

THE LABOR MOVEMENT

Mr. Samuel S. Ellis

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Reviewed by: A. H. Castellano Date: 28 Jan 61

INDUSTRIAL COLLEGE OF THE ARMED FORCES
WASHINGTON, D C

The Labor Movement

7 November 1962

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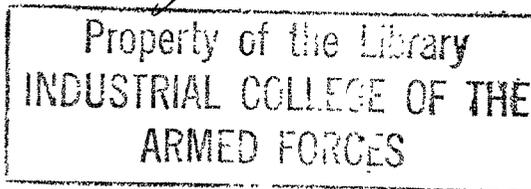
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INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington 25, D. C.

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7 November 1962

MR. HILL: Admiral Rose; General Stoughton; and after what the distinguished speaker said yesterday with regard to the difficulty of sex identification, people:

As one of my faculty associates said, "The most important thing you have to say today is, tell the boys to go back to their sections and not to their areas."

The course of labor relations consists, besides the few harmless things which I will offer you this morning, ^{of} a real good hot address by Mr. Hayes, the President of the Machinists Union, who will follow me on this platform about 10:30, and then this afternoon you will have the pleasure of sitting with your section seminar panelists for the usual period in the afternoon from 1:30 until about 3:00 o'clock.

The purpose of this lecture is to give you some kind of background and help the people who have been reading along this line to form some value judgments. This, of course, is a difficult matter because, really, these value judgments in an area such as labor relations are best found in the open work bench itself. Of course, we want you to have some knowledge of labor relations in other parts of the world as well as in this country, because you cannot understand what goes on in any country unless you have a comparison of what has happened, we'll say in Sweden, where you have a very strong cooperative movement, where there is a minimum of friction between employer and employee, unless you know, for instance, that in England you have a strong Labor Party which works very closely in connection with the Trades Union Congress; unless you know, for instance, that in Germany the

tradition of the Social Democrats is very strong, and that that has led to a phenomenon of labor relations in Germany known as "co-Germination." I'll try to touch on some of those things later on, but if I don't you just read them. And, of course, if this takes time, ^{and you haven't got the time,} /I will just tell you what the roach said to the grasshopper when they were discovered in the kitchen. He said, "You'd better go down the drain pipe." The grasshopper said, "How do I do that?" And the roach said, "Don't bother me with details.

I think what we should do first is to give you an image of what we mean by labor. And to do that, I'm going to have a slide of a picture called "The Miner." This was painted about some 30 years ago in the northern coal fields of Eastern Pennsylvania, by a man named George Lux. You can see that he shows many of the results of long years of working in the mines, and to me it is an example of what we mean by labor. Now, this image of labor has been changing as Dr. Bailey told you on Friday of last week. We have recently seen the composition of American labor change, so that we now have more people in white-collar occupations than we have in blue-collar. Also, we have a greater number of women in the labor force, about 1/3, including of course, such well-known occupations as school teaching, telephone operating, clerical work, merchandising, etc.

So that, if we had a painting of today's labor force it would, of course, be different from this. But I want to give you this because we're going to have to go into history. And I suggest that if you people would like to give a gift to this college, as many classes do, you might endow a picture by a contemporary artist showing the changing face of American labor. I'm going to give you a lecture in three parts

this morning, and the first part will be a review of the current scene.

Secondly, we will go into the history which has led up to the present scene, and then, we're going to try to look into the future. Now, the present scene has, first of all, a legal base, and what is this legal base? This consists, first of all, of the Enab^{ling}/Acts, and secondly, some restraining Acts. Now, by the Enabling Acts I mean those Acts which have enabled labor to exceed some of the goals which it has now reached. I refer, first of all, to the Watson-Parker Bill of 1926 which gave to railroad labor what was not achieved by other labor for nine years after that. That was, first of all, the right to organize, and secondly, the right to bargain collectively.

Remember, now, that the drive of labor - and this is important - is primarily toward job security. Wages, of course, often make us think - the struggle for increased wages makes us think that after all people are always trying for higher and higher wages. And, of course, it is true. A person once asked Samuel Gompers, "What does labor really want?" Gompers said, "More and more and more." And that's what we all want.

