods, nearly similar but of less value." Thus, he found that the producer in America "strives to invent methods which may enable him not only to work better, but quicker and cheaper; or, if he cannot succeed in that, to diminish the intrinsic qualities of the thing he makes, without rendering it unfit for the use for which it is intended."

If de Tocqueville had been able to observe the full effects of these tendencies, he would have noted that technology has immeasurably improved the quality of numerous goods and services as well as reducing the cost. Among these, some of which were undreamed of in de Tocqueville's day, are watches (mentioned by him), radios, automobiles, highways, books and educational facilities.

Scientific interests in the United States were mentioned by de Tocqueville as having great influence on technology. "If the democratic principle does not, on the one hand, induce men to cultivate science for its own sake, on the other hand it enormously increases the number of those who do cultivate it." Scientific discoveries, he added, tend, in a society that is "democratic, enlightened, and free," to become "immediately applicable to productive industry."

Technological change, though characteristic of the American economy, has encountered nevertheless substantial resistance. Much opposition has arisen, especially among workers, when innovations have been made without account being taken of short-run suffering and maladjustment. Much of the resistance to change comes from those who have "vested interests" or monopolistic or customary advantages in the maintenance of the status

⁷⁴The quotations are from Henry Reeve's translation published by D. Appleton & Co.

quo. Professor Sumner H. Slichter, in his study published as *Union Policies and Industrial Management*, found a very considerable opposition to labor-saving devices and technological changes among employers.⁷⁵ Business, he stated, "if permitted to organize for the purpose, would erect high barriers against innovations." He held that one of the dangers of some types of labor-management relations lies in the possible use of agreements by the less progressive employers to retard technological changes desired by their more progressive associates.

Instances of a common effort by unions and employers to maintain traditional methods have occurred in the building trades. Building construction, usually well unionized in the larger cities, has experienced monopolistic practices that recall those of the craft guilds of Europe when they comprised both journeymen (wage earners) and masters (contractors). The labor supply has been controlled by restriction of apprenticeship and of union membership, combined with arrangements by which the unions supply the labor and the contractors employ only union members. Contractors' associations and unions may obtain indirectly a measure of control of building regulations, specifications for building permits, the making of contracts for public buildings, and the requirements for occupational licenses. Arrangements such as these, largely beyond the explicit terms of collective agreements, may enable contractors and unions to prevent building innovations as well as to exert monopolistic influence on wages and prices.⁷⁶

Attitudes Toward Technological Changes

Despite instances of union opposition, and despite a natural inclination of workers to avoid job displacement and even job changes, the attitude of unions toward technological change has been increasingly and prevailingly favorable. Workers have been influenced by rising wages and

the use of such products of modern technology as automobiles, radios, telephones, and household devices that save labor as well as provide comforts and conveniences.

Unions, however, rarely have had responsibility for the actual making of changes or direct connection with them. Union responsibility, and the focus of union attention, has been the immediate and direct effect of changes on the workers. Specific studies of union-management handling of the impact of changes on workers in the factory or workshop are not as extensive as might be desired; but the nature of union policies as developed in recent years is clear from the relevant provisions of collective agreements as well as from case studies.⁷⁷

The major questions to which the trade unions have addressed themselves have been: How rapidly are the changes to be introduced? How many workers will be employed after the change has been instituted? Which of the workers are to retain their jobs? What is to happen to those who will no longer be needed at their old jobs? How will the change affect the physical conditions of work and how will it affect future incomes?

In their attempts to meet the problems raised by these questions, the trade unions have, through collective bargaining arrangements, evolved a variety of measures aimed at the regularization of the rate of mechanization, the limitation of the hours of work and of work loads, the retraining of workers, transfer to other jobs, the payment of dismissal wages where retraining or transfer did not prove feasible, the improvement of health and safety standards, and the safeguarding and improvement of previous earning levels.

Briefly, the prevailing union view is that the long-run effects of technological changes are desirable; that in any event union opposition is likely to be futile; and that unions should direct their efforts toward preventing or alleviating any short-run disadvantages and maximizing the long-run benefits to workers.

⁷⁵ Sumner H. Slichter, *Union Policies and Industrial Management*, pp. 204-205. Washington. Brookings Institution, 1941. See also "Resistance to the Adoption of Technological Innovations," by Bernhard J. Stern, in *Technological Trends and National Policy*, pp. 39-66. Washington, U. S. National Resources Committee, 1937.

⁷⁶ L. G. Reynolds, *Labor Economics and Labor Relations*, pp. 147-150; U. S. Temporary National Economic Committee, *Hearings, Part II* (a summary of evidence, pp. 5144-5162).

⁷⁷ *Trade-Union Policy and Technological Change*, p. v. Work Projects Administration, National Research Project, Report No. L-8, 1940. Single 1040, opposition to change has declined and union influence over the job impacts of changes has increased. Provisions of collective agreements are given in considerable detail in *Collective Bargaining Provisions*, Bureau of Labor Statistics' Bull. No. 908-3 (Incentive Wage Provisions; Time Studies and Standards of Production) and Bull. No. 908-10 (Union-Management Cooperation, Plant Efficiency, and Technological Change). Results of some recent case studies in the women's garment industry are given in the *Monthly Labor Review*, April 1953, pp. 387-392.

One of the influences of recent years tending toward a more general acceptance by unions of technological change is the adaptation of unions to changes in occupations and industrial techniques. When unions were more largely of the one-craft type and the craft was menaced by technological change, the job protection of the members virtually required opposition to the change. Unions made up of occupations such as hand cigar-makers, glass blowers, manual telegraphers, and molders were forced to fight the revolutionary changes or suffer disintegration or seek radical changes in their membership and their jurisdictional boundaries. In contrast, the industrial and multiple-craft unions have jurisdiction over a variety of types of workers regardless of the changes in techniques in a particular industry or group of occupations. These unions may protect their members by aiding them in keeping specific jobs but more significantly by preventing discrimination and by agreements regarding seniority, transfers, retraining, and the job rights of members in new or changed jobs.⁷⁸

A part of the protective policy of all unions is an effort to maintain elasticity of jurisdiction. In railroad employments, for example, the Brotherhood of Maintenance of Way Employees seeks not to prevent mechanization but to include in the brotherhood's jurisdiction the increasing numbers of skilled and semiskilled workers required as maintenance of way work becomes more and more mechanized. The president of the Order of Railroad Telegraphers, noting, without criticism or opposition, the rapid progress in the use of electronic communication systems, requested all the officers of the union to keep a careful watch and seek to have operators of the electronic systems classified under the jurisdiction of the ORT. "We must be prepared," he stated, "to protect our jurisdiction wherever it is threatened."⁷⁹

Some unions seek a direct participation with management in the making of decisions regarding technological changes. That attitude is noteworthy in certain highly competitive industries with a large number of small employers. Unions

in the garment-making industries have long sought to encourage efficiency among the high-cost units of those industries. These unions have found that inefficient employers tend to force down the general level of wages and working conditions.

