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Company Unions

Employers' "Industrial Democracy"

BY ROBERT W. DUNN

Author of *American Foreign Investments*,
co-author of *The Labor Spy*.

With an Introduction by
LOUIS F. BUDENZ



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PREFACE

THIS volume attempts to describe and evaluate one of the "newer tactics" in social conflict. The employing class, and the channels of information, education, and propaganda which it controls, has during the last ten years carried on an energetic offensive against the American trade union movement. The corporations have left no method untouched in their drive to emasculate and destroy the workers' organizations. One of the primary "indirect" methods in this offensive has been the company union—a union in which the employer plays the role of "labor leader."

These company unions, although they are nothing more than instruments of control in the hands of corporation managements, have been painted in flattering colors by the college economists; the Saturday Evening Post philosophers, the industrial uplift practitioners, and the doctors of personnel. They have been praised even by certain liberals who consider non-union "integration" the solution of all the problems of the modern machinery and mass production age.

The purpose of this book is to present the progressive trade union slant on company unions and to outline their significance, purpose, and practices, as well as certain methods for meeting their advances. This is done chiefly by sketching certain specific company unions now in operation and showing how the workers fare under these plans.

An appropriation by the American Fund for Public Service has supported this study. For this the author is duly thankful, as well as to Scott Nearing, Phil Ziegler, Solon DeLeon, Paul Wander, Art Shields, Abraham Epstein, and other friends who have given suggestions and encouragement. A large number of trade union members have helped in the checking up of facts. To all these generous collaborators the writer extends his deep appreciation.

ROBERT W. DUNN

New York City,
July, 1927.

INTRODUCTION

OUR newer—or rather, older—Capitalism is a wiser Capitalism.

In its early days, immediately following the Industrial Revolution, it slammed and banged about with infantile recklessness. Its cruel treatment of its workers aroused the giant-wrath of Thomas Carlyle, John Ruskin and William Morris.

In our time there is a different story to be told. Under the German Empire of Wilhelm II, it was discovered that the old methods would not do. They no longer paid. A rapidly expanding labor movement challenged the existing order of things. Under pressure of Socialist agitation, a policy of governmental paternalism was introduced, to insure the "loyalty" of the workers, which attracted the attention of the whole industrialized world. Delegations and deputations of all sorts went to Deutschland, to investigate its capitalistic Feudalism.

After-the-War America has improved a bit on the German pattern, from the employers' viewpoint. It has understood that the Great War's promise of "democracy" must be kept, if it be in form only. The spectre of revolutionary radical movements in other parts of the world has led it to anticipate the power-hunger and freedom-hunger of the workers at home. The revolutionary shop councils which sprang up in Europe at the close of the war have given it the cue: To assuage the workers' craving for organization with a plant body, under the thumb of the employers.

The company unionism which has thus arisen is the most outstanding device of American Employerdom for the control of its workers. It occupies this position—above and beyond all other forms of “welfare” work—in that it directly challenges the right to existence of the workers’ own organizations. Company unionism stands out boldly as an attempted substitute for such organizations. Corporations which have introduced “employee-representation” plans say in effect to their men: “We have given you something which does away with trade unionism. You can now work out your problems and grievances with the management in a spirit of cooperation. The old attitude of antagonism is done away with, and we stand ready to meet you half-way.”

As to how far they are ready to go toward the “half-way” mark, this study will reveal. It is the first attempt to analyze the company union experiment, from a labor viewpoint. Mr. Dunn is happily equipped for the task which he has undertaken. His *American Foreign Investments* and his various other researches in economic problems stamp him as a careful and accurate investigator. His co-authorship in the *Labor Spy* and his participation in the struggles of the Massachusetts and New Jersey textile workers—particularly in the recent strike at Passaic—demonstrate his intense interest in the advancement of the labor movement. Whether or not his views and conclusions be regarded as correct, they are worthy of the utmost respect and consideration.

It is my own opinion, from some experiences with company unionized workers, that the author’s conclusions are eminently correct. As to the bankruptcy of company unionism, so far as the workers are concerned,

the facts speak for themselves. In some instances, we are shown, this device has been introduced through the aid of labor spy agencies. The sly way in which recalcitrant workers are "cultivated" and brought into line with the corporations' policies is set down from the very reports of the labor spies involved. This is damning evidence of the fraudulent character of the employee-representation scheme, at its very inception.

In other cases, the schemes are maintained largely through the continuance of an elaborate spy system. That form of workers' "democracy" which relies on such means for its maintenance must be builded on very fragile foundations. From the Bethlehem plan at Lackawanna, N. Y., to the Forstmann and Huffmann creation at Passaic, N. J., the track of the spy is clearly seen as an important feature of company union machinery. This "barnacle on the industrial ship," as a writer on business ethics dubs labor espionage, apparently plays a larger, rather than a smaller, role under this new dispensation. What manner of "cooperation" will come out of the resultant atmosphere of fear and suspicion, can be left for the imagination of the readers to formulate.

In the Interborough Rapid Transit Company of New York City, the company-created "Brotherhood" is made iron-clad by the vicious "yellow dog" or individual contract. As the author says, "A 100 percent 'closed shop'—for the 'Brotherhood'—was achieved by forcing all the workers to sign an individual contract. Any worker refusing to sign found himself dismissed from the service." Nevertheless, when the strike of 1926 broke out, the *New York Times* praised this form of slavery as "self-government." It termed the strikers "outlaws," as though they were striking against a real union, and

refused to print letters correcting its editorial mis-statements with the facts. Even as this book goes to press, the investigation directed by Mr. Samuel Untermyer brings out the fact that the officers of the company were voting themselves higher salaries in the form of "bonuses," at the same time that they were refusing the men a 15 percent wage increase on the plea of poverty. It is that sort of double-dealing, in one form or another, which characterizes company unionism everywhere—as this indictment reveals. It is an inevitable double-dealing, bound up with the basis of the idea: Company unionism, holding itself out publicly as a "protection" to the workers, and in reality devised for the better control of such workers by the employing forces.

It is not surprising to learn that this scheme has been forced upon large groups of working people, after their emphatic disapproval of it through referendum vote. That was the method of its genesis on the Pennsylvania Railroad. Similar tactics were resorted to in the General Electric plant at Schenectady. The much-advertised Mitten plan in Philadelphia was defeated by an ample majority, but the voting proposal had a catch to it. If two-thirds of the men did not vote in favor of the Amalgamated Association of Street and Electric Railway Employees, the company scheme was to be introduced!

Established and maintained under coercive or semi-coercive methods of this sort, company-controlled employee representation necessarily serves as a barrier to the hopes of the men and women under it. The author's indictment on that score is sweeping and emphatic. In some instances, as at the Westinghouse Electric, the time of the "representatives" is taken up with the discussion of petty matters. The condition of

the cafeteria is one of these. Just how and when and where a picnic shall be held, is another. The vital subjects of wages and basic working conditions are sidetracked. The men at Bayonne and Bayway are still waiting, after three years, for a "consideration" of their 10 percent wage increase demand. The management has passed the "buck"—to use common parlance—to Mr. John D. Rockefeller, Jr. He has always been "too ill" to come to any conclusion, despite the colossal profits of the Standard Oil Company of New Jersey during this entire period.

The company union has further been used as a convenient medium for detaching money from the workers' pockets, for local hospital and community fund drives. The manner of doing this has been much like coercion. The employee representation plan has obvious advantages over the pure and simple anti-union shop in such things in that the company union serves as a buffer for the management. That is its function—in every wage cut put through by the management, in every wage increase demand snuffed out, in every "softening of the contact between "master" and "servant," to the benefit of the "master."

All in all, Mr. Dunn's condemnation of the "new idea in industry" is even more clinching and complete than that of the Russell Sage Foundation, in its careful review of the Rockefeller "industrial democracy" in Colorado.

The condemnation in this case is supported, step by step, by quotation of "chapter and verse." It is free from those generalities which have characterized much of the labor attack on employee representation up to date. It is built up, cumulatively, on testimony out of the mouths of the employers themselves. No man with an open mind who lays down this book, after reading

it, can say aught but that the company union device is merely a glorified and tinselized anti-union "open shop." Its predominant object, as a cursory study of Chapter III demonstrates, is to put "the union in cold storage."