The next Act of importance is the Norris-LaGuardia Act of 1932, the so-called "Anti-indulgent Act," which tried to get labor out from under this hampering device on the part of employers which enabled employers to stick an injunction on his workers whenever they tried to implement any plans they might have had for organizing or bargaining collectively. And it did so, to some extent. And, as we all know, the injunction is not abandoned as a tool of labor relations, since the Taft-Hartley Act allows injunctions to be taken either at the national level or indi-

vidual strikes.

The hassle over NRA which was passed in 1933 was because it was declared unconstitutional. The next Act of importance is the so-called Wagner Act - the National Labor Relations Act - passed in 1935, but not declared Constitutional, however, until 1937. And thereby hangs a tale. The Wagner Act gave to all labor the right to organize and to bargain collectively, and those are the great gains of labor.

Now, with the Fair Labor Practices Act of 1938 we come to the end of the so-called Enabling Acts, and we finally come to the point where we must look at what was done to restrain labor. These are two in number: First, the Taft-Hartley Act passed in 1947, and secondly the Landrum-Griffith Act of 1959. Now, why were Taft-Hartley and Landrum-Griffin passed as restrainers of the movement which had hardly been given its right to do the two great Acts which it had looked forward to for a long time?

If you recall the days of 1946 and '47 you will remember that there was a tremendous drive of labor for a round of wage increases upon round of wage increases. And the public began to get a little bit restive under these repeated demands for more and more wages. This brings us to the separation of the social-economic groups in this country which I submit can be put into three categories. We have, first of all, the management group which is fairly well recognized by all concerned. We have the managers, we have the owners of businesses. Secondly, you have labor, and by labor we mean mostly organized labor. And then we have a rather vague shadowy group which we call the public, the neutralists, people like ourselves who are not directly involved in the struggle between management and labor.

It is this third group which really decides in many cases whether management or labor is going to win the day. Now, the great problem of labor relations is deciding who gets how much out of the total product. If there were some way in which you could decide by statute or by wise decision that management is going to have to get so much and labor is going to have to get so much, there would be no difficulty. There have, of course, been a number of wage theories, and that, of course, I think as future managers of labor you should look into. How will you arrive at what you will pay your workers?

Now, there has been a great deal written about what is basically a simple question. And that is, as a minimum you pay a man what he can barely get along and live on, the alternative to starvation. As a maximum you pay him what you feel he is able to earn for you, plus something above his actual wages which you call overhead and profit. Now, in the short run you may have wages sinking below the subsistence level, and in the long run you may have wages going above the productivity ceiling. For instance, you have a marginal automobile firm which cannot pay wages easily affordable by General Motors or Chrysler. So, they will go to the workers and say, "We can afford to pay X percent of the standard union rate."

Now, if the union goes along with this request and accedes to what it believes is a just requirement on the part of management, you will have the productivity wage kept under a comfortable ceiling. However, there is no guarantee that management can convince labor that there is a definite limit to wages. And if you can't convince the employees of your marginal firm that they'd better take less than the standard rates, you're going to be out of business. And that happens.

Now, the attitude of labor has changed because of the improvement in the economic situation along social lines. Labor is now coming to be recognized as a social system as well as an economic one. It no longer thinks like the proletarians of yesterday; it has become somewhat middle-class, thank goodness, in its acceptance of a steady wage, of the feeling that it's not going to be put out of a job because of some foreman's whim. And that used to be the case. A long time ago a man named Whiting Williams, wrote a book. It was called "What's on the Worker's Mind?" Whiting Williams was a key with industrialists, who wrote his book about 1920. At that time the hiring was done at the factory gate. If the foreman didn't choose to hire you but he had a friend whom he wanted to hire, you didn't get the job.

This has been a great difficulty, to bring back a paycheck on Saturday nights, for the little woman, and that is, after all, what counts. Today, for instance, you're going to hear from one of what we call the intellectuals in the labor movement. I was thinking of one because this man has recently written a book about the intellectual labor movement. And curiously enough, they are never respected by the rank and file, the workers, because the workers are very practical. They want to see where the dough is coming from and they want to have it on Saturday night. And they will not listen to these dreamers who say, "The system is all wrong; we've got to change it. You cannot put patches on the pants of capitalism." The workers say, "Well, that's all very well, but what is that got to do with the Saturday night paycheck?"

And, of course, it's just as well that we do have this leavening influence on the part of the workers who want to talk in terms of realities and not in terms of vague

futures.

