

Chapter VII

THE CRISIS IN AMERICAN UNIONISM *

EDWIN E. WITTE **

That there is developing a crisis in labor unionism in this country is known to everyone. All that I shall attempt to do is to call attention to some aspects of this crisis and to do some speculating as to what may be ahead. I am not a prophet or the son of a prophet and make no claim to being an expert on the subject. I recognize that all of you know much more about it than I do. But I shall go ahead with my talk in the hope that something I say will induce some of you to correct me, if I am wrong, or to supplement what I present.

Some Manifestations of the Crisis in American Unionism

With this brief statement acknowledging my inadequacies, I shall proceed at once with my subject; and, first, let me direct your attention to some manifestations that all is not well in the house of labor.

This month the AFL-CIO—the national federation—has announced the layoff of 100 organizers, a reduction of more than one-third in its staff of organizers. This has been ascribed, and is no doubt in part due, to the decline in the Federation's revenues as a result of the expulsion of the Teamsters, the Bakers, and the Laundry Workers—unions which comprised about one-eighth of its total membership. Beyond that it seems to reflect a belief or fear that the present is not a propitious time for major organizing drives.

* Dinner Address.

** Edwin E. Witte has retired as chairman of the Department of Economics at the University of Wisconsin. He is currently a distinguished visiting professor at Michigan State University. He served as a public member of the National War Labor Board, 1944-45, and was a member of the Wisconsin Labor Relations Board, 1937-39.

The high hopes for gains in union membership that were entertained when the merger of the federations was effected have vanished. One—if not the major—expressed purpose of the merger was an intensification of union organizing. Plans were announced to organize still unorganized manufacturing industries, particularly the chemical industry. There was also talk of organizing the white collar and technical workers and of reinvigorating the stalled drive of the forties to organize the South.

Figures of the U. S. Bureau of Labor Statistics suggest that some gains in total union membership have occurred since the merger. In these two years the total membership of American unions is reported to have increased by approximately 500,000. Interestingly, among the unions that have made the largest gains has been the Teamsters. The next largest international, the United Automobile Workers, sustained a slight loss in total membership; while the third, the Steelworkers, had only a small growth. Until the great increase in layoffs that began in October or November, 1957, organized labor, as a whole, did make modest gains—about 3 percent—in a two-year period. But these gains were far smaller than labor hoped for and many prophets forecast.

The recession has lessened the prospects for union growth. The upswing in union membership early in the Roosevelt Administration began when the American labor movement was at its lowest point in more than 15 years. But this occurred after three years of the worst depression of all time. In all other depressions since American labor first began to organize in the early nineteenth century, union membership has declined—often drastically. There are no statistics as to what has happened to union membership in these last months, but there is every reason to believe that, with declining employment, union membership has also decreased.

Factors Hindering Union Growth

There are many economic and social factors that adversely affect the prospects for union growth in the near future. Perhaps the most basic among these are the changes which have been occurring in the American labor force.

Among these is the remarkable growth in the number of women workers. At the turn of the century, about one-sixth of the labor force of the United States consisted of women, most of them in domestic service, agriculture, teaching and a limited number of manufacturing industries, such as clothing manufacture and textiles. Today the percentage of the women workers in our labor force is approaching two-fifths. Most of the earlier fields in which women found employment have declined, but there has occurred a phenomenal growth of women employees in clerical and sales positions plus sizable increases among the production workers in many lines of manufacture and most other industries. There has also occurred a pronounced change in the characteristics of women who are in industry. When I was a boy the women in industry were principally young girls, employed prior to marriage, and older immigrant or Negro women. Today as Dr. Henry David, Executive Director of the National Manpower Council of Columbia University, has put it: "It is no longer the young woman chiefly of immigrant origin or extraction, or the Negro woman, who is the characteristic woman wage earner. Nor is it the woman who has to work out of sheer economic necessity."¹ Sixty percent of present-day women workers are married and nearly half of all of them are over 40 years of age.