Certain personnel psalm singers, who thrive by breeding "contentment" among the workers, deny that this is the aim of this device. It is particularly worth while for the reader to note, therefore, that "practically every big corporation has been seriously 'menaced' by unionism at one time or another. They are, therefore, sufficiently farsighted to realize that the works council must be introduced before another such threat appears on the horizon." The most opportune time for an employing corporation to "put over" the company organization is when the threat of unionism is not too apparent. That is the advice given by the company union installation experts. Were real unionism actively under discussion, the contrast with the fraudulent organization handed out by the corporation would be too clear-cut. The employer, in that case, would "have the fight of his life" on his hands.

The situation shaping up in this way, the question then arises: What are we going to do about it? Those who have looked into the matter deeply come to a unanimous conclusion on that point. The American Federation of Labor can and should challenge and destroy this new feudalism in American industry. Of late there has been a growing criticism of the A. F. of L. It has been alleged that it has not advanced with sufficient militancy to the job that lies before it. It is said that it has not adapted its methods of attack to the new conditions fronting it. Some of these criticisms are undoubtedly justified. They are of the sort that any democratic and truly progressive organization should wel-

come, in order that it may move forward and make the most out of its possibilities. Some are based on a misunderstanding of the background of American workmen. It is not only the A. F. of L. which has received setbacks in the period of post-war "reconstruction." Other movements growing out of the workers' ranks and appealing to them have likewise met with serious difficulties. In some cases, they have been almost annihilated. At this moment, when the tyranny of the courts has reached a peak almost unprecedented in our history and when government is conducted for the benefit of the possessing class, the movement for a labor party is weak and without any real support among the masses.

Regardless of any theoretical discussion over the success or failure of the A. F. of L., it is the existing organized expression of the workers of this country. It can show, from actual accomplishments, that real organization is productive of better conditions and of a greater degree of freedom than any feudalistic paternalism can create. The American Labor Movement must remain one. It would be an undoubted calamity if any dual movement should arise in the basic industries, aimed at the destruction of company unionism, but keeping itself aloof from the A. F. of L.

Practically speaking, it is clear—and becoming more so every day—that craft unionism is not the form of organization that can cope with the plant groupings of the employing interests. The statement of the author in that connection cannot be too strongly emphasized: "One thing is certain—no craft union will ever make the slightest headway against the company unions. No matter how militant its tactics, this archaic type of union is worthless as a weapon in the struggle against

the 'employer-sold' company plans." It must be thoroughly understood that the basic industries—where company unionism blossoms forth—are entirely different in structure from the building and printing trades, where craft unionism still maintains itself. Semi-skilled and unskilled workers are represented in large numbers in the former field. They do not think of themselves as mechanics—machinists, molders, etc., etc.—but as steel workers, oil workers, automobile workers, and the like. The company union enrolls them all, on a plant and departmental basis, in the one group. The only workers' organization that will succeed against this grouping is that which will enroll them in a like manner. That is, an industrial union.

As to the skilled workers in the company unionized field, many of them have been members of a real union at one time or another. They have seen their craft organizations crushed by the tremendous power of the big monopolistic corporations. They have witnessed the debilitation of their unions which arose from jurisdictional disputes and the waste of duplicated effort. They no longer believe that craft unionism can win. It is a new appeal that must be made to them. A new battle-cry must be raised. And the battle-cry that will carry conviction and confidence, more than any other, is: "One union for one industry"—to oppose the united front of the employers with a united front of all workers in the industry involved.

Industrial unionism being agreed upon and established as the basis for the attack upon the company unions, an aggressive and persistent campaign of education should be the next step in order. The message of unionism should be carried again, as in the old days, to the company gates. Every means of publicity—in the

daily press and through plant organs—should be used. The facts, such as the author has here collected, should be broadcast in every community where company unionism exists or is likely to be brought into being. There should be no let-up in this campaign. There should be no quarter given to the company union idea. The union job today is to dare, to dare again, and once more to dare. "Money spent in militant organization campaigns may or may not bring results, but it will help to stir the unorganized workers to some faith in the integrity and ability of the trade union movement. And it will show the company unionized workers the two major defects of the plans—that they give the workers no power, and that they give them no wages comparable to those paid in the well-organized industries."

To the company unionized workers, we can say: We understand your difficulties. We understand the powerful forces of intimidation and propaganda which have been unloosed by your employers to keep you out of real unions. We know well of the the discouragements which have come to you often in your hope for a fuller freedom. Nevertheless, we still believe in you. We still are confident that you will rise in mass rebellion against this implement of hypocrisy and greed which chains you down. We appeal to you not to despair. We call upon you to test the fraudulent character of your company union by making real demands through it, which the employers will never grant. We ask you, for your own welfare and that of your fellows, to continue in every way and at all times, discreetly but persistently, to show up among your comrades the folly and futility of the company union.

If that appeal be heeded and that job be done, it will

only be a matter of time until this new device for throttling you will be smashed into bits. Out of your united revolt there will be built up a larger and more effective movement for the permanent freedom of the American workers—an enlarged and fortified unionism. That is your only hope. It has ever been the hope of toilers in all places and at all times. Keep the fire of revolt and liberty alive in your ranks and at the proper hour it will burst forth into a flame which cannot be quenched. Therein lies the hope for further freedom in America.

LOUIS FRANCIS BUDENZ

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COMPANY UNIONS

CHAPTER I

THEIR PRESENT SIGNIFICANCE

THE great Passaic strike of 1926 was essentially a strike against the company union. The organization of the Brotherhood of Sleeping Car Porters was primarily a defensive action against the company union of the Pullman Company. The most important issue before the convention of the American Federation of Labor in 1926 was the company union. For the first time in its history the Federation voted to assess its constituent unions for funds to carry on the battle against this major menace to the trade union movement. The company union is obviously one of the principal issues before the American labor movement today, for it constitutes one of the most effective weapons in the hands of the American Plan organizations and the anti-union employers. It stands first among all the many welfare and personnel devices that have developed in this country to defeat and liquidate the trade unions.

The term "company union" has been used very loosely in the American trade union movement. Any organization from a mutual benefit association to a rival trade union has been called a company union. Any sort of league, society or club the employer may happen to organize in an effort to divert or direct his labor force

has received the title. And labor union officials, unimaginative in vocabulary, have hurled the term at "dual unions," at "rump" unions or break-away unions, no matter how many companies they covered.

We may clear up this wilderness of misuse by stating at the outset that a company union is not a "dual union," as it is known in the American trade union movement. Neither is it any "coffin society" boosters club or social brotherhood that may be formed to take in the workers of a given factory. These have their place in a "well-rounded personnel program"; but they are not company unions.

A company union is what the employers usually designate as a works council, a works committee, an employee representation plan, an employee conference board or an industrial assembly. Ordinarily it covers the workers in only one plant or the plants of a single company. It must have something to do with at least a few of the minor grievances of the workers. An athletic club in a factory is to administer athletics. A benefit society is usually to pay out sick and death benefits. But a company union is more than this, although in a few cases, to be sure, it may combine the functions of the other type of society or club. Its distinguishing feature, however, is the fact that it is supposed to have something to say, if only in a vaguely advisory way, concerning some of the working conditions and activities in the plant.

Students of the "works council,"—the name most commonly applied by employers to what we define as a company union,—have indicated the various steps by which the management of a corporation may arrive at the company union stage in its relationship with its workers. They consider the first stage the one in which

the employer's word is absolute law, when he takes no account of the workers either to explain his orders or even to pretend to consult them about conditions affecting their welfare in the plant. Another stage is reached, they suggest, when the employer goes in for posters, bulletin boards and perhaps a company magazine through which media he attempts to "sell" his policies to his workers. Later he may call the workers into a general meeting or assembly to explain certain matters, such as the necessity for accepting a wage cut. In the next stage he may go so far as to choose a few of the more loyal workers on a very informal committee to consult with the foreman occasionally. But the company union or works council stage is reached only when the employer sets up a definite procedure for electing committees, serving usually in some sort of joint council with the representatives of management, to consider certain grievances. Beyond this there are the various stages within the company union itself, depending upon the degree of consultation, responsibility, or power if any, the management may care to grant the committees.