An early program of union participation was that of the Amalgamated Clothing Workers in the men's garment industry. The plan originated in the trade slump of 1923, accompanied by demands of employers for wage cuts. The program is described by Professor Slichter,⁸⁰ who states that the 1924 wage negotiations grew into "a survey of the industry with a view to discovering all possible sources of saving and means of increasing employment." The agreements between the union and the employers included avoidance of strikes in union shops; an organizing campaign in nonunion shops; certain wage concessions by the union; the giving up of restrictive union rules and policies which raised production costs and benefited only a few of the members of the union; and technical or engineering aid by the union to employers for improving designs and quality and reducing production costs. The last and most novel item was virtually forced upon the union to avoid subsidizing inefficient managements by means of low wages and unsatisfactory conditions of work. Some other unions, notably the International Ladies' Garment Workers' Union and its Management Engineering Department, have pursued similar policies.

In contrast to plans such as those of unions in the garment making industries, many other powerful unions have conceded complete control over the introduction of technological changes to management. Thus, the United Automobile Workers' agreement with the General Motors Corp. states that the products to be manufactured, the location of plants, the schedules of production, the methods, the processes, and the means of manufacturing, are "solely and exclusively the responsibility of the corporation."⁸¹ In such industries as automobile manufacturing, the size and financial strength of the companies, and their relationships to each other and to the economy as a whole, radically different from the garment making in-

⁷⁸ Solomon Barkin, "Trade-Union Attitudes and Their Effects Upon Productivity," in *Industrial Productivity*, Industrial Relations Research Association, 1951, pp. 110-112.

⁷⁹ Report of G. E. Leighty, president, to the . . . Session of the Order of Railroad Telegraphers, June 1952, pp. 135-137.

⁸⁰ Sumner H. Slichter, *Union Policies and Industrial Management*, pp. 504-531.

⁸¹ Solomon Barkin, in *Industrial Productivity*, Industrial Relations Research Association, 1951, pp. 115-116.

dustries, make both inappropriate and impossible such policies as those of unions in the garment trades.

Summary of Union Views and Policies

Union attitudes and policies toward technological changes may be summarized, with the usual limitations of generalized statements.

(1) Unions prevailingly accept as desirable a continuous process of technological improvement and in some noteworthy instances assume joint responsibility with managements.

(2) They are keenly aware of short-run problems such as changes in job requirements, workloads, and wage rates, and such impacts on individuals as transfers, retraining, and dismissals. They recognize also that technological changes may require readjustments of the union's jurisdictional boundaries and of its bargaining policies. Unions occasionally try to obstruct or postpone changes; but as a rule their efforts are focused upon: (a) agreements and procedures for reducing to a minimum the disadvantages to their members; and (b) claiming of any advantages. Specific policies may include: claims to new jobs and a voice in fixing their rates of pay; adjustment of rates and workloads on changed jobs; preferential rehiring of dismissed workers; dismissal pay; a great variety of related questions; and the inclusion of the whole field of adjustments to technological changes within the range of grievance procedures.

(3) Unions are concerned with policies designed to insure, for their members, a fair share of the benefits of efficiency and reduced costs. Since these benefits cannot ordinarily be linked to measures of productivity, unions have been forced to give consideration to the general implications of productivity and of wage policies.

Individual Adjustment to Change

In reference to adjustments by individual workers to the impacts of changes, two developments have been especially significant.

One of these is the change, in recent decades, in public policies. Assistance, for a long time, has been extended to industrial and agricultural enterprises in the form of economic and technical research and experimentation carried on by Gov-

ernment agencies and publicly supported institutions. Government recently has assumed new responsibilities for expanding research, notably in the work of the Atomic Energy Commission. Loans and other forms of assistance have been extended to farmers and small-business men. Recent tax policies have had a significant effect in easing the burdens of obsolescence and replacement by liberal amortization provisions.

These policies may be viewed as analogous to arrangements for assisting workers in meeting the direct and immediate impacts of changes. Only recently have governmental policies made important contributions. Those contributions are mainly the nationwide employment service, unemployment insurance, retirement insurance, promotion of apprenticeship training, and the improvement of facilities for vocational guidance.

More important than governmental policies in keeping to a minimum the individual maladjustments resulting from technological changes is the increasing awareness, competence, and mutuality of unions and managements in dealing with these problems. Hardly anywhere in the whole field of labor-management relations is mutuality more needed or more practicable. Management as well as labor has a vital interest in facilitating adjustments least burdensome to workers affected by job changes, transfers, dismissals, and related situations. Flexible grievance procedures and informal nonlegalistic arbitration arrangements are exceptionally useful in this field of sudden or comparatively rapid change, often with unprecedented and unforeseeable situations.

The maintenance of productivity at a rising rate with high levels of production and employment calls for mutuality in labor-management relations throughout the process of production. Our system of production, more than ever, needs "the ability, initiative, and cooperation" of every employee. "Its human resources are its greatest asset—and the one least used." These statements, by Peter Drucker, are quoted by a former labor leader, Clinton S. Golden, who adds:⁸²

With widespread and powerful organizations of workers representing the employees in the industrial enterprises, it becomes necessary to enlist *their* interest and cooperation in satisfying this need. Such interest cannot be enlisted unless the climate of re-

⁸² Proceedings, Fourth Annual Meeting, Industrial Relations Research Association, 1951, pp. 164-166.

lations is such as to engender security, mutual confidence, and respect on the part of all the participants in the enterprise.

Sharing the Benefits of Rising Productivity

Ultimately, a genuine spirit of mutuality in the interest of industrial productivity depends on a sense of fairness as to the sharing of the benefits. How are the benefits of rising productivity to be diffused, and, specifically, shared equitably by workers?

Rising productivity has made possible many important nonwage gains. Among these are large reductions in working time and the general achievement of the 8-hour day and 5-day week; improvements in working conditions and safety provisions; health and welfare plans and social insurance; and the availability of a large variety of products of modern technology, notably in transportation, household operation, recreation, and culture.