The remarkable increase in the number of women workers and the change in the characteristics of the typical women workers have confronted labor unions with a new problem which they have met only imperfectly. This is clearly indicated by the fact that, while women constitute above one-third of the labor force, only one-fifth of the organized workers are women. The outlook of many women workers continues to be that of short-time employees who see little need for organization. Women, moreover, are predominantly intermittent workers, only one-third of them working full time in industry throughout the year, another one-third full time for part of the year, the remaining third part time throughout the year. Even when in the labor market, their main interest is in the home. Work by married women normally means at least

¹ Address published in *Labor Laws and Their Administration, 1956* (Bulletin, Bureau of Labor Standards, No. 191), pp. 53-54.

two wage earners in the home and a family income which is more adequate than the husband's income alone. The "little lady" can be pretty stubborn when she makes up her mind; many women workers become very determined unionists. But most unions continue to be run by men and not along lines that appeal to the women. Women workers are not unorganizable, but labor has not solved the problems which confront it by reason of the increase in womanpower in industry and the changing character of the women workers.

Also a still largely unsolved problem has been the great growth in the white-collar, production and technical workers. Our unions have been predominantly organizations of the manual workers. The production workers in industry are not increasing, while the white-collar workers are growing phenomenally in numbers. As automation progresses further, this trend can be expected to continue. Unions have not been completely unaware of the problems confronting them in this respect. They have made attempts to organize the engineers and a few other professional or semi-professional employees. They have sought to convince the office workers that their interests lie with the production workers. Alternately, they have permitted the office workers to have their own internationals. But these remain only small organizations and the total percentage of white collar workers who have been "corralled" by the unions is disappointingly small, to the labor people. The trend toward more professional, technical, clerical and other white collar workers is one the unions are up against today and which may call for quite fundamental changes in the labor movement for its solution.

The only slightly less strong trend toward more skilled workers in industry has disturbed labor somewhat less, but also is a factor affecting its growth and development. Our unions formerly were basically organizations of skilled workers. Most skilled workers are members of unions today. Not so long ago, the skilled workers had their own unions. Today they are, mainly, in the same international unions and, often, in the same locals. There are few craft unions which do not admit semi-skilled and unskilled workers. Industrial unions, in theory at least, ignore craft lines. Many unions are historical products,

being industrial unions in part of their jurisdiction and craft organizations in other fields. Craft and industrial unions are now in the same tent but not too happy with each other's company. Very troublesome jurisdictional disputes have developed between building trades unions and some of the industrial unions in the mass production industries; also, disputes over representation involving attempts to carve separate bargaining units out of industrial unions. The problem of the conflict between skilled and semi-skilled and unskilled workers still troubles organized labor, although in new forms. Although not the problem that most hinders the growth of union organization, the industrial versus craft union issue nevertheless remains a perplexing one.

Also a problem faced by organized labor today is the increasing mobility of the American workers and of our entire society. This is not merely a matter of more Americans leaving their states of origin during their lifetime than earlier in our history, but of the dispersion of the plant workers through the automobile over a vast region extending many miles in every direction. This operates to make organizing other than on the premises extremely difficult and interferes greatly with union meetings and good attendance at such meetings. A problem for the unions also has developed from the dispersion of upper and middle income people from the central region of our cities to the suburbs. This movement has been shared by our better-paid workers. Today most workers can buy homes in the suburbs or the country, if they so desire. Once a worker moves to the suburbs he tends to take on something of the complexion and mental attitude of the suburbanites—perhaps the most anti-union group of any large distinguishable element in our population.

Something of the same situation has been created by the rise in workers' incomes. Not all wants of American workers are being satisfied and there remains a good deal of discontent among them; but appeals addressed to the starving and oppressed are not very effective when the workers are not starving and do not feel oppressed. Prolonged, widespread unemployment also does not promote union membership, and busi-

ness recession, such as we are now experiencing, has the same effect.

The Congressional Investigations

Besides the problems posed by the sharp business decline, organized labor at this time is up against disfavor or at least low repute with the public. Organized labor is a minority group in our society and but seldom has been approved unqualifiedly by the general public. In much of American thinking, organized labor is still associated with the people who were born on the wrong side of the tracks and with the more recent immigrants and their descendants. This is less true than at an earlier date, but remains the picture many Americans have of the labor movement. To this has been added the impression of a labor leader who is a roughneck and often a crook. Many Americans have long believed that the typical labor leader is a racketeer and not infrequently a goon. To them, labor leaders and union officers seem to be men who are interested only in the dues they can collect from members and the boodle they can exact from employers.