In present-day American industry there are a tremendous majority of companies which are in the stages prior to the company union stage. Their managements are undisguised autocrats. They do not care to bother with workers committees even of the most informal sort. The boss issues the orders. No workers' group of any kind is ever consulted. What is sometimes called the "old-fashioned employer" is usually of this type. And many of the big, modern, mass productions corporations such as the United States Steel Corporation, and the Ford Motor Company are also opposed to any plan whereby even the most shadowy powers might be granted to a workers' committee. But here and there

we find the company union, a definite device of management, used to control and manipulate the labor force and to produce certain results which are considered profitable to the company. One writer has called it "one of the main divisions of the employers' welfare activities." Another describes it as "an agency of the industrial relations department in the plant." It is certainly more important than any other welfare or personnel device, because of its widespread use, its closer contact with the everyday life of the worker, its relation to collective bargaining, and its bearing on the trade unions and their task of organizing the unorganized.

The company union may, of course, be used by management in conjunction with a dozen other kinds of "service activities." On the other hand some companies may have a company union but little or no welfare work. Still others begin with a welfare association or a mutual benefit association and gradually clothe it with representative powers equal to that of a works council. We shall find an infinite variety of devices in company union concerns. Often the company union is merely the medium through which all the other alleged benefits are granted the workers. Often the company union's only function is to make solemn decisions concerning the introduction and operation of a number of welfare devices. These decisions might be made directly by the company's management. But in this case, as we shall see, the workers would not catch the feeling that it was through their "democratic committees" that these various benefits were achieved and carried on.

Certain points then stand out as characteristic of the company union. It is initiated by management and does not, like genuine collective bargaining, come as the result of pressure from workers who have organized

themselves into a union. With a few notable exceptions, it has in fact no relations with any labor organization, or for that matter, with any management, beyond the limits of the one plant or company. It is one of the devices of management used to control the labor force in a given plant or company area. We shall discover other characteristics as we proceed. These are enough to distinguish it from the other intra-factory societies and inter-factory dual unions with which it has sometimes been confused.

CHAPTER II

DEVELOPMENT IN THE UNITED STATES

THE story of the development of company unions in the United States has been related by a number of writers (E. R. Burton, *Employee Representation*; W. J. Lauck, *Political and Industrial Democracy*; E. J. Miller, *Workmen's Representation in Industrial Government*; C. E. French, *The Shop Committee in the United States*; National Industrial Conference Board, *Works Councils in the United States*, Research Report No. 21; Tead and Metcalfe, *Personnel Administration*, Chapters XXVII-XXIX) and need not detain us long. The high spots of the story are sufficient for our present purpose. Prior to 1917 not more than half a dozen company unions of any consequence existed in American industry. The Colorado Fuel & Iron Company, a Rockefeller concern, was the first large corporation to install a permanent plan of representation for its employees. (See B. M. Selekman and M. Van Kleeck, *Employes' Representation in Coal Mines*; B. M. Selekman, *Employes' Representation in Steel Works*.)

During the war days when government boards and mediation commissions were attempting to squeeze maximum production out of the workers, and when labor was relatively scarce and labor turnover high, these plans were introduced in many important industries. The National War Labor Board and the Shipbuilding Labor

Adjustment Board were responsible for many of them. In some instances they introduced them with the full support and cooperation of the trade union leaders who sought to use the shop committees as steps towards a more complete organization of their respective crafts. Later, when the war emergency had passed, most of these plans of representation were dropped. Others were retained by the employers who reorganized them not as an aid to trade unionism but rather as an effective substitute for real unionism, especially serviceable during a period of strikes and labor unrest. Thus the employers used the war-time machinery reconditioning it to their own purposes. They introduced the plans usually, as one investigator for an employers' organization admits, "following an unsuccessful strike or a shut-down, which enabled them the more easily to eliminate from the working force the agitators and other leaders of the men."

The growth in the number of company unions since 1919 has been indicated in reports issued by the employers' research agency which has given the subject most attention—the National Industrial Conference Board. (*The Growth of Works Councils in the United States: A Statistical Summary, 1925*). Its figures are based on material received directly from corporations and on a wide circle of contacts with companies engaged in one sort or another of personnel activities. Although some company unions are doubtless omitted from its lists, the figures are more inclusive than those prepared by any other American agency studying the problem. Using the Board's figures up to 1925 and certain estimates recently made by persons in touch with the growth of works councils in the United States, we may show in round numbers the trend since 1919:

COMPANY UNIONS

YEAR	Number of Companies Involved	Number of Councils Involved	Number of Workers Involved
1919	145	200	400,000
1922	385	725	700,000
1924	420	815	1,200,000
1926	430	915	1,400,000

The number of councils, it will be noted, is more than double the number of companies involved. This is due to the practice of the Conference Board of counting as separate councils all the various associations, for example, on one railway system. Each department, such as the maintenance of way, the telegraphers, or the shop crafts, will have its separate association. These are listed as separate councils by the Board and hence make the total number of "company unions" much greater than the total number of "company union companies," to use the trade union terminology.

The figures show that the greatest increase in the number of companies using the works council was during the period 1919 to 1922, but that the years since 1922 have seen a slight increase in the number of companies. While the rate of increase in company unions has fallen off in more recent years, those that survived till 1924 have shown much greater stability than the earlier ones. A greatly decreased rate of discontinuance or abandonment of the councils is noticeable in the later periods. Only about 11 percent of the companies that were listed as having councils in 1924 have discontinued them in the last two years.

It is clear from the figures that the great impetus to the formation of the company unions grew out of the desire for "stabilization" of working forces during and immediately after the war. When conditions returned

to a relatively normal state a large number of the plans, especially those in smaller factories, were dropped or went out of existence through disuse.

INDUSTRIES INVOLVED

In the first years of company unionism the metal trades seem to have led all other industries in the introduction of these plans. The War Labor Board was chiefly responsible for these shop committees introduced in the metal trades as temporary war measures. Since 1919, however, the number of companies in the metal trades using employee representation plans has steadily decreased from 94 in that year to 56 in 1926. On the other hand the number of company unions has increased in the public utilities, especially transportation. All the railroad company unions, as we shall see, developed after the broken strikes of the shopmen and other crafts in 1922. The Conference Board now credits 44 railroads with company unions, but the former Railroad Labor Board figures ran even higher, and were probably more nearly correct. The Railroad Labor Board stated that company associations had been installed on 64 railroad systems. Street railway lines having company unions have increased from 8 in 1922 to 14 in 1926. Textile companies have also shown a small increase. The largest numbers of companies involved are still in the printing and lumber industries, but this is due to exceptional inter-company schemes whereby a number of comparatively small companies have been included in what is actually one plan of representation. In lumber the all-inclusive organization is the Loyal Legion of Loggers and Lumbermen. In the printing trades the

American Guild of the Printing Trades and the Graphic Arts Industrial Federation are single schemes which embrace a large number of companies.

With a few major exceptions the coal industry has been relatively free of company unions. There are only seven now in mining. Steel and oil, meat packing and electrical manufacturing have their outstanding examples. Automobile manufacturers have not yet resorted to company unions as much as is commonly supposed by those who erroneously speak of Detroit as the "home of company unionism." In fact there are only two company unions in the whole automobile and automobile accessory manufacturing industry. John P. Frey, in his anti-company union speech at the A. F. of L. convention in 1926, attacked as a company union at the General Motors plant in Flint, Michigan, an organization that is actually a mutual benefit association. This type of association is only a distant relative of the company union. Its members do not usually elect committees or enter into any sort of consultation or conference with management over shop problems. The automobile industry has other ways of fighting off trade unionism; but the company union is not yet one of them.

To summarize the distribution of company unions by the number of workers rather than by the number of companies gives one a fairly clear picture of the situation. From the latest figures we may conclude that more than one fourth of the approximately 1,400,000 company unionized workers are employed by railroad companies, almost another quarter work for other public utility concerns. Just a few less are in the metal trades, the largest number being in iron and steel mills and in

companies that manufacture electrical goods. After these, in the order of the number of workers involved, come street railways, food products, textiles, machinery and appliances (one of the metal trades), oil, railway equipment (metal trades), rubber goods and sheet metal, wire and wire products, the latter also among the metal trades included in the 310,913 mentioned above. Even though the printing and lumber industries have bulked so large in the figures for the number of companies maintaining company unions, the number of workers involved in them is nothing as compared with those employed by the few big companies in iron, steel and electrical manufacturing. In fact, there are more workers covered by company unions in one of these big corporations, like General Electric or Bethlehem Steel, than in all the printing establishments and lumber companies together.

