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JAMES ROOSEVELT

*...The Nature of
Trade Union Power ...*

- Just How Big Is Organized Labor?
- What Restrictions Do Foes of Labor Seek?
- What Are the Facts of Labor Strength?

Address before 14th Annual Shop Conference
Teamsters Local 688,
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Labor monopoly

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Foreword

In an age of mass communication, we have witnessed a growing tendency to "think by slogan." A catch-phrase or a cliché too often becomes a substitute for adequate analysis of the true issues of a given question.

One of the most flagrant examples of this is the oft-repeated assertion of trade union foes that "labor has become too powerful."

To those who are engaged in the difficult day-to-day task of building and maintaining conditions of decency and security for the working men and women of America, this assertion is obviously untrue.

At one time, labor's struggle was on the economic front alone. Labor and management met across the bargaining table and, failing of agreement, perhaps met on the picket line. The long struggles of the trade union movement to achieve fair wages and standards were not easy, and they are not easy today.

But as labor achieved more success on the economic front, its foes transferred the contest to the political arena. Today, labor faces difficult tasks not only at the bargaining table but in the legislative halls.

In neither of these areas can labor say that it has achieved an equal, co-determinant place. If "labor has become too powerful," it is only because it is "too powerful" for those who would give it no status whatever in our society.

In the belief that a thorough and penetrating analysis of this question would be in the best interests of labor-management relationships, Teamsters Local 688 invited Congressman James Roosevelt of California to address its 1957 city-wide conference on the subject, "The Nature of Trade Union Power."

This booklet, No. 2 in our "Labor in Mid-America" Series, reprints Mr. Roosevelt's excellent observations.

It is our hope that his fair and careful evaluation of the relative position of the labor movement in America today may serve to place in proper perspective the question of how powerful the trade union movement really is.

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The Nature of Trade Union Power

by The Hon. James Roosevelt

There is always some kind of convention going on in Washington. The visitors may number anywhere from 75,000 to 100,000. Those who come by rail, as they emerge from Union Station, see on the plaza horizon the large, modern building which is the home of the national headquarters of the Teamsters Union.

Those visitors who are quartered in the Mayflower Hotel can look two blocks north and see another modern, large building, even newer. It is the Washington headquarters for the Machinists.

Those devout folk who might attend Sunday services at "The Church of the Presidents," St. John's Episcopal, across the park from the White House, will be next door to the grand new building which is the headquarters of the joint AFL-CIO, where George Meany has his office.

Perhaps some of our visitors cashed a check in Washington's oldest and second largest bank; a bank controlled by the independent United Mine Workers of America.

A visitor who saw any or all of these buildings, or any of the other national buildings of other unions, or who cashed his check in one of the eleven branches of John L. Lewis' bank, probably left Washington impressed by the size and financial stability of organized labor. He probably left Washington realizing that organized labor has the power that goes with strong membership and a healthy financial condition.

He would be right. Only a fool would deny the fact that labor unions handle relatively large sums of money, and represent millions of workingmen and women, and that the funds and

the people joined together in a common cause, represent real power.

Now our ordinary visitor, when he left Washington, probably felt proud that he lived in a country where men and women who work for wages could achieve such outward vestiges of strength.

If a visitor stayed around for a few days and followed the city in its normal pursuit of politics, he might get a much different impression, for he would be apt to hear the old refrain of the Union-haters. He might read them loud and clear from Capitol Hill; then again, if he is close enough, he might hear the whisperings and gentle hints in the Executive Branch. Whether loud and clear, or in an undertone, he will be told that unions have grown too powerful, they are run by evil men, and they threaten free enterprise.

Perhaps he heard a demagogue, borrowing from the poison pen brigade, assailing union officials as white slaves, or racketeers or communists, or all three.

Then there is the mournful cry of the campaign committee chairman, complaining that few of his candidates were supported by organized labor.

And there is the hardy perennial — Unions should be made subject to the anti-trust laws, just because John L. Lewis has a decent office, in a nice building. Well, it's not quite that simple, but almost so.