This impression of the labor leader held by many Americans has been confirmed and strengthened by the labor scandals that have had such large space in the daily press. There have been investigations after investigations, with several, at times, going on simultaneously. Dealing only with the investigations since World War II, I mention first the investigation of Un-American Activities by the Senate Committee on Expenditures in Executive Departments, popularly known as the McCarthy Investigation. This committee is still in existence, headed by Senator Eastland, and has held a few hearings within the last year. There was for a time a parallel committee in the House of Representatives, which gave the present Vice President his start to fame. The McCarthy Committee devoted some attention to communism in the ranks of labor and its proceedings made headline publicity for years. I think it is a fair statement that it discovered no Communists in labor ranks who had not previously been known to be Communists. But it gave additional publicity to the fact that Communists at one time controlled quite a few unions affiliated with the Congress of

Industrial Organizations. In 1949, well before the McCarthy Committee came into existence and before the Vice President was more than an obscure Congressman from Southern California, the CIO expelled these Communist-dominated unions. Since then, on a few occasions obscure local union officials or representatives have "pleaded the Fifth Amendment" when questioned about their Communist connections. Labor, much more than the Congressional investigators, has gotten rid of Communists in positions of power in its ranks. Unfortunately, many Americans still believe the unions or many of them to be Moscow directed.

Then followed the investigations by a subcommittee of the Senate Committee on Labor and Public Welfare of the management or mismanagement of union health, welfare, and pension funds. This subcommittee was headed in the 83rd Congress by Senator Ives; in the 84th Congress by Senator Douglas; and in the present, 85th Congress, by Senator Kennedy. A parallel investigation was conducted by the House Committee on Education and Labor. The Senate Committee soon struck pay dirt and until this year has brought up a large quantity of muck. The disclosures have concerned such matters as excessive salaries paid to union officials running health and welfare funds, the splitting of commissions by insurance agents with the union trustees of such funds, the organization of brokerage businesses by trustees to increase their take, some direct stealing of trust monies, and the connection of notorious criminals with a few of the funds. Relative to the total number of union-managed health, welfare, and pension funds, proof of gross mismanagement has been presented only as to a small percentage of all such funds. No similar investigations or disclosures have been made of company-managed or jointly-managed health, welfare, and pension funds. The investigations in their entirety have confirmed the earlier impressions of many people that labor leaders are often crooks and thieves, stealing from their members and growing rich on the boodle. No legislation by Congress has resulted from the disclosures, but six states have provided for public disclosure of the financial operations of union health, welfare, and pension funds.

Most unfavorable has been the publicity organized labor has received from the investigations during the past year by the select committee of the Senate generally referred to as the "McClellan Committee," technically the "Select Committee on Improper Activities in the Labor or Management Field." This committee consists of four Democratic and four Republican Senators, with Senator McClellan of Arkansas as Chairman. Three of the Republican members (Goldwater, Mundt, and Curtis) have anti-labor records and Chairman McClellan also was opposed by organized labor when he was last elected. One member (McNamara) is a union member; and the other three have acceptable labor records. The chief counsel, head of the Committee's staff, is Robert Kennedy, a younger brother of Senator Kennedy; but the Republican members have had their own staff, headed by John McGovern, who has been sharply criticized by Senator McNamara for statements indicating, as alleged by the Senator, anti-labor bias. The committee has conducted public hearings, intermittently, for more than a year and the Chairman has stated that they may go on for five more years.

The most extensive hearings to date have concerned the Teamsters union; others, the Bakers, the Laundry Workers, the Distillery Workers, and the Operating Engineers. There has also been one series of hearings concerning the operations of a management consultant, Nathan Shefferman, of Chicago, doing business as the Labor Relations Associates. The Committee's staff, particularly the minority staff, has also investigated the United Automobile Workers and hearings relating to the Kohler strike, encouragement of violence, and the political activities of this union have been forecast. The great majority of unions have neither been subpoenaed to appear nor have they been in any way implicated in testimony before the Committee. Other than Shefferman and the management of the Sears, Roebuck store in Boston and a few smaller clients of Labor Relations Associates, management has not, to date, been brought before the Committee, in spite of the fact that Shefferman testified to having served several of the largest of retailing companies and some sizable manufacturers. Until recently, organized labor indicated its support of the Commit-

tee's investigations, but within this month it has charged that at least some members are out to get Labor. No recommendations for legislation have come from the McClellan Committee, and none is expected in the present session.