Basically, however, the problem of sharing the benefits of rising productivity is a wage problem. Union leaders, in wage negotiations, make frequent claims regarding the productivity basis of their demands for wage increases. Generally, they recognize that it is not practicable to make wage adjustments corresponding to changes in productivity on an individual or plant or industry basis. There is an extreme unevenness and variability in the rates of increase, with occasional reversals of trends. There is also a wide range in the capital investments required for achieving a given rate of increase. Some workers may have a stable or even a declining productivity without reduced effort or less intensity of work; others, without increased effort or greater intensity of work, may have a very large increase. An industry or employment that is essential to the Nation's economy and well being may not be able to increase its productivity; another industry, perhaps because of a sudden access to rich raw materials, or a series of techniques possibly resulting from public research facilities, may experience a rapid doubling of its productivity. Should workers in one industry be penalized and workers in the other have a doubling of wages?

Wages cannot be directly or immediately tied to productivity: Compare, for example, the wages and productivity of a coal miner, a petroleum well

driller, a bricklayer, a janitor, a municipal fireman, or a teacher; or compare the wages and productivity of a train and engine crew that handles a train with 50 freight cars and the crew of a 5-car train.

The impossibility, in most employments, of a direct linking of wages with productivity has caused labor leaders to give increasing attention to the place of wages in the economy and to the nature of the economic process as a whole. On the basis of tentative estimates of the trends of productivity in the national economy, and of changes in consumers' prices, some economists as well as labor leaders have suggested a general policy of wage adjustments for raising money wages at about the same rate as the estimated average rise in productivity and at the same time providing for adjustments to price changes.

The productivity basis of the substantial long-term gains in real wages has been widely recognized but until recently it has been implied rather than explicitly formulated in ordinary wage negotiations. The most notable example of recent efforts to embody the idea in wage formulas is the agreement of May 1950 between the United Automobile Workers and the General Motors Corp. That 5-year agreement incorporated in revised form, based upon earlier experience, a plan for an increase of 4 cents per hour in each of the 5 years of the contract and a cost-of-living adjustment provision, operative on a quarterly basis if specified changes occur in the national consumers' price index constructed by the Bureau of Labor Statistics of the U. S. Department of Labor. The plan has been adopted in modified form in various other agreements.

One of the obvious limitations of the plan for general application is its involvement of prices. Uniform increases in wages applying to enterprises which cannot maintain average increases in productivity would call for price increases. Unless these were counterbalanced by price reductions made by enterprises with above-average increases in productivity, the policy of general wage increases would be inflationary. Nevertheless, the plan has great experimental significance. Not the least important implication is the assumption by both parties to the agreement that sustained increases in productivity are possible; that both parties have a stake in promoting improvements,

and that rising real wages can be maintained without encroachments on the interests of consumers through price advances.⁸³

A favorite general approach by labor leaders to the wage problem, especially during periods of low production and employment, has been the purchasing power theory. That theory affords a convenient general argument for opposing any wage reduction and for advocating wage increases under nearly all circumstances. It assumes that increases in wages, the main form of consumer income, would mean increases in market demand, to be followed by rising production and employment. The state of economic thought on the subject is described by a prominent economist when he says that the analysis of "the purchasing power aspects of wages" remains "in a fairly primitive state." He concludes: "Our ignorance of all these questions, even at the deductive level, is almost as great as the intensity of our convictions." Furthermore, in reference to "the general problem of wage determination and labor economics," the economic theorist, honest with himself, "must confess to a tremendous amount of uncertainty and self-doubt concerning even the most basic and elementary parts of the subject."⁸⁴

The problems of price and market competition in reality pervade the relationship between productivity and wages. The rate of advance of productivity is necessarily uneven, and price flexibility rather than a large differential in wages is naturally desired by workers in determining the status of industries in the markets. In some industries, productivity may decline through technological negligence, as in a natural-resource industry troubled by depletion and resulting advances in costs of operation. If the products of an industry with relatively high or increasing costs are essential to consumers, advancing prices may be expected to enable employers to maintain wage levels. If the product is not essential, a shift of investment and employment to other areas of the economy normally is to be expected, although often with maladjustments. The maintenance of high-cost

enterprises by means either of low wage scales or of monopolistic price and market arrangements tends to set up rigidities and to thwart technological progress and therefore is inconsistent with the policy of a flexible and progressive economy.

Labor leaders, management representatives, and public officials must make decisions even though the economists are unable to provide a generally acceptable theoretical basis. As for the purchasing power doctrine, in a period of excessive demand and short supply its relevancy, if not its basic validity, is called in question. The exigencies of war, national emergency, and inflation, added to those of depression and deflation, have shown that the undisciplined quest of higher money wages may tend to defeat the aim of a fair sharing of the benefits of rising productivity in the necessary form of real income.

Many labor leaders may be virtually forced by circumstances beyond their control to overemphasize money wages. There is much evidence, however, to support the view that union policies and wage agreements have tended to stabilize wages in periods of inflation as well as when prices are tending downward. Certainly union leaders generally have gone far beyond the purchasing power theory in their quest for a sound basis of wage policy. They are primarily wage conscious but they are also price conscious, cost conscious, and investment conscious; they recognize the need to maintain adequate capital resources and the resulting limitations on current consumption.

At the same time, labor leaders generally have refused to accept conceptions of the effects of changes in money wages based on static equilibrium and hypothetical economic models. Many of them have viewed the effects of wage changes, as of other changes, in the context of the economy as a continuous process. Levels of aggregate production, employment, and income are dependent upon the unobstructed and continuous flow or allocation of resources, or, in monetary terms, of income. The price mechanism may not be capable of effecting the necessary readjustments either because of the magnitude of the changes involved or because of rigidities of the market structure. Diversion into "stagnant pools" will lower the levels; and the diversion may be caused by a disproportionate or below-optimum allocation to any of the "factors of production."

⁸³ For a discussion of the significance of productivity for wage policy, with particular reference to general wage increases, see article by John C. Davis, "Productivity Trends and Some Economic Implications," in *Industrial Productivity*, Industrial Relations Research Association, 1951, pp. 14-24.

⁸⁴ Professor Paul Samuelson, in *The Impact of the Union*, edited by Professor David McCord Wright, pp. 332-341.