The figures thus show very clearly that the company unions have proved to be most significant and most stable in the large concerns employing over 15,000 workers. Out of the approximately 1,400,000 workers covered by company unions some 840,000 are employed by companies with over 15,000 workers on their payroll; and about 157,000 of the remainder work for companies that employ between 10,000 and 15,000 each. The challenge of company unionism thus presents itself chiefly in these large trustified industries with companies employing well over 10,000 workers each. It is clear that since 1919 the number of company-unionized firms, employing only a few hundred workers, has declined while the number of company-unionized workers, employed by corporations with over 15,000, has steadily increased.

TYPES OF COMPANY UNIONS

As might be expected there are at least fifty-seven varieties of names given to company union plans falling within the scope of our definition. But the plans themselves have been classified by students of the subject into a very few types of organization. The National Industrial Conference Board distinguishes three forms,—a *committee form*, which is a simple committee elected by the workers to confer with representatives of management in a sort of joint council; an *industrial democracy form*, a more elaborate type with House, State and Cabinet Chambers devised by John Leitch with the Federal Government of the United States as a model, which type is not nearly so common now as formerly; and thirdly, an *employee association form*. This form is confined almost exclusively to railroad systems and some public utilities where the workers actually hold membership cards in their "union." Under the other two forms the workers are not "members" of anything. They are simply workers in the plant and elect their representatives to confer with management according to a certain plan or constitution devised by management.

Others with a taste for classification have listed the company unions according to the degree of power or responsibility, if any, given to the workers or their representatives. One writer describes three kinds—one where the employee representatives meet the representatives of management in equal numbers. If they are unable to decide on questions coming before them—and the number and kind of questions may, of course, be limited by the company in advance—an outside arbitrator is called in to render final decision. Another is the sort of plan where the committee exists purely to present

the shop grievances to the management and to act as a medium through which the management "communicates with" or "educates" the workers. The management reserves the right to veto all decisions and there is no outside arbitration. A third he calls the "gold brick" variety, full of jokers and tricks, giving the workers "the feeling that they are going to have a say," but in reality the management merely "plays" with the idea of "employee representation." In so far as the workers' actual rights are concerned, it is rather difficult to distinguish between these three. The first may seem to carry a lot more power than the others. But as we examine in detail the plans at work in the various industries and plants we shall find that some of the most autocratic managements have given the workers seemingly the most liberal plans, while the more conciliatory and honest firms have given their workers what would appear on paper to be the least satisfactory plan for the workers.

A somewhat clearer classification is made by James Myers in his *Representative Government in Industry*. In his first group he would include all plans which give the employee committee *advisory power* only. There are many of these which pretend to grant the worker a great deal but which really give him nothing more than an appeal to the Big Boss in the main office. Standard Oil of New Jersey, as we shall see, is one of this type. In the second class he includes those that permit outside arbitration. In the third class he puts those very rare plans that permit the employees to elect a representative to the company's board of directors. Five firms are said to have this type. Most of them are relatively small concerns. In a fourth group he puts the one or two plans that would permit a real trade union to represent

the workers if they desired it. "This," he says, "is the acid test of industrial democracy."

After examining all these classifications we may conclude that no matter how beautifully the constitution of the plan may read and no matter how enticing the provisions for arbitration, it is well to examine just how the plan affects the worker's rights in the shop and his opportunity to exert any real power in vital matters. The name or type of plan and its face value seem to have little bearing on these essentials.

CHAPTER III

COMPANY OBJECTIVES

AS STATED BY THE EMPLOYERS

WHY are these company unions introduced? Is it some sort of fad? Is it a real need for management in great departmentalized industry to know "what's on the workers mind?" Is it some pricking of conscience about the ethical aspects of the profit system? What do the corporations and their spokesmen reply to the question: "Why have you introduced the works council in your establishment?" The following paragraph may help us to get an answer to the above questions.

An elaborate theory of employee representative has been worked out by the company union spokesmen who hold down high-salaried chairs in the employment offices or labor divisions of the corporations. The core of this rationalization is "cooperation in management." Large scale industry has isolated the manager from the men. The owner of the shop no longer knows his men by their first names; nor can he pat them on the back once a day and praise their work. The personal touch has gone forever. In its place must be erected some sort of relationship that will establish contact with the un-homogeneous mass of workers, that will give the worker the feeling he is really being considered by management, that he is part of the Big Family or the Big Team, that he is not forgotten among the mass of his fellow humans.

"Cooperation in management" through the company union is the answer, say the employment relations experts.

The metaphysics of this cooperation program has been expressed by a number of writers connected with the personnel movement, notably by Mr. H. C. Metcalfe, a Vice-President of the Continental Baking Company,—a company which has done its full share in the struggle to destroy the real labor union. In addressing the American Management Association on employee representation, Mr. Metcalfe has referred to the fact that "industry is crying out for new inventions in the human relations—for an organized synthesis." This synthesis he defines as "searching for an ethics born of the reality of true growth." Writing of the company union on another occasion, he says that it is "gradually emerging from its experimental stage. . . . the employers, workers and society are becoming more conscious of the inner meaning of the movement. It is helping us understand the aim and significance of a unified democratic life."

Again Mr. Metcalfe contends that there should be "a spiritual integration of men and management." He goes on at great length about "freedom" and "responsibility," and points out that an award beyond wages is found in company unionism. "Its plan reveals native ability by providing incentives to originality and leadership. Its operation supplies contacts which illuminate the humblest task with the vision of mutual service."

Finally Mr. Metcalfe sings of loyalty: "The quickened sense of freedom and responsibility blossoms into loyalty. Perhaps this is the finest flower of employee representation—loyalty. . . . It is loyalty such as no wage system can buy, enlisting their wills in jointly working out the democratization of industrial operation." (H. C. Met-

calfe, *Some Major Aspects of Employee Representation*, American Management Association, Production Executives Series No. 32.)

This is Mr. Metcalfe's, and presumably the Continental Baking Company's, view of company unionism—the "solvent of ill-will and destructive friction." It makes excellent advertising or publicity copy in a campaign to "sell" the benevolent intentions of a near-monopolistic corporation to the general public.

Mr. E. R. Burton who is now associated with the labor department of the White Motor Company, in his recent book, *Employee Representation*, echoes Mr. Metcalfe. As one of the accepted authorities on company unionism he believes that the old conflict theories in industrial relations are passing and that the new pages of the business code "reveal faith in the potency of service as a source of satisfaction, both in pecuniary profit and in professional pride." "This newer note," he thinks, is due to the fact that an up-to-date type of manager or industrial administrator is coming into the field. These executives have larger concepts which "recognize the social function of industry as opposed to the older view which conceived of business as but an open sesame to private aggrandizement." He observes further, "There is evident in the world of industry an evolution in ethical norms not unlike that which has characterized the efforts of statesmen to eradicate the 'spoils system' from politics." Mr. Burton leaves one with the impression that industry in this purified state, using the company union to inspire the worker to new heights of cooperation, is to become as clean as present day politics say in Pennsylvania or Illinois!

But these ethical flights of the professional labor managers, New Day prophets and "scientific" labor policy

formulators bring us little nearer the answer to our query. Let us see if we can find some simpler and less mystical-minded proponents of company unionism. Here is John W. Riegall of Harvard, who contributes to Jerome Davis' interesting symposium, *Business and the Church*. He says that the company union as a permanent operating plan in an industrial establishment is to give the workers some voice in shop government and "so far as possible to enlist their consent." It is also to provide an interchange of views and experience between men and management and to educate the employees in matters of interest to them. It is, as we have already noted, to administer welfare and service activities; and finally it provides some machinery for negotiating terms of employment.

Somewhat similar reasons are presented in a speech by Sam A. Lewisohn, Vice-President and Treasurer of the Miami Copper Company. He says it enables management to "interpret itself to the men" and the men "to interpret their aspirations to management." It gives "each workman the feeling that he is being consulted." It has "educational value in teaching men self-discipline at meetings," and gives the workers "a creative concern in their work." In another place Mr. Lewisohn declares it gives the employees "a sense that they are justly treated" and it "creates a feeling of identification between him and the plant organization." Where the "principle of consultation" is followed production is increased.

John D. Rockefeller, Jr. is another to whom one might look for an authoritative word on the subject. He has introduced company unions for his workers in oil and coal and steel. He was, in fact, one of the first employers in this country to establish company unions.

He has contributed a book, many articles, and a stack of miscellaneous writings on the subject. In one of these contributions he contrasts these happy days of capitalism to the times when kings and queens held sway: "In these days," he says, "the selfish pursuit of personal ends at the expense of the group can and will no longer be tolerated." His statement of the objects of company unionism reveals not the slightest blemish of self-seeking. It is all pure humanitarianism, cooperation and "sound business."