The testimony given before the McClellan Committee has often made the headlines. Most sensational was that concerning Dave Beck, retiring President, and Jimmy Hoffa, the new President, of the International Brotherhood of Teamsters. The charges against them included diversion of large amounts of union funds for personal use, autocratic control of the union, and, in the case of Hoffa, consort with notorious criminals. Both Beck and Hoffa have been tried for violation of criminal statutes, and Beck has been convicted. The charges against James Cross, President of the Bakers' Union—a socialist—are quite similar. There has also been testimony of resort to violence by the Teamsters and some of the lesser unions investigated. Little has been added to previously disclosed facts about the mismanagement of union health, welfare, and pension funds. Surprisingly, there has been little testimony of the attempted exaction of money from employers by union officers for any purpose whatsoever. Very little, also, has been disclosed as to the rigging of union elections or the lack of democracy in unions. Less than ten of the several hundred international unions have been disclosed to be, in any sense, corrupt or as having corrupt officers. Aside from the men mentioned and, recently, President Maloney of the Operating Engineers, no top-name union officials have been implicated. The operations of Nathan Shefferman have been revealed as being essentially those of union busting by methods of corruption, and his list of clients represents a pretty good start toward a blue-book of American merchandising. But there has been no testimony as to the extent of similar practices in manufacturing or even a mention of the very largest corporations.

Labor's Reaction to the Investigations

Labor's reactions to the disclosures of corruption and other festering evils in union ranks have, to my way of thinking, been wholesome. More than a year before the McClellan Com-

mittee was organized, the AFL-CIO in its first constitution set forth as one of its principal objectives:

“To protect the labor movement from any and all corrupt influences and from the undermining efforts of communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism” (Article II, Section 10).

In this same first convention (November 1955) the AFL-CIO provided for an Ethical Practices Committee, headed by Al Hayes of the Machinists' Union, to implement this constitutional provision, through investigations on complaint or on its own initiative of all suspected corruption or communism. It set forth a procedure for the suspension until the next convention of unions found, upon investigation, to be under corrupt domination, with the further power of making recommendations for the correction of the evil conditions. It also set forth that the convention, after hearing both the accuser and the accused, was to determine whether the accused union should be expelled from the federation or allowed to resume its membership, and, if so, under what conditions.

When the investigations of the subcommittee on union health, welfare, and pension funds of the Senate Committee on Labor and Public Welfare disclosed corruption in the handling of trust funds by the Allied Industrial Workers, the Distillery Workers, the United Textile Workers, and the Laundry Workers, and by scattered local unions, the Ethical Practices Committee promptly investigated and recommended suspension of these unions, setting forth the conditions which would have to be met for reinstatement. The Executive Committee, by a well-nigh unanimous vote, sustained the recommendations and the suspensions remained in effect until the recent second AFL-CIO convention. By that time the Allied Industrial Workers had gotten rid of its officers accused of corruption and the United Textile Workers had agreed to hold a special convention supervised by a monitor and to declare its two former top officers ineligible for election. Both these unions were consequently reinstated to full membership. The suspension of the Distillery Workers was continued under a monitor, with a statement of the conditions which must be

met for full reinstatement. The other unions were expelled and are today outside the Federation. The two international unions not previously so labelled which were revealed through the investigations of the McClellan Committee to have corrupt officers, the Teamsters and the Bakers, were proceeded against similarly. The Ethical Practices Committee recommended their suspension to the Executive Council; the Executive Council sustained this recommendation; and the Convention (by a five to one vote in the case of the Teamsters) changed this into expulsion from the Federation. A new Bakers' Union has been chartered, which is reported to have gained the adherence of one-third of the locals of the old union. No new Teamsters' International has been organized but city centrals and state federations have been directed to expel Teamsters' locals. This is a record which seems to me to show labor's good faith in its oft-repeated expression of desire to clean its own house. On this point, note must also be taken of the creation by two international unions, the Upholsterers and the United Automobile Workers, of appeal boards composed of prominent people not connected with these unions, with authority to review and correct undemocratic actions against union members. But it remains doubtful how much the public has been impressed. Beyond question, the labor scandals have hurt the standing of organized labor in public opinion.