Old timers in the American labor movement remember how the anti-trust laws applied to unions and were used to hinder, hamper and harry labor organization and collective bargaining efforts. It requires but little imagination to foresee what would

happen if we have an attorney general administering anti-trust laws who is a politician first and a dedicated lawyer second. We have seen how political administration of the National Labor Relations Board has had an adverse effect on the welfare of those who work.

Unfortunately, the enemies of labor can point to an isolated case, here and there, and by use of the guilt by association technique, plus gross magnification, condemn the entire labor movement and those responsible for guiding its course.

We all know that labor unions are organizations of people, and the leaders are people. As such, each member and each official is subject to the usual human weaknesses. So it must be admitted that, here and there, you shall run across an official, highly placed or otherwise, who succumbs to human temptations and uses the trust placed in him, or the funds he handles, for personal gain.

Thinking and responsible people realize that statutory laws, plus organization regulation, are equipped to apprehend and handle the occasional violator of trust. The methods of Congressional committees may often be properly questioned but, it is proper and legal for committees of the Congress to investigate the operations of labor organizations to determine the need for remedial and protective legislation. In my opinion, it behooves labor unions to cooperate to the fullest extent in these investigations, and I am happy to note that responsible leaders have stated that that is just what they intend to do.

That doesn't hinder labor's foes who in this case, would destroy the entire orchard because of one worm in one apple, but who would not condemn the building and loan industry because

one bookkeeper — a grandmother — recently stole more than a million dollars from a Norfolk, Virginia, Association.

The people who lead the chorus of blanket criticism of labor are strangely silent about these instances. I haven't heard this chorus devoting itself to Robert Tripp Ross, the Assistant Secretary of Defense whose wife heads a firm that has been awarded a very large contract to make pants for the Defense Department. I understand Mr. Ross said that he and Mrs. Ross do not discuss their separate activities with each other.

For goodness sake, what in the world do the Rosses talk about at breakfast?

Labor's foes might take a leaf from labor's own book but, of course, they won't. During the past few years a local labor group out in Salem, Oregon, has been having difficulties achieving recognition in the garage operated by the McKay family — Douglas McKay, the former Secretary of Interior who tried, but failed, to unseat a great statesman, Senator Wayne Morse. Mr. McKay has been quoted as refusing to do business with "those goons."

Now, if labor unions used the tactics of their enemies, the entire automobile dealer business would have been condemned and vilified. But this didn't happen.

Instead, your responsible legislative agents in Washington endorsed and lent their support to a bill — which was passed — that freed the local new car dealer from domination by Detroit.

That is an illustration of how responsible unionism operates, how it uses its power, which is vast only when compared with the power of unions twenty to thirty years ago, unselfishly to promote the general good.

This particular measure was designed to help conserve one group of small, independent business; it was a bill which is part of the effort to promote and maintain competition.

The real issue is not whether unionism has power, and how much, but how it uses that power.

Labor unions have a record of service to all the people, not just to their own members. It is a far cry from the old days, but it represents the maturity of the labor movement, for it recognizes that the well-being of people who work depends upon something more than wages, hours, and shop conditions, basic as they always must be.

In the struggle to gain recognition, in the struggle for better wages, for fringe benefits, working people have learned the value of joint action, and today they use that same pattern to achieve ends which benefit the whole society.

We see it on the national level in Washington. I am a member of two Committees—Education and Labor, and the Select Committee on Small Business.

Your national legislative representatives, at the AFL-CIO level, consult with me on matters involving small business and education as frequently, if not more frequently, than they do about strictly labor legislation.

I'll admit that in the present climate, very little legislation beneficial to labor has a chance to take root, and in a different climate, we might have more consultations in the labor field. I will continue to hope and work for that day!

You here in St. Louis and your brothers throughout the land are interested in better schools, and you do not want private enterprise to disappear—and this will happen unless

we halt the trend toward monopoly—so your national leaders widen their interests and activities.

So, we cannot judge today's unions with yesterday's. The size of unions today, and the power exerted, is far from vast when we observe the areas in which it is channeled. It only becomes vast when we compare it with 1900 or 1930.