We could quote from a score more representatives of management who hold that employee representation promotes efficiency, extends the influence of the personnel machinery in the plant, strengthens morale, promotes goodwill and understanding, reduces turnover, establishes mutual confidence, opens a "channel of communication," and provides a form of "industrial government." But all these are but repetitions of the foregoing. The point we wish to make here is simply that, by and large, the employing corporation wants us to believe that in introducing the company union it is thereby promoting "better relations." This not only gives the employer the rosy satisfaction of doing a good deed, but it actually pays in dollars and cents, and, they say, pays well.

OTHER OBJECTIVES

In contemplating the beautiful pictures of good motives painted by the authorities just quoted, it must not be forgotten that actions speak louder than rationalizations. We shall observe later on some evidence which leads us to doubt the sincerity of some of the benevolent intentions expressed above. At this point we wish only

to cite a few statements which indicate the real uses of the company union in serving as an offset to unionism and as an aid to wage-cutting.

In his *Introduction to the Study of Labor Problems*, Gordon Watkins examines some reasons for the establishment of committee plans. One is "as an antidote for industrial unrest;" another is "the defeat of the trade union movement." This sounds sufficiently explicit:

"Many employers consciously introduce company unions . . . because they believe that such organizations preclude the necessity of trade union organization and industrial collective bargaining on the part of the employees. The shop organizations are within the control of the company and little is feared from the union organizer. The employer enjoys the cherished status of running his business as he sees fit, without outside interference."

This is the straight American Plan, the anti-union open shop, and quite clear and understandable.

A number of reports from corporations and employers who have used the company union in their plants support the statement that real labor unionism is one of the foes on which most company unions focus their attacks. These typical opinions are given by corporation executives after they have had some experience with this antidote for trade unionism. Here are typical comments: "an excellent buffer against organized labor"; "it prevents the growth of the trade unions"; "it heads off bolshevism and syndicalism"; "it's a good weapon against unionism"; "an excellent substitute for the union"; "a safeguard against labor unrest"; "our men have all dropped out of the union"; "the men now have nothing to do with union agitators"; "an offset to labor unions"; "it has checked unrest and strike talk";

"tamed all radicals"; "stopped wage disputes"—and so on, all monotonous chants of satisfaction by employers.

It may be noted also that every anti-union organization of employers has gone on record for the company union. The Chamber of Commerce of the United States, the National Metal Trades Association, the American Plan Association of Cleveland, the American Plan-Open Shop Conference,—not one of these militant union-wreckers may be omitted from the list of those who see hope and light ahead in the development of company unionism. As the League for Industrial Rights puts it, the issue is between shop solidarity and class solidarity. The League is naturally rooting for the former. It desires to render the workers completely indifferent to the appeal of trade unionism. Mr. D. R. Kennedy, an industrial relations advisor, reflects the opinion of all these anti-union bodies when he outlines the purposes of the company organizations:

"After all what difference does it make whether one plant has a 'shop committee,' a 'works council,' a 'Leitch Plan' . . . or whatever else it may be called? These different forms are but mechanics for putting into practice . . . 'family factory relations' and local shop expression. They can all be called 'company unions' and they all mean the one big fundamental point—*the open shop*." (*Industrial Management*, Feb. 1920, p. 152).

So much for the union-liquidating aspects of company unionism. But union or no union, the device is very effective in engineering wage reductions, and as such it is recommended by industrial managements. One company says it has facilitated the preparation of "a carefully worked out plan of reducing wages during a period of depression without the usual resentment

from the workers." The wage-cutting campaigns of 1921 revealed the company unions as effective instruments. Some textile company unions voted themselves as much as 30 to 40 percent cuts in wages. Commenting on these, W. A. Davenport disputes the reports of the mill owners that these were voluntary cuts. He says "men and women do not and did not voluntarily vote themselves less pay for the same work." (*Factory*, April 15, 1921, p. 968.) But possibly the employers had learned to call these reductions "readjustments" or some other euphemistic name. Choosing the correct terminology is an art both in advertising and in personnel relations.

One of the officials of the Bridgeport Brass Company, who engineered one of these cuts, describes the ease with which it was done: "The representatives of the workers got together and drew up plans that were so eminently fair that we not only accepted them but thanked the workers. They unanimously agreed that there should be a horizontal wage reduction of 10 per cent, to revise all preferential classifications and abolish overtime pay. . . . If they are called upon to work overtime or on Sunday they will do it at straight rates . . . and no matter how wet or unpleasant a man's work or conditions of work may be he will not be paid a bonus for suffering the physical discomfort incidental to those conditions."

A wage cut is an unpopular decision for management to make. It is always difficult to make workers see the necessity for such a move. "Selling" the wage cut or any such unpopular decision to the workers may be conducted most effectively, many company union employers believe, through the medium of the works council which creates a psychologically favorable atmosphere.

Some of their replies to a questionnaire on this phase of the subject were substantially as follows: "We have had several wage reductions; the plan is a handy medium"; "it has been specially beneficial in effecting wage cuts"; "it has been of great assistance in selling the decisions of management to the workers"; "the committee can do wonders in explaining our decisions to the workers"; "when we needed to make a reduction a few months ago we revived the shop committee to do it . . . it may be useful again from time to time"; "the plan has helped to show the workers that what was unpopular was wise"; "if we can convince the council that a certain move should be made, they can easily 'sell' it to the employees." One employer concludes, "The representatives are certainly a great aid in making employees see the necessity and wisdom of a decision that otherwise would become disagreeable and troublesome."

Uppermost in the minds of these employers seems to be the belief that the company union is an excellent medium through which to transmit decisions to the workers and thus bend them painlessly to the will of management. Those who claim that company unions usher in a New Day of fraternalism and "cooperation" should not lose sight of these fundamentals.

CHAPTER IV

SPECIMEN COMPANY UNIONS

THE purposes and aims of company unions may best be studied by describing individual examples in some detail, laying emphasis on the actual experience of the workers under them. One learns little from the paper constitutions and by-laws prepared so neatly and distributed so lavishly by the public relations departments of the corporations, and reproduced in the many books on the subject. To understand the true meaning of the plans one must talk with the workers who are affected by them. In the following descriptions we have attempted to present facts and opinions based partly upon such discussions as well as upon the employer and trade union literature dealing with specific plans. These descriptions, though brief and often sketchy, attempt to penetrate beneath the surface of company pretensions and to approach the reality of employee representation in terms of the workers rights and conditions. They present a side of the picture which is invariably omitted by the corporation publicity agents and personnel managers.

In some cases the methods of plan introduction will be stressed; in others the relation of the plan to the trade unions; in still others the limitation of the workers' powers in spite of the professions of management. Practically all the weaknesses and drawbacks of the schemes are touched upon in these descriptions of plans from a wide variety of industries, the first group includ-

ing rubber, leather, lumber, electrical equipment, agricultural implement manufacturing, etc. Following chapters will deal with oil, textiles, coal, steel and transportation—a full cross-section of America's great non-union industries.

GOODYEAR TIRE AND RUBBER COMPANY

The number of company unions in the rubber goods industry increased from one in 1919 to 38 in 1925. The chief companies using the plan are the United States Rubber Co. and the Goodyear Tire & Rubber Co. Both inaugurated their schemes in 1919.

The Goodyear Industrial Representation Plan—one of the industrial democracy type—is the most pretentious, with its "Industrians"—voting workers—and its Industrial Assembly composed of 40 Representatives and 20 Senators. A Representative or Senator at the Akron plant takes the following oath upon being elected to office: "I solemnly swear that I will faithfully support the Constitution and Laws of the United States and the State of Ohio and the Industrial Representation Plan of the Goodyear Factory, and that I will to the best of my ability faithfully and conscientiously discharge the duties incumbent on me as a Representative (or Senator) under such plan."

The company has upon several occasions summarized the results of its plan. One of these self-congratulatory résumés by President Paul W. Litchfield reports that "when a machinists' strike was called in 1920 only 40 per cent of the Goodyear machinists responded. In a few weeks they returned to work." Mr. Litchfield reported again in 1925 that "Men who were radicals . . . have become much more reasonable to deal with" as a result of the plan.