In the field of practical policy, union leaders have gone beyond the purchasing power concept as a basis of wage policy. In fact, while ranging widely in their views, they generally have recognized the necessity for going beyond wage policy. They have given widespread support to overall national programs designed to remedy the deficiencies of business enterprise in the distribution of income, and specifically, in wage determination. They recognize that enterprise has not consistently succeeded in maintaining the flow or allocation of income that is required for optimum production and employment. Unions, for example, generally favored the Employment Act of 1946 as embodying a needed public supplement and guide. Specifically, in relation to labor income, union leaders have increasingly emphasized programs for supplementing money wages, thereby easing excessive pressures for changes in money wages and at the same time tending to reduce differentials of income. The methods used include the obtaining of nonwage benefits from employers through collective bargaining and directly from the national product through taxation and enlarged public services.

These various ideas and policies have tended to maintain a continuous diffusion of the benefits of rising productivity. A focal problem is the avoidance of disproportionate and therefore obstructive allocations or flows of income and resources—maladjustments, which, in the past, have interrupted the economic process by depression and deflation or diverted and distorted it by boom and inflation. Technological changes themselves may be a contributory cause of fluctuations, but the primary causes, and measures of prevention, are economic, not technological. Fluctuations are of course inevitable; the desirable and practical aim is to keep them within moderate bounds, consistent with an adaptable and normally expanding economy.

Evidences of Long-Term Benefits to Workers

In the meantime, the long-term general effects of rising productivity in the United States are apparent in a remarkable improvement in the material and cultural well being of the Nation's wage earners. Their more favorable status as to civil rights and political influence is apparent from

earlier sections of the present study. Other changes, summarized below, were described in a recent study of "Fifty Years' Progress of American Labor" and published in the 35th Anniversary Issue, July 1950, of the *Monthly Labor Review*.⁸⁵ Some of the changes are shown graphically in the accompanying chart.

Fortunately, for purposes of comparison, the United States Bureau of Labor made an extensive survey of the incomes and expenditures of city workers' families in 1901. When expressed in terms of 1948 dollars, the 1901 income per family member was less than half of the average for 1948. The more than doubling of real income per family member is matched by an increase of 108 percent in the real weekly earnings of the average wage earner in manufacturing industries. The estimated rise in real per capita income of the entire population shows a remarkably similar trend. After 1948, average earnings adjusted by use of the Consumer Price Index continued a significant rise.

Rising industrial productivity has made possible, also, a reduction of hours. Workers now have from 15 to 20 hours more free time each week than their fathers and grandfathers had early in the century. Most workers then had a 6-day week; some also worked on Sunday without a "day of rest." The 5-day week is now the rule. Children now begin work at a later age. There now is a much longer span of life after retirement. Women then were less frequently employed for wages, but when employed their hours of work resembled those of men. Household workers now have more leisure because of smaller families, the transfer of much of the earlier household work to factories and service establishments, and the mechanization of many household tasks.

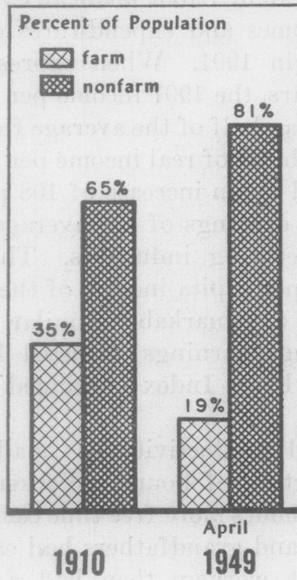
The uses and values of leisure are dependent vitally upon the margin of income for the amenities of life. Outstanding in importance in its effect on the use of leisure and on modes of living is the rise in the margin of income available for expenditures other than the basic requirements for

⁸⁵ *Monthly Labor Review*, July 1950, 35th Anniversary Issue. Bureau of Labor Statistics, U. S. Department of Labor. The main source of the information herein summarized is "Changes in Modes of Living," pp. 23-30, 39.

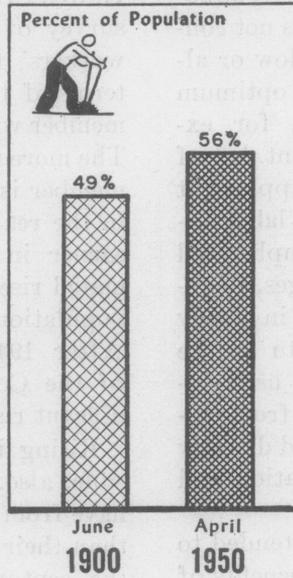
An unofficial estimate of long-term changes in real wages is given in "How to Raise Real Wages" (Committee for Economic Development, New York, 1950), in the Statistical Appendix by Professor Sumner H. Slichter.