Prospects for the Future

What will be the final outcome is in the realm of speculation. Many see the most likely result to be legislation hostile to labor in the Congress and the state legislatures. Quite a few bills, which labor views with alarm, are pending in the Congress. These range from requirements for the registration of health, welfare, and pension funds, to vague proposals to make the unions subject to the anti-trust laws and a more definite measure for a national right-to-work law, making it unlawful for employers and unions to contract for any form of union security. In between are the recommendations which President Eisenhower transmitted to the Congress a week ago. Many of the proposals, including some of those of the President, go beyond the correction of the evils publicized through the Con-

gressional investigations and have already drawn fire from organized labor and its supporters. What will become of them, in an election year, is pretty much anybody's guess. What seems certain is that labor this year will get nowhere in its long campaign to lighten the restrictions imposed upon it by the Taft-Hartley Act, and particularly has little chance of getting its bill enacted that would prohibit states from imposing more drastic limitations on union security agreements than those included in the national law. Further legislation placing additional restrictions upon the activities of organized labor in contests with management is more than a possibility; but I doubt whether 1958 will prove another 1947.

There is also a possibility that the labor scandals will have adverse repercussions upon labor in its contests this year over new contract provisions in many major agreements. The business recession makes 1958 a bad one for wage increases and other labor gains. The public is more than half convinced that the major cause of rising prices is the increase in wages and is in a mood to support management in resisting further increases in rates of pay or fringe benefits. There are also numerous indications that many managements this time have their backs up and seem disposed not to yield an inch. More than ever the battle is being waged in the forum of public opinion. The labor scandals have further weakened labor in this forum. At present the prospects seem to be for more and greater strikes than we have had for years, with labor in a position in which the majority of the public will regard it as a sort of "Peck's Bad Boy" or worse, a goon responsible for just about everything that is wrong. Public opinion is not always, perhaps but seldom, decisive in labor disputes, but it does count. At this time, so it seems to me, it is likely to support management in stubbornly resisting union demands. This is not predicting that labor will get nothing this year; and, of course, it will not get all that it seeks in its first demands. Only a prophet can forecast the final outcome of the 1958 contract negotiations and the strikes in which they may culminate.

On the broader question of what will be the total effects of the present crisis in labor unionism. I have little to offer that is more definite. But I call attention to the fact that this is

not the first time organized labor has faced a critical situation. We now have had labor unions for more than one hundred years, in all sorts of climates of public opinion and during one crisis after the other. Many of the factors in the present situation may call for changes in union tactics and may precede such changes. What is clear is that unions do not dominate our society, but they have been and are now a part of the American way of life, although theirs is a minority role. I expect them to continue as a part of the American way of life, regardless of present difficulties.

A Conditional Forecast

What I shall say from this point on is a conditional forecast, which I believe to be warranted on the basis of experience in this and other countries. It is my expectation that the major repercussions of the labor scandals may well be in the political field. Even more do I expect such a result if Congress should enact legislation which labor interprets as an attack upon its existence or effectiveness. This may also be the result of a stinging defeat, should it occur, of labor in the contract negotiations and ensuing strikes in the spring and summer. Holding the line against wage increases, particularly if unemployment continues to mount and farm prices do not improve, may well give us the most radical Congress we have had in two decades.