I'd like to have the slide, now, on accidents. This reminds you that people don't work to produce, but they are also paid to take a chance on being injured, perhaps fatally. The first figure is approximately two million reportable injuries over the three years which we have there. This matter of injuries is, of course, quite important. These, of course, are only the reportable injuries, the injuries which result in time lost plus three days. I recall once when I worked for a regulatory agency which handles railroad accidents, we investigated the safety record on the part of one railroad which had always one product. And a lot of the men on the staff had contact with this particular railroad and we couldn't see why they were doing so well. They never got the trains there on time; the freight was handled very haphazardly; and so we sent some investigators to see what they were doing in this matter of safety regulation and accident prevention.

We found that they were just about average in their usual procedures, but they were sort of beating the job in one way. We found, for instance, that a locomotive fireman who had broken both arms was taken out of the hospital on a stretcher, was brought back, and somehow they found a pound of nails before the days were up, and so his accident was not reportable. This was true. So, you can't believe all the things you read, and not the whole of things you hear.

Now, this is a picture of our present labor situation in the sense of a basis of legal opportunity as restrained by two Acts which enter the curve, the burgeoning efforts of labor to go further than this neutralist group thought it should. We can't understand what labor is doing now unless we go back into the past and take a long

view of history. And so I propose to take you over 150 years at a rather rapid speed. I think that I may resemble the emblem of the Great Northern Railway Mountain Goat going from peak to peak. The period right after the Revolutionary War was marked by a great change in the mode of production. At that time we found that the old craft shop was being replaced by a new agent, the merchant capitalist. Whereas the craft shop would produce mostly to custom on order, the merchant capitalist would, because of improved transportation, communications, buy in the cheaper market and sell in the dearer market.

Now, this created problems for the master craftsman who was located in the dearer market. He had to cut his costs somehow, and how did he do it? Well, of course, he had to cut labor costs. Because, everything is a labor cost to someone. What to you, of course, may be raw material, is someone else's labor cost. And so, we find that early in the 19th Century the master craftsmen in the shoe-building industry in Philadelphia decided they could not compete and produce shoes without cutting wages; so, they did. As a result, the shoemakers turned out - struck - and, of course, kept anyone else from taking their places at the benches.

We have two individual points to make there. One is that the strike was a defensive one against a cut in wages and not one to increase wages. And secondly, the attitude on the part of this neutralist group, the public. The magistrate in charge of this case, hearing the striking shoemakers, said that these people were guilty of a conspiracy to benefit themselves through harming others, either one of which was most reprehensible, and he thereupon fined them and sentenced them to jail terms.

Now, this attitude on the part of the public, of looking with some skepticism

on labor's drives and labor's goals is a very natural one, I submit, because in a sense, management is the agent of all of us. It's even the agent of the labor group which is not directly involved in a particular strike or dispute. Because, for instance, if steel labor insists on a wage increase which will hike steel costs, the housewife ~~who has to~~ buy steel articles which are raised in price, isn't going to be happy about it even though that housewife is a member of the labor group, or her husband is.

Now, this doctrine of conspiracy was one of a number of devices which the employers' group used to ~~slow~~ down the demands of labor, or shield their own economic interests. This is quite natural. I'm not trying to blame anybody or call anybody a nasty name; it's what all of us would have done under the circumstances, I am sure. That's one point I want to make. I think you should accept it. That is, that human nature in its tendencies toward good or evil are the same on both sides of the party table. What people do is not the result of whether they are on the labor side or on the management side, because they are human beings long before they became members of one group or the other.

In spite of this conspiracy doctrine which was actually promulgated in Philadelphia in 1806, we see that all along the Eastern Seaboard of the United States, a young, struggling nation of the 19th Century, you had a surprisingly large group in union ~~or~~ organizations. In Boston, New York, Philadelphia, Baltimore, you had craft organizations - shoemakers, sailmakers, shipbuilders, carpenters; the whole kit and caboodle. Furthermore, you had the growth of so-called city centrals which are sort of chambers of labor comparable to the Chambers of Commerce which we

have now where the working people could get together to discuss their mutual interests.

Now, mark you, because of this general public disapproval of organization, when it came to a matter of fighting the wage problem, these organizations were often arranged on a so-called mutual benefit basis. As a matter of fact, that was one of the purposes. These organizations were not basically economic; they were social and political. And even though as early as the 1820s we see the first burgeoning of labor into a national organization, we also recognize that the aims of this group were basically economic in nature. They included such understandable goals as, first of all, the right to vote.