A Half Century of Economic Growth

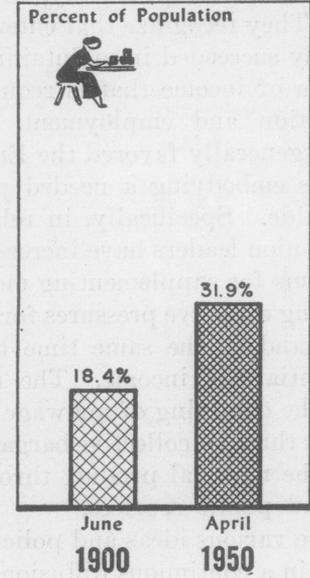
FARM AND NONFARM POPULATION



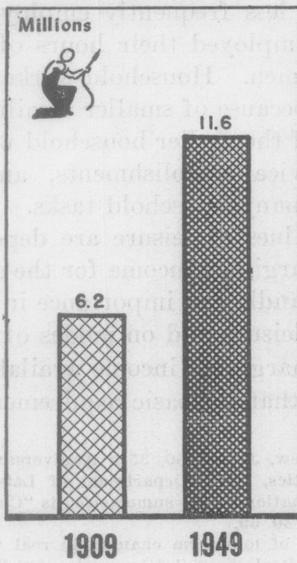
TOTAL LABOR FORCE



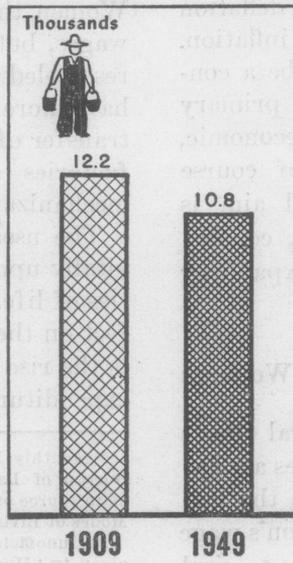
WOMEN IN LABOR FORCE



PRODUCTION WORKERS IN MANUFACTURING

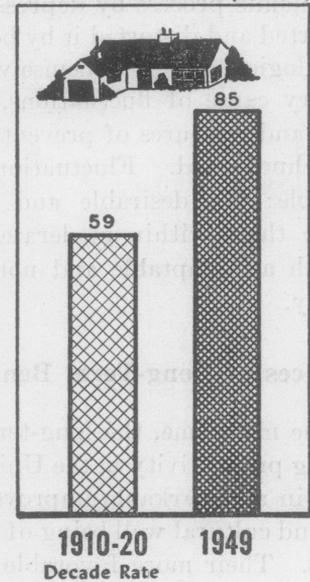


TOTAL FARM EMPLOYMENT

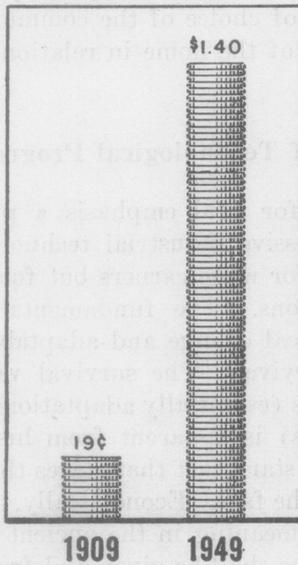


BUILDING RATE

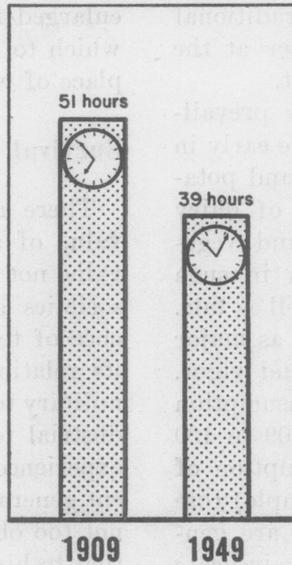
New Dwelling Units per 10,000 Nonfarm Population



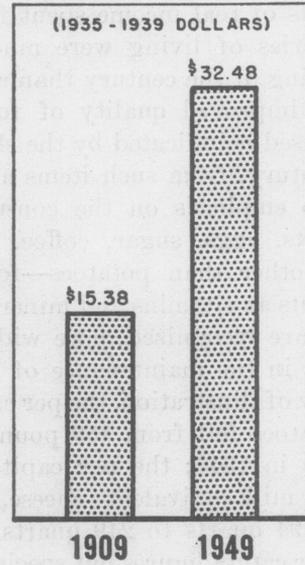
AVERAGE HOURLY EARNINGS
MANUFACTURING



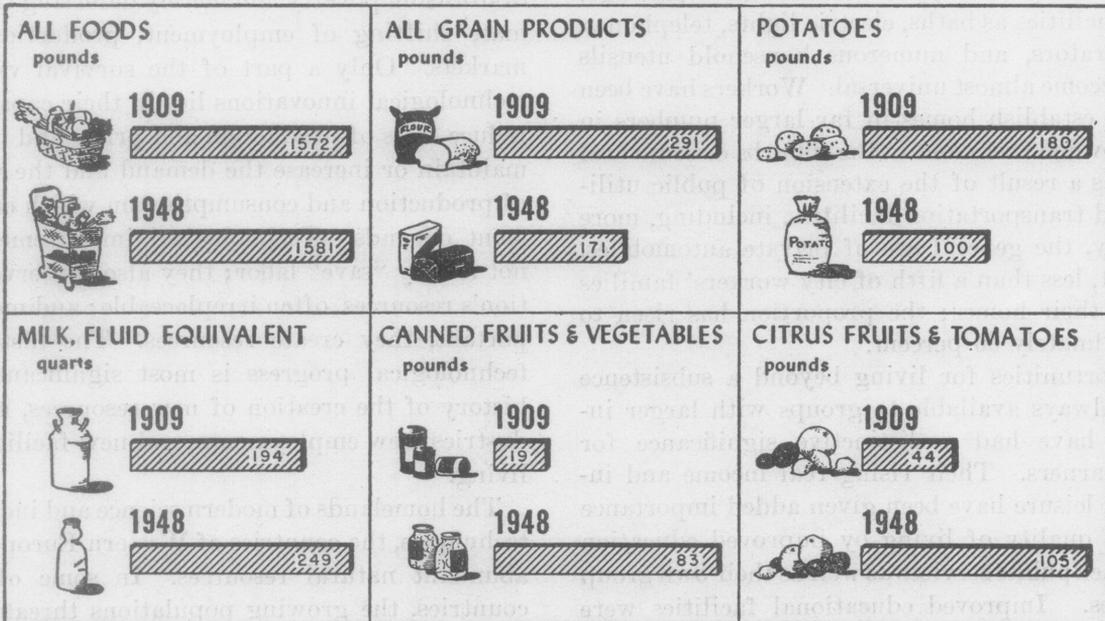
AVERAGE WEEKLY HOURS
MANUFACTURING



AVERAGE WEEKLY EARNINGS
MANUFACTURING
(1935 - 1939 DOLLARS)



Changes in Dietary Habits
PER CAPITA



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Source: U.S. Bureau of the Census, U.S. Department of Agriculture, Federal Reserve Board, Bureau of Labor Statistics

food, housing, and clothing. The proportion has risen during the present century from hardly more than a sixth to more than a third of total expenditures. Noteworthy, too, is the fact that these are percentages of total expenditures; the absolute amounts of real income spent for the traditional necessities of living were much smaller at the beginning of the century than at present.

The improved quality of foods now prevalently used is indicated by the shift, since early in the century, from such items as bread and potatoes to emphasis on the consumption of dairy products, eggs, sugar, coffee, fruits, and vegetables other than potatoes—foods rich in such nutrients as vitamins and minerals as well as fats. These are recognized more widely now as major factors in the maintenance of health and vigor. By way of illustration, the per capita consumption of potatoes fell from 180 pounds in 1909 to 100 pounds in 1948; the per capita consumption of milk or milk equivalent (cheese, for example) rose from 194 quarts to 249 quarts. These are general per capita figures but special surveys indicate that families with small incomes have followed the general trend.