Today's labor union uses its power in a variety of ways. One of the best examples is your own Community Action Department. You don't need me to remind you of your accomplishments. You know, too, that none of these accomplishments could have been achieved had you acted as individuals.

None of these concrete examples of the wise and beneficial power labor unions have, however, answers the constant demand to apply anti-trust laws to unions. The 1955 report of the Attorney General's National Committee to Study Anti-Trust Laws, the merger of AFL-CIO, together with the new buildings, have all combined to give renewed vigor to the foes of labor.

Anti-trust laws once were used to hamper labor unions. The hated injunction was based upon the Sherman Act. In 1914 Congress, in the Clayton Act, spelled out the theory that the labor of a human being is not a commodity or an article of commerce, and therefore it was thought labor unions were withdrawn from jurisdiction. While this was a victory for the labor movement, it proved to be empty because clever lawyers found loopholes, and it came to mean only that people could join a union, but that activities of the union could be prosecuted.

One of the most famous cases—and illustrative of what may be done under the anti-trust laws when applied to labor—is the so-called Danbury Hat-

ters Case. The court decided that a boycott of non-union made hats violated the anti-trust act. A heavy fine was levied. The entire treasury of the union was confiscated, but this was not enough. Homes and life savings of individual members were seized to the extent necessary to pay the fine.

It was not until the passage of the Norris-LaGuardia Anti-Injunction Act and the Wagner Act that the climate was created for organized labor to grow and thrive.

Then came Taft-Hartley to repeal the Norris-LaGuardia Act and restore the hated injunction, and to remove many another protection of labor.

So now we come to the demand to once more make the anti-trust laws applicable to labor unions. The language is familiar. We hear the ominous catch phrases, "monopolistic power of unions," "giant unions," and so forth, repeated with the monotonous regularity of the huckster making a hard sale for a mouth wash, a deodorant or some other cure-all for an imaginary ailment.

Just how big is organized labor? Total union membership is about 17 million, or much less than half the labor force, and perhaps ten per cent of the total population.

Total financial resources of all unions amount to about a billion dollars. I'll admit that to the old Knights of Labor this is a whale of a lot of money, but it is not very much when we give it a 1957 look.

One corporation, General Motors, has earned twice that in one year.

We have single corporations with assets many times that figure. For instance, American Telephone and Telegraph has assets approaching the 20 billion figure, and General Motors itself has more than five billions of dollars in assets.

So, organized labor's billion dollars isn't very large. These assets shrink further when we realize that organized labor is not centrally controlled. The combined AFL-CIO is not one gigantic organization, controlled top to bottom from George Meany's office. Instead it is 150 separate national and international unions. Each sets its own policies. In turn, these separate unions are made up of locals, numbering about 60,000, each of which goes its own way.

In addition, there are the independent unions, such as United Mine Workers of America, and the various local independents which may or may not be company unions.

Actual ownership of the billion dollars is spread pretty thin, it is chopped up into a great many pieces, and George Meany would have a pretty difficult time trying to borrow a few hundred million using these assets as security.

He would have about as much success as the President of the United States Chamber of Commerce would have trying to borrow a few hundred billion dollars, putting up as security the \$268 billion in combined assets of all the nation's corporations.

But these facts and figures do not worry the hucksters of union hate. They go right on repeating the same old catch phrases, and list the following "abuses" and "evils":

1. Secondary boycotts
2. "Featherbedding"
3. Jurisdictional disputes
4. Price fixing and market control
5. Opposition to technological improvement
6. Industry wide bargaining

We can dismiss the first three of these allegations, because each is already banned in the Taft-Hartley Law.

If the Attorney General could proceed under the anti-trust laws, a labor union and its individual members could also then be prosecuted by the Department of Justice, and be subject to civil suit.

Coming to point four, I do not see how a labor union can fix prices and control a market on its own initiative. I would think not only the cooperation of the employer is required, but the initiative must be from that direction.