The few ardent trade union workers in the plant have written us what happens under the plan in spite of the "no-discrimination" clauses in its constitution. They say that coercion is used to "get out the vote" in the annual elections. One worker writes: "You are spotted and 'let go' if you don't support the plan; the foremen are told to do their best to make all the men vote. They are checked several times to see if they have voted." The company of course makes much of the fact that as high as 85 per cent of the workers have voted in the elections.

Concerning company coercion on "representatives" in the discharge of their duties the trade union sympathizers within the plant report that no overt coercion is employed while the representative is in office but "his attitude may later be made the secret basis for his dismissal." In other words he is discharged sometime later for zeal displayed on behalf of his constituents while in office.

Union activity is reported to be strictly penalized, some breach of discipline that would ordinarily be ignored providing the usual stated excuse for the dismissal of any worker found to be working for the organization of a real labor union. The under-cover system is useful in blacklisting workers apprehended in such activity. During 1926 many workers who were discovered to have joined the local Rubber Workers Union were fired, in open violation of the constitution plan which, as we have noted, carries the usual meaningless no-discrimination provision.

Inside observers of the Goodyear scheme report that representatives who play the bosses' game are rewarded with foremen's and supervisors' jobs. Promotions are

in line for those who serve the company well in these positions.

This elaborate congressional type of industrial democracy at Goodyear grants the workers no real power. As one of them points out in a letter to the author:

"They may pass any bill or resolution they see fit; it must go to the Factory Manager for his approval. If he vetoes it they may try to pass it over his veto by a two-thirds vote. But even then it must be first approved by the company's Board of Directors whose decision is final. And in no case on record has the Board reversed the manager's decision. So you see how it works. Lots of time put in and yet getting nowhere along lines of benefit to the worker."

The complete disregard of the management both for the opinions and the vote of the senators and representatives was illustrated late in 1926. A question concerning the allocation of shifts was before the joint conference. The worker delegates seemed to be in favor of the "length of service system" rather than the new "merit" system proposed by the company. After the discussion and just before the matter was put to a vote the general manager rose and informed the workers that irrespective of the vote in the Assembly the company had decided to put through the "merit" system. This system is now in force.

In answer to the company's assertion that the vast majority of the workers are in favor of the plan, one alert worker writes:

"In my two years as a member of the Assembly I never heard a worker say that he had received

any benefits from the plan. Occasional trivial improvements are approved by the management but no vital questions affecting wage increases, shorter hours, etc. The workers feel that their representatives have no power for the enforcement of their demands."

Still another worker who had been a representative writes from first hand experience: "The plan is only a blind bridle, created to reduce labor turnover and to offset real unionism. The plan is no good as to fundamentals. It may in one or two instances have prevented the departmental bosses from being so tyrannical. That's the most one could say for it."

And another "Industrian" worker, now a senator under the plan, reports that the workers for the most part feel that "the plan is of benefit only to the company, that its purpose is to prevent organization, that it embodies a secret espionage system, that it is partly a company advertising stunt, and that it is intended to keep the workers satisfied as to trivialities so they will work for less wages."

Early in 1926 a request for a 12½ percent general wage increase, bearing the endorsement of the Goodyear assembly, was denied by the management in spite of the company's profit of \$26,284,672 in 1925, the most successful year in Goodyear history. At the same time the company decided to limit the number of hours for which it would pay assembly members while in the discharge of their duties in connection with the plan. A total of 1,500 hours per month is now all the company is willing to cover in its "assembly budget." The monthly average of hours spent in assembly work in 1925 nearly doubled this amount. Active assemblymen, commenting on this change, say that the company

has found the plan too expensive a luxury, but considering its effectiveness in warding off wage advances this would seem—from the point of view of management—to be a short-sighted policy.

A. C. LAWRENCE LEATHER COMPANY

This company with plants at Peabody, Mass., is controlled by the National Leather Company, formerly identified with the Swift packing interests. A company union was installed in 1922, a year after the Swift plan was introduced in the Chicago packing plants.

It grew out of a broken strike and a broken union. The United Leather Workers—a non-A. F. of L. body—had the 4,000 workers about 100 per cent organized during the war. The company broke off relations and a 15 weeks battle followed. When the strikers were defeated, the company promised to take back all the workers and discharge the strike-breakers. Workers report that this promise was not kept.

The purpose of the plan, according to a company booklet, is "to provide means whereby its employees may cooperate more closely with the regular plant authorities and may meet with the Management to discuss any matters affecting their mutual relations." (*Labor Age*, December, 1926, p. 8.) The plan carries the usual "no favor or discrimination" clause.

An Industrial Relations Department is in control of the plan. One of the personnel directors connected with this department informed an interested student of employee representation that the assembly system had worked very well. When asked if it had reduced turnover or increased production, he replied, "Well, we have no exact figures on its effect on turnover, but we have succeeded in killing trade unions here."

The same inquirer found that some of the workers accepted the plan because it was the best they thought they could get without a real union. But they had no confidence in the plan. Others, more openly opposed, replied, "Aw, don't fool with me. Assembly no good. Men don't think it good. Gotta be like company wants." This was a typical attitude, especially among those workers who had known the advantages of belonging to a trade union during the war days.

The company has employed the usual methods to popularize its plan and to make it acceptable to the workers. A series of "educational" pamphlets and a company magazine, group insurance, pensions, and similar devices have been tied up with it in order to enlist the support of the workers.

Commenting on the plan, the editor of *Labor Age* observes, firstly, that the company can be organized "through a militant and intelligent effort." Secondly, "industrial unionism will do the trick" if the workers in the industrial union are handled on a departmental basis. Thirdly, he feels that the "fraudulent character of the assembly plan is well recognized among the men." The educational job required "will have to be carried on by the American Federation of Labor or in cooperation with it."

When we come later to an examination of methods to be employed in fighting company unionism, we shall find that these tactics are the ones approved by all sincere opponents of the company union system.

LOYAL LEGION OF LOGGERS AND LUMBERMEN

This organization is not a company union but rather a "companies' union" as it involves more than one company. It is a system of industrial councils of employers

and employees set up in the Northwest lumber industry in 1917 by the Spruce Production Division of the United States War Department. It was at first essentially a patriotic organization to expedite the production of an important war material and to offset the activities of both the A. F. of L. unions and the Industrial Workers of the World. It was formed as a war measure and vigorous recruiting for it was carried on by army officers.

At its height it claimed to include over 100,000 workers and several hundred lumber companies. Recent reports credit it with not more than 10,000 employee members and possibly a hundred companies.

The story of this organization has been told in a number of articles and pamphlets (C. R. Howd, *Industrial Relations in the West Coast Lumber Industry*; U. S. Bureau of Labor Statistics, Bulletin No. 349; E. B. Mittelman, *Journal of Political Economy*, June, 1923, p. 313). We need to sketch here only a few of the high lights. The "Four L," as it came to be called, was born of a strike for an eight hour day. The strike was broken but the eight hour day was later granted, largely as the result of governmental pressure and in order to help sell the new organization to the workers. The earlier conventions of the organization were dominated by the war department officers and the straw bosses, foremen, and employers' representatives.

What little there is left of the organization is kept alive through the efforts of the employers. As soon as an employer withdraws from the organization, the employee membership immediately lapses. The employers naturally control the organization. Such improvements in working conditions as the employees may have received have been granted not as the result of any eco-

conomic power possessed by them, but wholly as a concession to keep them loyal to the organization and to their company. Wages have followed the market irrespective of any decisions that have been made in the joint conferences. The eight hour day could be withdrawn any time the companies cared to do so.

The constitution of the Four L voices the same empty aspirations as the one-company type of employee representation plan. Among its objects are—"to provide means for the amicable adjustment, on the job, of all differences between employer and employee; and for the development of their mutual interests and friendly personal relations," "to promote education and recreation in camps and mills," and "to develop loyalty to the United States, its laws, institutions and flag." (Constitution, Art. I, Sec. 1.)

The educational objects include, of course, the setting of the workers' minds against unionism—both the kind represented by the I. W. W. and by the Timber Workers Union. Captain Crumpacker, who was appointed by the War Department to head the organization in its early stages, reported that "educational features and the opportunity to read good, wholesome literature was afforded" the employees. So that "their thoughts and ideas were developed along good, sound and substantial lines."

The recent operations of the Four L are not conspicuous. In 1924 a dispatch to the *A. F. of L. Weekly News Letter* reported that in Brighton, Oregon, the employees of one of the companies had cut wages to \$3.60 a day. "The management then suggested a mass meeting to 'consider' the question. At the meeting a 'field officer' of the company union announced that he had examined

the company's books and found reductions were necessary."