The founding fathers were not, by golly, going to trust anything as important as suffrage to proletarians. They wanted, for instance, the avoidance of being thrown into prison for debt. Many people languished in jail for months because of a debt of a few dollars. They wanted the right, of course, to hold office, to help make the laws, and somehow to change this court attitude which seemed always to be against them. They wanted the right not to be drafted into military service because that meant that they had to give a period of weeks during which they got no pay, but had to be available for service, and actually were in service. Finally, they wanted free schools.

I think that we should recall that the working class movement in this country was the biggest single factor in making for public school systems of today. Now, unions have always thrived on prosperity and vice versa in the case of depressions. And so we see, that after the great panic of 1837 when business slowed down, for the

25 years between then and the beginning of the Civil War, union organization came to a standstill. To me it has always been an interesting period because this was the age of mutual gain movement. We had Emerson's Brook Farm; we had the Fourierists, the San Simonists, the Shakers, the Perfectionists, all of whom were trying to encapsulate groups of people of good will so that they could produce and exchange the necessaries of life which apparently was not possible in the economic framework of that period.

While I think about it, that's an important item to mention because we live in an economic era of boom and bust. There's a cycle. And what that cycle does is most important to labor relations. If we make capitalism work we need have no trouble. If people play the game the way it's supposed to be played, we'll have no trouble. In Latin America, for instance, the Alliance for Progress is having to make up for the people who don't play the game. Because, if you take all the money which is made from your sugar plantations in Peru and send it to Paris, and live it up on the Riviera - which is done, and that's good, solid American tradition - you don't have the money to put back into the property and make your business work.

During the period right after the Civil War, to 1890, ^{which} was a rather disturbed period, we see before the Civil War the beginning of international unions which were called international because they had membership in Canada - they were really U. S. unions; the Typesetters, for instance, was formed in Washington about 1850 is 110 years old now and is the oldest in existence. It was founded right here. Then, we had, during the Civil War, a period of relative prosperity. Wages were high even though labor was short. We did have bread riots, of course. Then after

the greenback inflation we had the morning after headache of the 1870s. In 1877 we had riots and revolution in every important city in this country, not because of the reduction in wages, but because there were no wages at all. This was the result of unfortunate railway financing, the result of paying dividends on watered stock; this was the day which saw J. Gould rowing feverishly across the Hudson River to New Jersey to escape wrathful stockholders who had just realized he had duped them.

Again, nobody is calling anybody any names; it's just stating a fact. We had in 1806 the Hay Market Riot in Chicago. We had the Molly McGuires of Eastern Pennsylvania. We had the Pullman Strike at just about the time of Sherman/^{Anti-}Trust. I mention these because violence and radicalism are important words in labor relations. Whenever the labor group can be tagged with violence or radicalism the employers group has got it made.

Now, you must be careful to read behind the lines. Labor has never had a good Press; management has. You'll run across the phrase in your labor relations reading, called "The Mohawk Formula." The Mohawk Formula was invented by a very brave industrialist of that region. All it consists of is, "Get the labor element tagged with violence and from there we can break their strikes."

Beginning in 1890 we had a new era of labor relations which began with the use of that statute against labor. Now, if you recall, Sherman Anti Trust was passed at the demand of the Middle-Western agrarianists against what they thought was a monopoly of Eastern capitalism, particularly in railroad rates of grain to others stamped on manufactured products which, as you know, can always be marketed

under the so-called habitative prices, pricing rather than in strict competition. The first use of Sherman was against a labor union which employed a secondary boycott. The secondary boycott is a concerted drive on the part of organized labor which will not buy the products from a retailer in most instances who sells the product of an unorganizable manufacturer. In this case the AFofL put out a letter to all its members, "Do not buy," in this instance "the products of Woolworth and Company in Danbury, Connecticut.

Lowe and Company, a manufacturer of hats and caps, could not be organized. Now, to military men the secondary boycott ought to have an appeal because it is bringing up shock troops to bolster up a weak part of the line. But tell a lawyer that. The National Labor Relations Board, under Taft-Hartley, has a General Counsel who is empowered to slap an action against any labor union which uses a secondary boycott. So, that is one of the illegal acts of labor, and one which it feels it should be allowed to use.