At any rate union labor generally frowns upon such a practice; and furthermore, unions may be prosecuted for this practice under existing interpretations of the anti-trust laws.

In a series of decisions handed down by the Supreme Court in the 1939-40-41 period the status of labor unions and the anti-trust laws has been clearly defined. The Court has held that when a union acts alone in behalf of the interests of its members, its activities do not fall under the anti-trust laws. The Court also has held that when a union acts in collusion with an employer to fix prices and control a market, it **does** fall within the scope of anti-trust laws.

Collusion between union and employer to fix prices and control markets defeats the general aims of labor unions, and becomes, I believe, poor leadership. If it does happen, Government already possesses the necessary tools without further legislation.

The charge that unions resist technological development — mechanization, automation (the terms change from generation to generation) — simply does not square up with the facts, although it is easy to see how a mistaken interpretation may be given. The traditional position of organized labor has been to secure some of the benefits of technical improvements for

labor. It has not opposed the advances. In most fields it is labor that leads the way in trying to make possible a human, fair adjustment to the age of automation.

The 40-hour week is a prime example of how organized labor has sought and obtained advantages for the worker from mechanization.

In the current concern over automation the voices of organized labor have never once been raised in opposition, only in warnings that serious economic dislocations will result unless part of the benefits from use of magic electronic devices comes to labor.

Why do you suppose the 35-hour week was raised as an issue in the last campaign?

There is a wide gap between obstructionism and a demand for consideration. Labor has the **right** and must fight for that consideration.

Finally, there is the charge of industry-wide bargaining. Close study has shown that what is loosely regarded as "industry-wide bargaining" might be the negotiations for a new steel contract.

What happens is that every steel company holds back until the United States Steel Corporation and the Steelworkers reach an agreement; then and then only do the other companies fall in line, signing a similar agreement. What this proves, if it proves anything, is that U. S. Steel dominates the industry, and this is nothing that can be laid to the door of David McDonald.

In practice, it should be pointed out, the scope of a bargaining unit is determined by agreement between both management and labor.

Moreover, the whole issue of industry-wide bargaining was considered in 1947 and 1948. A prohibition on in-

dustry-wide bargaining was proposed as part of the Taft-Hartley Law, and it was too much for even the anti-labor 80th Congress, for the proposal was rejected. But some "old soldiers" of industry never do die or even fade away.

There is little or no foundation to the charges that organized labor is a monopoly, that it is a giant, that it is guilty of violating the anti-trust laws. But this will not stop labor's enemies from raising the issue at every opportunity.

Unfortunately, in these days and times, not all of our fellow citizens have the opportunity to study the operations of a labor union—even some who themselves might belong to a union. The fact remains, however, that some 90 per cent of our population does not carry a union card, and only a few of these are students of labor. The rest depend upon the headlines, and the people who speak with an eye on the make-up desk. This doesn't always make for an objective picture of organized labor.

What can an individual union member do? What can a local do to help create a better understanding among all the people?

One answer is what you in Local 688 are doing. I'll venture the people with whom you have worked on slum clearance problems, to keep sidewalks safe, to control rat infestation, and the many, many other projects have a

pretty good opinion of Local 688 and the folks who belong to it.

I'll bet, too, that every time some demagogue screams about the evil men in labor, these folks think of you, whom they know to be good, and disbelieve.

That is one of the best answers to unbridled criticism and I want to congratulate you for doing a fine job for yourselves, for your community, and for the whole labor movement.

These days and times are times of crises for labor. Never before has it been so necessary to exploit unionism to the utmost. Never before has the need been so great for leaders of organized labor to exercise such responsibility of direction. Finally, never before has the need been so great for the individual members to tell their friends and neighbors what it means to be a union member; to be evangelistic in demonstrating the value to the community of the benefits in responsible citizenship that results from active participation in a labor union.

If this challenge to the leadership and to the rank-and-file is not met, then you risk the loss of everything you have gained. If you do meet it, and I firmly believe you will, you will help keep your country really free. The fate of human dignity at home and in far-off lands depends so much on you. Your victory is the victory of men of good will and brotherhood all over the world.