A well-informed worker on the west coast informs the writer that the Four L has been given very little attention recently "for the reason that it has ceased to be a very considerable factor in the Northwest, the black-listing system of the operators, known as the Northwest Loggers' Association Clearing House, having to some extent taken its place as the instrument of labor control of the Northwest logging and lumber operators." He adds that in the companies still affiliated with the Four L "the membership consists mostly of office employees and a few 'old and loyal employees.'"

A bulletin is still issued monthly by the organization. Its some fifty pages are filled with advertisements, reports of exports and retail trade, articles and reports on lumber dealers and similar material characteristic of a regular trade journal. Field officers' and board of directors' reports are also included. A semi-annual report issued by the Portland office of the organization in 1925 begins with this inquiry taken from *Colliers Weekly*:

"Do the conditions which gave rise to trade unions in the United States still exist? Are the old-fashioned labor organizations already obsolete?"

After answering this latter inquiry emphatically in the affirmative, the report declares that the Four L is carrying out the principles of employee representation without labor unions, and urges "every thinking lumberman in the Pacific Northwest" to become a dues paying member.

One student of the Four L remarks that the employers have fought labor so much in the past that it is difficult

to take seriously their later protestations to cooperate. Besides, some of the companies seem to have no consistent policies. In some mills the company will form a local of the organization. In another mill or camp of the same company there will be no organization. The outside labor unions have not pressed equally at every salient of the line. Hence the defenses against trade unionism have been built up chiefly at those points where the labor unions have appeared to be most threatening.

EASTMAN KODAK COMPANY

The Eastman Kodak Company, which has gained such a wide reputation for "good works" among its employees, has also experimented with a company union. It has established a plan in only one of its plants—the Camera Works. The plan provides for a joint committee of men and management with a three-fourths vote required to pass any measure, and then it is only carried out when approved by the plant manager. A director of industrial relations is in charge of the plan and the chairman of the joint committee is a full-time official paid by the company to adjust grievances.

A former business representative of the Metal Polishers International Union described to the writer his experience with the plan. He tells of discrimination against union members:

"After the company union was formed and the firm had made every effort to impress its employees with the fact that everyone was going to get a square deal and that no one would be discharged for taking issue with the firm or disagreeing with its policies, three separate attempts were made to

eliminate me as well as other members of the committee."

Thanks to the support of fellow trade unionists, this worker was able to resist the first two attempts to get rid of him, although one of them was extremely provocative:

"Once when we had presented written demands for a wage adjustment, the manager, accompanied by about ten other officials, came into the department and proceeded to read out our demands and ridicule them and us. They accused us of being socialists and even called me a liar, and heaped abuse upon the committee. Then turning to the crowd, the manager said, 'and if anyone ever said those things to me I would not work for them another minute.' I, knowing this was only an attempt to sidetrack our demands, refused to recognize the insults, and we called a meeting for that night to proceed with our demands, which, as it happened, were finally granted."

But the third attempt to get rid of this honest, straightforward worker was successful. The slack period came, the working force was reduced:

"I was laid off for lack of employment and told that I was not to be considered discharged. In spite of this fact I received a letter three weeks later stating that my services with the company terminated when I was laid off."

When this worker some time later requested the manager of the company to give him a letter of recommendation to secure work in another city, the manager wrote substantially as follows:—"we found that his workmanship was good, his attendance satisfactory.

Character very poor as he was a disturber. He retarded production, and had distorted views on economic questions."

The company did not like this man's trade union views. Incidentally, he is not a radical in any sense of the word. He supports good old-fashioned trade unionism!

Did this company union discuss important questions?
The worker answers:

"Baseball, bowling, picnics and banquets. But never did they at any time—and I attended nearly all of the meetings—take up any matter that was of vital interest to the workers such as wages and hours of labor."

Some plans, as we have noted, do permit discussion of such matters, and sometimes even tentative decisions may be made by the joint councils. But philanthropist Eastman apparently believes that only harm can come to the workers by permitting them to talk over such highly controversial topics.

GENERAL ELECTRIC COMPANY

The country's largest manufacturer of electrical equipment and appliances, the General Electric Company, maintains a plan of representation that has been the occasion for much controversy. The company is considered to be "liberal and enlightened" in its labor policy. Mr. Green of the A. F. of L. has applauded the general statements of President Gerard Swope dealing with "service before profits" and "reciprocal responsibility." And Mr. Robert Bruère has studied the company union in the West Lynn (Riverside) Works at first hand, and is much impressed by certain aspects of

the plan. On the other hand, it has been bitterly attacked by the local trade union leaders, and the editor of *Labor Age*, after several trips of investigation to Lynn, has written at length describing its hypocrisies. (See Robert Bruère, "West Lynn," *Survey*, April 1, 1926, p. 21; Louis Budenz, *Labor Age* articles, January, February, March, April, May, 1927.)

There is no room here to go into an extended review of the G. E. plan at West Lynn. Having had no first hand contacts with the plant or its workers, we may merely summarize the observations of those who have been on the ground.

While giving the company credit for providing the workers with many personnel benefits which have been worked out under its dispensation, and while expressing profound interest in certain technical features which have been fostered by the plan, Mr. Bruère finds some very significant drawbacks. Among these are the following: (1) The manager of the plant has final decision in all matters. After the long procedure of appeals has been exhausted, the worker who has a grievance, and who persists in following it to the end, finds himself confronted with the manager. From his final decision there is no appeal. (2) Although the joint committees give some training to the workers, the initiative rests exclusively with the management. And "expert guidance" is furnished by the management to see that committees do not get out of hand. (3) The committees have no dues and no treasury and consequently, no economic power. (4) No outsiders are permitted to give advice or to assist the workers on the committees although the company has its "highest paid executives on the most important joint committees without limiting their choice of advisers." (5) Closely connected

with this is the further fact that while the workers have no contacts with the labor movement, the company in itself is of both national and international scope, besides being affiliated with a number of national employers' associations, through which it influences legislation and "questions of public policy . . . in the interests of industrial managements." (6) The workers have no relations with the workers of other plants, even of the General Electric, in other cities; and furthermore "attempts of the employee representatives to initiate such intercourse has been discouraged." (7) The company keeps everything under its "firm control" including the operations of the company union and the files of the employment department through which a blacklist of "mischief-makers and agitators" may be maintained. And to those who confuse company unions with "industrial democracy" Bruère can say, "So far as the essentials of democratic control go, there is little democracy under the Plan." Still Bruère is deeply impressed with the able management of the plant and its extraordinary technical achievements. He looks upon the plan with an objective scientific interest and urges labor to grope for the "creative synthesis" that may be developed out of the study of such an advanced form of company union.

While stressing all the foregoing points against the plan, the editor of *Labor Age* finds that large numbers of the workers have a hearty distrust and suspicion of the whole show. He conferred secretly with a score of them who, like the workers who talked to the Russell Sage Foundation company union investigators in Colorado, were fearful lest their names should be revealed to the management and their discharge follow.

Budenz found among other things that (1) Workers

who put up a real fight for conditions or who crossed the will of management were, in spite of the no-discrimination provisions, actually "let out," hounded out, or otherwise removed both as committeemen and as workers in the plant. He found that the management's policy of firing these agitators is practically the same (only more under-cover and more refined) as in 1918 when it led to a nearly 100 percent strike in the plant—which, incidentally, induced intervention by the War Labor Board and the introduction of the plan. (2) Workers were gradually won to the side of management by various favors as well as by "beefsteak dinners" and the continued pressure of the foremen. (3) Benefits enjoyed before the company union days have been taken away. For example, "the question of increases in wages for day workers was declared to be no longer a subject matter for the shop bodies to handle." (4) An elaborate speed-up system is in force. Price-cutting and the shifting of orders within the plant from one department to another in order to push down wages is common. There is also the shifting of orders from one plant to another. As one careful labor observer of conditions in the works wrote in February, 1927:

"It is nothing unusual for a foreman on a certain class of work in a plant to tell the men and women working on that work that unless they accept a reduction in prices on this work that it will be moved to another plant and that they (the workers) will be out of a job as the other plant has bid so much lower for the work, and these threats have on many occasions been put into effect. Whole lines of work have been stopped in a given plant, where workers have refused to accept reductions, and moved to another plant. This of course has the

effect of putting fear into the hearts of other groups of workers so that invariably when reductions are asked in this manner the workers accept them and try to speed up production more in order to try and earn the same weekly pay if possible."