The homes of workers' families now average more rooms per family member than 50 years ago. Such facilities as baths, electric lights, telephones, refrigerators, and numerous household utensils have become almost universal. Workers have been able to establish homes in far larger numbers in less crowded areas and in the suburbs or semirural areas as a result of the extension of public utilities and transportation facilities, including, more recently, the general use of private automobiles. In 1901, less than a fifth of city workers' families owned their homes; the proportion has risen to approximately 50 percent.

Opportunities for living beyond a subsistence level, always available to groups with larger incomes, have had a distinctive significance for wage earners. Their rising real income and increased leisure have been given added importance for the quality of living by improved education and other public services as well as their own group activities. Improved educational facilities were mentioned in an earlier section. Increased facilities for information and recreation such as radio, motion pictures, and television, no doubt often used unwisely, nevertheless contribute significant

net gains, especially in awareness of the world beyond the home, community, and place of work. The automobile has contributed even more significantly to that larger awareness, to the range of recreational opportunities, and especially to the enlarged freedom of choice of the community in which to live and of the home in relation to the place of work.

Survival Value of Technological Progress

There remains for final emphasis a primary value of a progressive industrial technology—a value not merely for wage earners but for entire societies and nations. The fundamental influence of technological change and adaptability is its relation to survival. The survival value of military techniques (essentially adaptations of industrial techniques) is apparent from historical experience; it is a stark fact that stares the present generation in the face. Economically, there is not too obscure a meaning in the ancient saying that to him that has shall be given and from him who has not shall be taken away even what he has.

The effort to spread work and maintain employment by using antiquated methods is at best a way of diffusing poverty and merely deferring the ultimate shifting of employment, production, and markets. Only a part of the survival value of technological innovations lies in their capacity to reduce costs of production and prices and thereby maintain or increase the demand and the volume of production and consumption on which employment depends. Technological improvements do not merely "save" labor; they also conserve a nation's resources, often irreplaceable; and more important, they create resources. The history of technological progress is most significantly the history of the creation of new resources, new industries, new employments, and new facilities for living.

The homelands of modern science and industrial techniques, the countries of Western Europe, have abundant natural resources. In some of these countries, the growing populations threaten disequilibrium with resources constantly used and in some instances nonrenewable. To assume the necessity for such disequilibrium ignores, however, on the one hand, the possibilities of social re-

straints, and on the other, the potentialities of science in the enlargement of resources. Science makes possible the discovery of additional resources of the types now known and their more efficient use. Far more important, science offers keys (for example, those of chemical syntheses, not to speak of those being fashioned by atomic research) for opening the doors to vast new storehouses of nature.

The free countries of the world are the homelands and the chief present custodians of science and of scientific and creative industrial technology. Full use of these advantages in the democratic spirit of advancing the general welfare will give them the best assurance that what they have will not be taken from them, either by friendly but more enterprising rivals or by the enemies of their way of life.

Bibliographical Notes

Few subjects have attracted more attention in the United States in recent years than the history, status, activities, and prospects of organized labor. The references mentioned below are selected merely as a working list, in some instances largely because they contain useful references to additional sources of information. A rigorous limiting of the list can hardly avoid omitting some sources that have equal and possibly in some instances better claims to inclusion.

The main journal in the field of labor is the *Monthly Labor Review* published by the Bureau of Labor Statistics of the U. S. Department of Labor. It contains a general coverage of descriptive and analytical articles, summaries of reports, and detailed monthly statistics. In addition, it is a convenient source of bibliographical data. Its extensive classified and annotated lists published each month are supplemented by reviews of many noteworthy books. Occasional special bibliographies have included, for example, in the July 1950 Anniversary Issue (pp. 87-103), re-appraisals of "Significant Books on Labor of the Past 50 Years"; and in the October 1951 issue (pp. 414-419), "A Bibliography on Labor in National Emergencies." In the international field, the ILO's *International Labor Review* is the outstanding journal.

The School of Industrial and Labor Relations of Cornell University publishes a specialized journal, the *Industrial and Labor Relations Review*. Unions themselves, besides publishing many periodicals, collaborate informally in *Labor and Nation*, a bimonthly journal published by the Inter-Union Institute, Inc., New York City. *Advanced Management* is published by the Society for Advancement of Management. The American Management Association issues a monthly *Management Review* and a bimonthly journal called *Personnel*. The American Management Association also publishes a large number of bulletins in its *Personnel* series and other series. Some of its bulletins include papers and discus-

sions by union leaders. A recently formed group, the Industrial Relations Research Association, issues proceedings of its annual meetings and exceptionally valuable occasional volumes dealing with special subjects, such as the volume on industrial productivity.

Notes on some of the titles listed are derived in part from book reviews, chiefly those in the *Industrial and Labor Relations Review* and the *Monthly Labor Review*. Comments are designed merely as clues to the contents and points of view.

Baker, Helen. *Company-Wide Understanding of Industrial Relations Policies.* Princeton University Industrial Relations Section, 1948.

A study of "the means used by the managements of 84 companies to bring ideas and facts to employees." An effort is made to present the programs objectively but with evaluations. "Two-way" communication (from as well as to employees) is not discussed.

Baker, Helen; Ballantine, J. W.; and True, J. M. *Transmitting Information Through Management and Union Channels: Two case studies.* Princeton University Press, 1949.

A study, by the questionnaire method, of modes of carrying on "two-way" communication involving two large companies and two local unions.

Bakke, E. Wight; and Kerr, Clark, Editors. *Unions, Management and the Public.* New York, Harcourt, Brace, 1948.

Nearly 300 selections are included from a wide variety of sources embodying major phases of the subjects covered and many points of view. The somewhat scrappy or fragmented results are well integrated by means of editorial introductions to each section.

Barbash, Jack. *Labor Unions in Action: A study of the Mainsprings of Unionism.* New York, Harper, 1948.

A forceful and informative book by a "union spokesman" who tries to be "detached and dispassionate" but who frankly avows his union connections and sympathies. The volume is a result of first-hand experience supplemented by extensive study.

Cleeton, Glen U. *Making Work Human.* Yellow Springs, Ohio, Antioch Press, 1949.

This volume, by the Dean of Antioch College, is described by Professor Nathaniel Cantor in the Jan-

uary 1951 Industrial and Labor Relations Review: "Here we find a clear restatement of what workers think about and what they expect from the job and the people they work with: prestige, recognition, status, opportunity for advancement, fair supervisors, good working conditions. The author states that the job of supervisors and managers is to make the worker *want* to work rather than to make him work."