Another weapon used against labor was the so-called "Yellow-Dog Contract." The Yellow-Dog Contract was a figment which you made when you signed up to get a job and it pledged you not to join a union. This made it very easy for an employer to take legal action against any union organizer when he induced you to break a contract. This action was very frequently not peacefully done under the aegis of the law in court. But can you imagine what would happen in non-union coal towns when the union organizers got off the train? I don't advise you to try it. A friend of mine witnessed what happened. The organizers were getting off and trying to organize the miners, something which they now could do; this happened within the

memory of man. It happened 30 years ago. They were very badly beaten up.

As a matter of fact, I'm not so sure that there was even a Yellow-Dog contract to protect the action on the part of the employer. I have mentioned very briefly this matter of the injunction. This device was the procedure of the employer going to a local court of jurisdiction and there obtaining upon petition a temporary restraining order keeping his employees from either organizing or striking, if he could show the judge that there was evidence ~~that~~ this would harm his plant. This was interpreted liberally because it wasn't only physical damage, it was also the possibility that earning power would be materially restricted. Sometimes the order was made permanent after the 20-day period. Sometimes it was not; it was dissolved. Even though it was dissolved it very frequently had the desired results on the part of the employer, of clubbing the employees' most powerful economic weapon, that of the strike.

So much for history. Now, ~~what~~ do we go from here? What about all this? If I have painted a picture which seems to indict the employee group I have done it for one reason, to make you understand why labor does what it does. There is no Versailles to labor relations. I'm sure that in many cases the employer was doing what he had to do to stay in business. I have every sympathy with many employers, whether they used Yellow-Dog Contracts, whether they used injunctions, whether they turned Sherman Anti-Trust against workers to stay in business, I can see their side. It isn't right or wrong except in the purpose for which you use it. And I suggest this; that there is no substitute for good human relations.

If the workers understand what management has as its objective, namely the

continuation of business; if management understands labor's drive for security, you will have very little trouble. In this connection we have with us a number of practical solutions of such items as work stoppage, because to a few people the work stoppage is perhaps your most important challenge. If you are in charge of an industrial process needed for fighting troops you can't be expected to be very calm in the face of an industrial dispute which results in a work stoppage. No matter how justified one side or the other may be, we just can't have it. And so, we saw in the labor board of the World War Years, or whatever board, an attempt to somehow postpone this matter of industrial strife, until the work was done.

In the years which have followed the labor board's operations we have seen two things. One, in the railroad industry we have a machinery for settling disputes, and it works pretty well. You have a National Mediation Board which takes economic issues - wages - and you have a National Rail Adjustment Board with two sections - two divisions - which take up work rules. And this reminds me very briefly, of featherbedding, another principle I want you to think about.

Featherbedding can be good or bad. Now, what do I mean by that? Featherbedding, in many instances, is the result of abusive practices on the part of management. When I listen to my dear friend who is a vice president of industrial relations, for a very large railroad, sound off about featherbedding, I say "Sure, I'm with you, but you know as well as I do, Jim, why many featherbedding practices arose, because management abused their privileges."

The second point which I think is of interest is the matter of the inclusion in many labor contracts, of a requirement that we have compulsory arbitration. And

certainly, if both sides have neutral people, objective people, we can name a lot of them right now - to whom most of us, I think, would be happy to entrust decisions, - you would have the possible end to work stoppage. And lastly, of course, there is the very interesting thought of the semi-strike. A semi-strike occurs when an arrangement is made so that neither side gets full pay and the conditions are made painful enough so as to urge an early settlement and not inconvenience the public. Because, the public is very frequently the factor which gets hurt as much as anybody else. And so I say to you who are going to be managers of industrial relations or advisors, to the extent that you can understand the drives of labor you will have less and less friction.

This doesn't mean that you're going to have to give in to labor. You've got to understand what they want before you can give them what they want or deny what they want. But it's the management agent; the labor agent too, who simply is intransigent, who will not see the other fellow's side, that cause the trouble.

So, I wish you good luck in your labor relations conduct when you go back to your jobs.

QUESTION: Mr. Hill, would you elaborate on the abuses of management which led to featherbedding?

MR. HILL: Right. Let me tell you a story. I used to be in railway operations as a very minor supervisory official and one day I was presented with a claim for a day's wages on the part of a road train-crew. I was pretty out for business and I could see that I was going to get the crocket for this. So, I said, 'What did I do

wrong now?" And the engineman said, "Sonny, I'll take you over here and tell you the facts of life." What I had done was to tell the engine crew and the head brakeman to go to the engine house down to a track which was occupied by a caboose on the train they had just brought in. The switch crew had not taken the caboose out of the way as I had told them to do. And so, he pushed the caboose out of the way and that constituted yard switching.