Interviewed, along with other public members of the former National War Labor Board after the passage of the Taft-Hartley Act, I ventured the prediction that the principal effect of this legislation, crammed down labor's throat by the Eightieth Congress, was likely to be increased political activity on the part of organized labor, rather than any pronounced change in the economic strength of the parties. As I look back upon that forecast, it seems to me that I was a very lucky prophet. The Taft-Hartley Act hurt labor less than it had feared and also benefited anti-union employers less than they had hoped. But the passage of the Taft-Hartley Act put labor into politics to an extent not known for many years preceding. The surprising reelection of President Truman in 1948 was ascribed by political commentators principally to a sizable

switch in the farm vote, but the defeat of nearly a third of the members of the 80th Congress who had voted for the Taft-Hartley Act occurred almost entirely in industrial districts.

Organized labor has always been interested in what government is doing and to some extent has engaged in political activities. But it is most active politically when it believes that its operations in the economic sphere are being hampered or likely to be hampered. Dyed-in-the-wool unionists follow the advice of their leaders in politics when they believe their unions to be in danger. Workingmen generally react most violently politically when they have sustained personal loss or fear such a loss. Among situations producing such a result are unemployment, wage cuts, and defeats in strikes. It seems to me to be probable that the more the factors enumerated coincide, the more certain and the greater will be the political reaction.

There is considerable likelihood that quite a number of these factors will coincide by the elections of 1958. A heretofore little remarked concomitant of the labor scandals has been a growing belief among ardent unionists that the investigations and exposures of the McClellan Committee have gone far enough and are motivated by a desire to weaken organized labor. A majority of the Teamsters seem to be sticking with Jimmy Hoffa. As has been noted, top AFL-CIO leaders recently met with Senator McClellan and others from his Committee to warn them not to play the game of Walter Reuther's opponents. There is a distinct possibility that as the contract negotiations draw closer, investigations of the unions involved will strengthen this feeling among ardent unionists; and, if the negotiations prove disappointing, politicians will be blamed. Prolonged strikes resulting in defeats for labor would increase the political repercussions. These will be particularly strong should Congress enact legislation which labor deems to be designed to weaken its economic position. Every informed person also knows that a continued high level of unemployment and, still more, increased unemployment, will be hard on the "ins" in politics. It is my expectation, also, that the political reaction will not stop with party labels. It may well come to pass that the long conservative swing in American politics, manifest now for twenty years, may be reversed.

All this is in the realm of speculation, with many "ifs" about which no one can be certain. What seems clear is that the AFL-CIO merger, the jurisdictional disputes agreement, and the ethical practices codes have not solved all problems of the American unions or, more accurately, any of them. Organized labor is in a difficult situation today. Many of the factors in this difficult situation go beyond the present labor scandals and the contract negotiations, which are now in the stage of preliminary jousts in the public arena.

What this may lead to, I leave to you. I merely direct attention to the fact that not only recent developments but many others of the last quarter century have tended to make our unions far more political organizations than they were at an earlier date. American unions have always been interested in politics, but at most times not vitally so, especially when one labor federation was dominant and the principle was pretty well adhered to that each union had a definite jurisdiction which must be observed by employers and all other unions. At that time, labor-management disputes were fought out in the economic realm and public opinion mattered but little.

Today, the labor situation is very different. We again have one dominant federation, but a good many unions are outside the federation and within it there are bitter rivalries and controversies. The principle of defined jurisdiction has not been abandoned, but in many fields there are overlapping jurisdictions. More basic is the inherent conflict between defined jurisdictions and the workers' free choice of the union, which is incorporated in our national labor policy.

It may be that this policy of itself is operating to make our unions more like political organizations along European lines. In no free European country has the situation ever prevailed that one and only one national union has jurisdiction within a defined field, which goes along with the concept that all workers should belong to unions but that there is only one union to which a given worker may belong. With choice allowed between unions, politics or religion tend to become the only unifying forces in the labor movement. There has been no significant trend toward making religion a dominant factor in American unionism, but our policy of worker free choice inevitably,

I believe, has some tendency toward making the unions more political. It is my thesis that this is also a likely effect of the recent developments I have noted. It is futile to talk about keeping government out of labor-management relations so long as the parties are forever turning to government for help. When they do this, not only should they expect retaliation when the almost inevitable pendular swing occurs, but they should realize that they thereby tend to make the unions more political in their objectives. Being old fashioned, I prefer our traditional American type of unionism, but I can see politically-oriented unionism as a consequence of the increasing role we assign to government in labor-management relations.