Chamberlain, Neil W. *Collective Bargaining*. New York, McGraw-Hill, 1951.

A large and detailed study within a philosophical framework. The author approaches the subject from the marketing, governmental, and managerial points of view but emphasizes the last named. A somewhat difficult but thoughtful and well-reasoned treatise.

Chase, Stuart. *Roads to Agreement: Successful Methods in the Science of Human Relations*. New York, Harper, 1951.

A summary report, optimistic in tone and written in the author's characteristically facile style, on the work of human relations research centers and institutes. The book deals with the subject in general but has many specific contributions toward an understanding of how human factors operate in labor-management relations.

Commons, John R. *The Economics of Collective Action*. New York, Macmillan, 1951.

A development of the author's well-known institutionalist views in opposition to traditional economic conceptions, which he describes as treating the individual "like atoms, molecules, steam engines, horsepower, and the like, controlled by external forces and not self-controlled."

Davey, Harold W. *Contemporary Collective Bargaining*. New York, Prentice-Hall, 1951.

A detailed descriptive account, with a considerable amount of attention paid to the legal and administrative framework of collective bargaining. Bargaining in manufacturing industries is emphasized. The book, although mainly descriptive and analytical, gives explicit support to the idea of industrial self-government with a minimum of governmental interference.

DeSchweinitz, Dorothea. *Labor and Management in a Common Enterprise*. Cambridge, Mass., Harvard University Press, 1949.

A study of labor-management cooperation.

Dunlop, John T. *Collective Bargaining: Principles and Cases*. Chicago, Richard D. Irwin, 1949.

Designed as a text book for use in college classes, the volume combines exposition by the editor with materials for case study of the subject. There is a useful historical sketch of collective bargaining with accounts of relevant legislation.

Godine, Morton Robert. *The Labor Problem in the Public Service: A Study in Political Pluralism*. Cambridge, Mass., Harvard University Press, 1951.

A description of the limited status of unions and collective bargaining in public employments, both national and local. The author argues against the criticism, sometimes presented, that there is a divided loyalty in the case of public employees who are members of unions: whether a public employee is a member of a union or not, a plurality of allegiance exists, "for the civil servant is both a citizen and an employee as well as a member of various other social groups." Further experimentation is suggested for developing modes of negotiation or collective bargaining for public employees in a manner that will recognize the basic need of these workers to share in the determination of vital issues affecting them while at the same time appropriate and distinctive governmental authority is retained.

Gomberg, William. *A Trade Union Analysis of Time Study*. Chicago, Science Research Associates, 1948.

Mr. Gomberg, in charge of the Management Engineering Department of the International Ladies' Garment Workers' Union, makes a philosophical analysis of time study. He concludes that time study techniques "can make no claims to scientific accuracy." He and his union nevertheless accept the techniques as setting up a range of rates or standards "within which collective bargaining over production rates can take place." The function of the time-study engineer is not to take the place of negotiators in collective bargaining but merely "to keep this collective bargaining within rational bounds." He recognizes that many unions are not in a position to undertake independent evaluations of time study techniques and their results.

Harbison, Frederick H., and Coleman, John R. *Goals and Strategy in Collective Bargaining*. New York, Harper, 1951.

This volume is not primarily descriptive of processes; it is rather an attempt to evaluate the aims and the methods in the light of what the authors conceive to be "constructive" labor-management relations. "Peaceful" relations, though desirable, are not necessarily "constructive." The authors discuss questions relating to the avoidance of "peaceful" collusion between union and management for exploiting the consumer, or for telling the worker what he can or cannot do. They emphasize the general goal of "the maintenance and enhancement of the dignity, worth, and freedom of the individual."

Hardman, J. B. S.; and Neufeld, Maurice F., Editors. *The House of Labor; Internal Operations of American Unions*. New York, Prentice-Hall, 1951.

A study made under the auspices of the Inter-Union Institute. The authors "describe the American labor

movement as a whole and the details of all its varied activities." The various contributors, writing from the vantage ground of experience or close observation, deal with such subjects as political activity; communications; research and engineering; welfare and community services; union administration; educational activity; and the functions and aims of the union staff.

Kornhauser, Arthur, Editor. *Psychology of Labor Management Relations.* Industrial Relations Research Association, 1949.

This volume comprises the proceedings of a meeting in September 1949 under the joint sponsorship of the Industrial Relations Research Association, the Division of Industrial and Business Psychology of the American Psychological Association, and the Society for the Psychological Study of Social Issues. The papers presented are described by the editor as serving two purposes: (1) they sketch certain contributions by psychology to thinking and practice in labor-management relations, including research methods; and (2) they call attention to questions about "the objectives, the concepts, and the social orientation of psychological work on labor-management relations." The editor further states: "By and large, industrial psychologists have worked for management and have accepted management's point of view." Because of that fact, the volume is particularly significant in presenting criticisms and points of view of union leaders and of scholars not associated with either labor or management.

Lester, Richard A.; and Aronson, Robert L. *Job Modifications Under Collective Bargaining.* Princeton University Industrial Relations Section, 1950.

A summary of interviews and studies of job data in 24 companies.

Lester, Richard A.; and Shister, Joseph, Editors. *Insights Into Labor Issues.* New York, Macmillan, 1948.

A variety of subjects and points of view, including a novel and informative presentation of "Collective Bargaining by Professional Societies," by H. R. Northrup.

Millis, Harry A.; and Montgomery, Royal E. *Organized Labor. Volume III of the Economics of Labor.* New York, McGraw-Hill, 1945.

An account of the historical development and present status and characteristics of unions. Topics include union structure, government, and interrelationships; the functions, activities, practices, and policies of unions; their relations to legislation and the courts; collective bargaining, strikes, conciliation and arbitration. The volume is not very easily read but is a storehouse of information with detailed footnote references to sources.

Minnesota, University of, Industrial Relations Center. *The Industrial Relations Five-Foot Shelf.* Bull. No. 5, September 1947.

A listing, with brief descriptions, of some important books and periodicals available in 1947.

National Planning Association. *Causes of Industrial Peace. Case Studies.* Case Study No. 1, 1948; others at intervals. Published by National Planning Association, Washington.