Now, Regulation 4D4 advised that if a road crew does yard switching they get a day's yard pay. That's what I was faced with and went and told the Superintendent about the next day. It was about three o'clock in the morning. Now, there's a happy ending to this which I'll tell you about later, but the reason for this 4D4 Regulation, as the engineman took pains to tell me - and he was right - goes back into history. That's why history is important in understanding these labor relations today. Off-hand, this was silly, you see. I mean, that is why - he's being paid we presume. Why doesn't he push the damn caboose out of the way and go to the house like he's supposed to; why a 4D4 payment of one day's wages for ten minutes work? The answer is this, that back in the good? old days, a road crew was paid a definite round sum - I think it was something like \$1.50 to go from Baltimore to Philadelphia - about a dollar or \$1.50.

Well, if the Yard Master at Gray's Ferry in Philadelphia had no switching to do he would say to the engineman, "By the way; I took my crew over to DuPont to do a little switching for me." And did he do it? In those days he did. He got no pay for that. This was all on the cuff. So that, you have a picture of a railroad laborer saying, "Now, look, if we're going to get paid for taking a train from

Baltimore to Philadelphia, okay. But we don't look with much pleasure on the idea of doing yard work after we get there, which is not in our contract. "

There are many instances of that same kind where management would impose on labor and labor has come back and said it's impossible to do it.

QUESTION: You still haven't given me any examples of abuses of management which led to featherbedding. This doesn't seem to be an example of featherbedding, a man getting paid for work that he doesn't do.

MR. HILL: Well, I would say yes, and I will tell you why. Featherbedding is being paid for work not performed. Okay? All right. Now, I suggest that this road crew was paid a whole day's work of switching, which it did not do. It didn't work all day switching in the yard, but they got a day's pay for it.

QUESTION: Could you give us some comment as to the labor movement and some indication that the number might be in decline or at least not growing in the major goals that labor has achieved?

MR. HILL: That's a good question. I'll try to give you hints rather than try to answer it. Recently one of the people in the labor movement who has been one of our panel members, has written a book, I think it was at the request of some foundation at California University. It's called "The Decline of the Labor Movement." And in this book he attempts to do exactly what you asked me to do, to try to forecast where labor is going. And, using part of his facts and conclusions, we came up with something which I hinted about at the very beginning of my talk, mainly the changing character of the labor movement. Time has gone by where the blue-collar worker was fighting for these two enfranchisements which I have reviewed with

you: (a) The right to organize. (b) The right to bargain collectively. They have achieved those to an extent.

Now, this isn't given to everybody in the labor movement; just some people. I'll have to refer you to the NLRB decisions which will give more explanation of that. So that, you have the changing character of the labor force. You have a greater number of professionals, of people like myself who can see no reason why I should organize. You have people being paid high wages in the aircraft industry, for instance, where in some instances you have no organization or a lackadaisical attempt at organization. Right now, for instance, they have a U. S. union, the president of which will be with us in about 40 minutes, and they're having trouble getting people with him. And he will tell you as to the advisability of organization.

Now, people organize. You have to go back and see why people organize. They organize because they must have a bargaining unit, some thing to protect themselves against the tremendous economic power of the corporation for which they work, like say, I assume if they work for a large corporation, because most of organization is in the large-scale industries. Now, to the extent that management is able to persuade their employees that there is nothing to gain by organization, you won't have it.

In the South, for instance, you have a labor pool down there which is being drawn into the labor force, and these people are getting wages which are considered sub-standard up North. And the same man who wrote the book is very much disturbed because of the fact that you can't organize the workers in the Souther textile industry. Why can't you? The climate of opinion is against organization. The workers them-

selves don't want it because they've come in off farms making very little cash money, and they have jobs which look to them pretty good. The other factor is the entrance into the labor market of a great number of women. And women do not take this matter of working, quite as seriously. They go in for several reasons as well as for a long-term job. They go in in many cases, for pin money to supplement their husband's earnings, or they'll go in as single women to get a little hopechest money. So, their term expectancy of labor is five to eight years. They aren't interested in a long-term program such as your average male worker - the head of the family - who has to look forward to the years when he's going to have to take care of his family and he wants to have security.