The National Planning Association, a private group from industry, agriculture, labor, and government, undertook these studies as "a positive approach to peace" in industrial relations at the suggestion of Clinton S. Golden in 1946. Carefully considered criteria were adopted for the selection of cases and the cases were actually chosen by a carefully safeguarded and well-publicized process of selection. Efforts were made to maintain objectivity in carrying on the studies. Earlier interest had centered on strikes and maladjustments; these case studies concerned not so much "the pathology of disease" as "the characteristics of health" in labor-management relations.

Peters, Raymond W. *Communication Within Industry: Principles and Methods of Management-Employee Interchange.* New York, Harper, 1950.

The volume is described as "based on one of the most extensive communications studies yet made in the industry—that done by a number of specialists for the Esso Company."

Randle, C. Wilson. *Collective Bargaining: Principles and Practices.* Boston, Houghton Mifflin, 1951.

The author refers to the volume as having little to do with theory or economic background; "it is a description of the principles and practices of negotiation." Subjects dealt with, broadly defined, include the legal and historical backgrounds; the scope, the participants, and the preparation for carrying on negotiations; the issues; and the end result, namely, the collective agreement. Thus, the volume for the most part limits the term "collective bargaining" to the process of arriving at an agreement, omitting such questions as grievance procedures in the administering of agreements.

Riegel, John W. *Management, Labor and Technological Change.* Ann Arbor, University of Michigan Press, 1942.

Report of a first-hand study of the attitudes of employees and their points of view as to what should be done to facilitate employee cooperation.

Roethlisberger, F. J.; and Dickson, William J. *Management and the Worker: An Account of a Research Program Conducted by the Western Electric Company, Hawthorne Works, Chicago.* Cambridge, Mass., Harvard University Press, 1939. (Tenth Printing, 1950.)

A volume described by Stuart Chase, noted author and consultant, as "the most exciting and important study of factory workers ever made." The study has been exceptionally influential in stimulating the "human relations" approach and the making of studies of the attitudes and motivations of workers.

Sayles, Leonard R.; and Strauss, George. *The Local Union: Its Place in the Industrial Plant*. New York, Harper, 1953.

Selekman, Benjamin M.; Selekman, Sylvia; and Fuller, Stephen H. *Problems in Labor Relations*. New York, McGraw-Hill, 1950.

A Study of cases of the negotiating of new agreements and the handling of problems that arise under agreements. In some instances, verbatim reports are given; in others, reports are given in summary form.

Shister, Joseph, Editor. *Readings in Labor Economics and Industrial Relations*. Philadelphia, Lippincott, 1951.

This volume, primarily intended for use in college courses, contains fewer selections, covering a somewhat narrower range of subjects, than the previously mentioned volume edited by Professors Bakke and Kerr, but the selections are as a rule relatively substantial presentations of the authors' points of view. The volume emphasizes unions and labor-management relations but contains fairly extensive sections on employment, wages, and social security programs.

Shulman, Harry; and Chamberlain, Neil W. *Cases on Labor Relations*. Brooklyn, Foundation Press, 1949.

This large volume is in reality concerned with a limited phase of labor relations; it is a collection of arbitrators' opinions concerned not with the negotiating of agreements but rather with the adjustment of disputes over the meaning and application of agreements. Some of the cases are those handled by Professor Shulman as impartial umpire for the United Automobile Workers and the Ford Company. Many well-known arbitrators are represented in the opinions. Professor Henry Weihofer, in reviewing the volume in the July 1950 *Industrial and Labor Relations Review*, states that it is a useful departure from the usual emphasis, in the study of labor-management relations, on the negotiation of agreements and on governmental regulations. The volume is significant also in its emphasis on the increasingly important procedures of arbitration.

Slichter, Sumner H. *Union Policies and Industrial Management*. Washington, Brookings Institution, 1941.

A detailed study, focused originally on "the policies and attitudes of trade unions with reference to production. But since any such policy expresses itself

through a variety of practices and shop rules embodying those practices, it became clear that production policy could not be appraised except on a basis of a fuller analysis of a wide range of relationships between trade unionists and employers." The study therefore took the form of "a comprehensive discussion of both the content and the process of collective bargaining except as to wage rates." The author describes the developments he studied as "the emergence of a system of industrial jurisprudence," a system that provides "a method of introducing civil rights into industry, that is, of requiring that management be conducted by rule rather than by arbitrary decision."

Taylor, George W. *Government Regulation of Industrial Relations*. New York, Prentice-Hall, 1948.

The author, a well-known scholar and experienced public administrator, outlines the evolution and current status of government regulation, and indicates, in reference to his personal views, a preference for maximum reliance on "voluntarism" or industrial self-government. The guaranteeing of basic rights and conditions essential to free collective bargaining is an appropriate function of government; but governmental direction or control of the areas and processes of bargaining should be held, he thinks, to a minimum.

Tripp, L. Reed, Editor. *Industrial Productivity*. Industrial Relations Research Association, 1951.

Papers by representatives of management, labor, academic institutions, and government cover a wide range of subjects, with emphasis, in keeping with the sponsorship of the volume, on the labor-management aspects of productivity.

United States Congress, Senate, Subcommittee on Labor and Labor-Management Relations of the Committee on Labor and Public Welfare, *Factors in Successful Collective Bargaining*. Washington, 1951. (82d Congress, First Session.)

The report contains convenient summaries of some important studies, notably the case studies of *Causes of Industrial Peace*, by the National Planning Association. Collective bargaining is assumed to be essential in a democratic society. A brief bibliography is appended.

United States Work Projects Administration, *Trade Union Policy and Technological Change*. National Research Project, Report No. L-8, 1940.

The report is based upon a thorough examination of collective agreements, grievance procedures, and other evidence. Emphasis is placed more on modes of adaptation and adjustment to change than on the initiation of change.

University of Illinois, Institute of Labor and Industrial Relations. **Labor-Management Relations in Illini City: Volume I, The Case Studies.** Champaign, 1953.

Watkins, Gordon S., Editor. **Labor in the American Economy.** In *Annals of the American Academy of Political and Social Science.* Philadelphia, March 1951, pp. 1-205.

The volume contains contributions by 30 persons from management, organized labor, government, and the academic world. Nearly all phases of union activity are discussed, as well as the relations of government to labor.

Whyte, William Foote. **Pattern for Industrial Peace.** New York, Harper, 1951.

A detailed and illuminating study of a single case, that of a steel container manufacturing firm with about 700 employees. The firm was originally "family-owned and management dominated" and its history had been marked by hostile and disturbed labor-management relations. The book describes a profound change that resulted in the "pattern for industrial peace."