In this connection we must realize that labor wants security more than wages, as two separate entities. They want security first and wages next. They want the wages because they represent the living standard which they feel is adequate. But they basically want security, and if they can get security without the unions, they won't have them.

QUESTION: Thinking ahead into the future, in using your words, if I recall correctly, we must see the other fellow's viewpoint. We have two parties here who are concerned with each other's viewpoint so they can negotiate. Concern with the other man's viewpoint inevitably leads to involvement with his problems. We see this in evidence today as we look at the trends we've made. We find out, actually, that labor is, in fact, a part of management. Management has become involved with labor's problems, so it is labor. Now, are we going to preserve this differential, or recognize the fact that labor is, in fact, a part of management? Or am I wrong?

MR. HILL: Well, as I gather it, your question is, "Can we definitely distinguish between management on the one hand and labor on the other?"

QUESTION: Their merging into one.

MR. HILL: Into one?

QUESTION: Yes.

MR. HILL: Well, I accept your conclusion, in part. Now, don't forget, yesterday General Hershey said you couldn't make a sex identification. So, if you can't do that how can you identify labor versus management? But, I would say no. To answer your question, what do people think. Now, if labor thinks it's part of management, then you must accept that as a factor. But labor, by and large, does not think it's part of management. It feels that insofar as labor is able to buy an interest in management operation - buy stock - it certainly gives them part of management's viewpoint. That's correct.

You have, as I mentioned briefly in my talk, in Germany, this matter of coin-termination, the entrance of the organized labor unit into management decisions. Because, labor feels it should have a part in management decisions, since, if management makes a wrong decision labor gets it first in the neck. They go without. Wages, without the necessities of life is their lot, whereas the management just cuts out a country club or two and waits until the next time.

QUESTION: If I buy a dozen eggs and I get home and find that three or four are rotten I take them back to the grocer and say, "Let's make this correct." If I buy a labor contract and I've got a half-dozen rotten people in there who are not putting out, can I fire them? Can I get rid of them? Or will the labor union make good?

Will they release them, or get them to produce effectively?

MR. HILL: Well, you'll have to ask Mr. Hayes that question because I'm not a labor union official. Nor am I the manager of an enterprise. I can tell you that there is, of course, no standard answer to your question. I can give you the ideal answer, and that would be, first of all don't hire them in the first place. And if you made a mistake in hiring them, and you could prove it, certainly the union will take an attitude which corresponds to a greater or lesser extent to your own decisions and drives and desires in the matter, in direct compliance with your own ability to make them understand the problem. Because, no labor union is going to be saddled by incompetent workers over the long-run.

Now, this is idealistic talk. It's just to point out that. And I'll tell you why - one quick thought. We've just finished the strike by the railway telegraphers against the Chicago and Northwestern Railway. About 500 telegraphers were getting more and more scared by the prospect of technological unemployment. Their members had been reduced from a thousand down to 500 by gradual attrition, resignation, firings, replacement, and finally they realized that their jobs were coming up next, and so they got telegraphers' organization to call a strike against the railroad. And we had the tragic picture of 500 men stopping operations of the fourth largest railroad in this country, and causing untold grief and financial loss far beyond the amount of salaries which were involved in their earnings.

So that, people who are afraid will take any measures to protect themselves, and it's up to society - to ourselves; to you and me - to help make out what we can do to avert this sort of thing happening, and to keep two or three people who are not

the kind of worker we wanted to have around, from pressuring the organization - the union people - to call a strike if they are fired. Now, that happens all the time. Unions go out on strike for reasons which make no sense to us, except unless you look at the long history of labor relations, and it's pretty bad.

QUESTION: Professor Hill, would you comment on the problem of a working man who finds himself represented at the bargaining table by a man like James Hoffa?

MR. HILL: Unfortunately, the Teamsters' rank and file are much too happy with Mr. Hoffa. I didn't have time to comment on this union which is, in a biological sense, a sport, a differentiation in species. It's a very great thorn in the side of the labor movement. You ask Mr. Hayes about it. He opted to throw Hoffa out of the American Federation of Labor and the CIO.

Well, gentlemen, I'm sorry, but we have to close this meeting now. We're having a panelist - Mr. Hayes - come down, and I'm sure you can get from Mr. Hayes in his lecture and in his question period, much of what I've tried to get across to you, but perhaps not enough.

Thank you.