(5) "The wages and working conditions, despite 'prosperity,' are drifting back to those prevailing before the 1918 strike. In some cases they have hit the bottom, below those pre-strike conditions." (6) Finally, "The committee system is looked upon as a joke. The large majority of the workers will not think of availing themselves of it. 'We simply have to smile and take our medicine and hope for a better day,' as one worker put it."

Even the men on the joint committees, who are enthusiastic for the plan, and who consider it the greatest company union in the world, admit some of the conditions brought out by Bruère and Budenz. They admit that the management does nothing to encourage connections between their committee and those in other plants of the company. They admit that there is no recourse to outside arbitration and that the final decision rests with the management. They admit that any worker who agitated in the shop for trade unionism would be immediately fired. One worker, long connected with the plan and still one of its stoutest supporters, admitted to the writer that Mr. Swope, the president of the company, had told him that if he was in the position of a pattern maker in the plant, he would stick to the outside union—as this craft continues in a measure to do. This same worker admitted also that a speech which he had delivered at the Massachusetts Institute of Technology had to be inspected and O.K.'d by

a company official before he was permitted to deliver it. Finally, he admitted that there was considerable discontent among the workers and that they are actually ripe for organization into some sort of independent industrial union. He contends, however, that the trade union leaders are stupid, their form of organization inflexible and lamentably out of date, and that craft unionism of the A. F. of L. brand cannot organize the G. E. workers again.

The Schenectady Plant

The plan at the General Electric Company plant in Schenectady is considered by all observers to be decidedly inferior to the West Lynn plan. While the latter costs the company, it is estimated, from \$25,000 to \$50,000 a year, the Schenectady plan, being less complicated, costs the company not more than \$5,000. It is pointed out by the Lynn committeemen that the Schenectady plan is merely advisory, that the committees have no power, as at Lynn, to settle at least a few matters by a majority vote. The Schenectady plan is counted as little more than a plan whereby the management picks up suggestions from the workers, who have not even the semblance of power granted them under the Lynn arrangement.

A well-informed local worker who has put in 12 years in the Schenectady plant and who has served on many committees, has described the workings of the plan to the writer. First he tells how, when the labor unions were strong and recognized by the company, grievances were handled systematically and with satisfaction for the workers. And when a worker was given a job in a certain shop he could go to another shop, find what

price was being paid there for the same job and insist on getting the same rate in his shop. But now, under the plan, "You get the price they hand out, and if you object and go to the other shop to learn the price, and are caught, you are fired." If the worker objects to this procedure and appeals to his committee: "I have been told by men on these committees that they have taken up hundreds of such cases, and nothing came of them. The present company manager says the plan is not for individual cases, but only for improving efficiency and production."

Under the union-recognition regime before the plan was introduced, during times of slack work the jobs would be distributed equally among the workers in a given section. But under the company plan "they call them all in and have them stand around three, four or five hours with no pay for the waiting. The boss puts whoever he wants to work, always his favorites." The wages have also gone down since the introduction of the plan. First class tool makers who earned \$1 an hour when the trade unions were recognized, are now getting 60 to 70 cents an hour. "When they were in bona fide labor unions they always started in at 85 or 90 cents an hour."

Just as in the West Lynn works men who are too earnest in their jobs as committeemen, and who try to get something out of it for their constituents, lay themselves open to discharge on one pretext or another. A number of cases of this kind have been reported in recent years.

Finally, it should be noted that in introducing the plan in 1924, after it had once been voted down by the workers, the company announced in its employee magazine, the *Schenectady Works News*, that the plan was

"to give the employees and management an opportunity to discuss Works policies, to get expressions of opinion from the Councilmen regarding changes which may be under contemplation and to afford the employees an opportunity to bring up any questions they desire regarding general business or working conditions in Schenectady." (*Schenectady Works News*, April 18, 1924.)

This makes the plan little more than a sort of open forum. Furthermore, it was pointed out by the manager that due to the limited time in Council meetings it would be impracticable to consider individual or local questions. The meetings would be devoted to "subjects of general interest to all workers," such as "old age pensions, mutual benefit associations, vacations, savings and investment plans, group life insurance, housing, general working conditions, medical service, general policies of the Company and the general business outlook."

All of which is very general. It leads one to the conclusion that the plan was used, as at West Lynn, chiefly as a means of "communication" with the workers and as a means of keeping them in an accepting frame of mind towards the various welfare and personnel devices of management.

WESTINGHOUSE ELECTRIC AND MANUFACTURING COMPANY

"Our meetings tend to make for better coordination, that is, they make the machine run more smoothly if you will permit of this simile, and I am rather proud that this is the case."

These words are from a speech by the works manager of the Westinghouse Electric and Manufacturing Company, made at a meeting of the Executive Committee

of the Works Joint Conference Committee held October 12, 1926. He was replying to a report by company union delegates that some of the workers in the plant believed the plan was doing nothing for them, or at least that it was accomplishing less each year. In his reply, the works manager had pointed out that although nothing spectacular had been accomplished—wages and conditions had remained the same—still “we have a better understanding of each other’s tasks, ideas, and ideals than we have had before.” (*Westinghouse Electric News*, November, 1926, p. 17.)

This works manager at the Westinghouse is the permanent chairman of the company union, presides over all its meetings, directs discussion, answers all questions, and generally dictates the whole show. And this show, incidentally, is one of the most patent frauds in the whole roster of company unions.

Like others already described, the Westinghouse committee has no final legislative authority whatsoever. An “information for employees” booklet tells us that in order “to provide a means whereby the more important matters which affect employees in general can have mutual discussion *prior to final decision by the management*, representatives, elected by employees, are called together regularly to meet the management.” (Our italics.)

The matters considered by the 110 “elected representatives,” when they come into conference with the management, are of the usual trivial type: the building and loan association’s policy, the proper grounds for the next annual employees’ outing, “brightening up the cafeteria.” And these matters are not decided upon. They are merely brought to the attention of the works manager who promises to see what he can do about it.

The Westinghouse company union has been erected upon the ground prepared by two strikes broken by company police, assisted by state police, courts, labor spies, and the most violent methods known in American industry. Bona fide A. F. of L. unions have been beaten back and destroyed. The company, under its plan, says it "does not discriminate between Union and Non Union men in its employ" but it goes farther than the average company, and adds to this hypocritical statement the following: "nor will it permit either Union or Non Union men in its employ to make this question one of contention between them." In other words, the company says in effect to its workers:

"You may join any union you like, but you can only *belong* to it. Try to function as a union man does. Try to get others into the union. Try to have the union represent you in negotiations. Try to have it mix into the business of our Joint Conference Committee. Try any of this 'agitation stuff'—and out you go on your ear. That ought to be plain."

It is plain to a number of workers who in recent months have undertaken to distribute labor papers to their fellow workers and to complain about the speed-up system. Their services "have been dispensed with." But in spite of these summary measures by the company, representatives complain continually at company union meetings that "it seems impossible to control the men." "Control," carries a very definite meaning, and gives us a clear notion of the purpose of the representative under the plan. That purpose is also revealed in the frequent lectures of the works manager at company union meetings. On one occasion he informed the representatives that their "principal duty" was "to aid in

running the works" and to "help manage this plant and to run it economically." This works manager has also prevented the employee representatives from holding separate meetings apart from the representatives of management. He says, "I don't like the idea of recognizing such a meeting as a part of our plan. As you know, the fundamental idea of our shop committee is that of joint participation. A meeting such as proposed would be just about the same as what we know as a caucus. There would be no advantage in having it, although at the same time there is no particular disadvantage. The whole effect is negative." (*Westinghouse Electric News*, January, 1924, p. 8.) With management having the final decision over all matters, of course the effect of such separate meetings would be negative, and the effort useless. The works manager knows this as do the worker representatives who, it would appear from their committee minutes, seem to pass through occasional periods of indifference and disillusionment.

Although the workers sometimes question what they are getting out of the plan, the appointed representatives of management are entirely satisfied. Witness the testimony of one of them speaking at a joint conference:

"I must confess that when the Works Joint Committee was first proposed, I was somewhat skeptical about its success. I felt that the men would elect members with radical views, men who would make unreasonable demands. I am pleased to admit that I was mistaken . . . the men have shown a reasonable attitude."

Most of the demands made by the worker representatives, at least those that touch on wages or fundamental conditions, are turned down by the works manager.

because "it is deemed unwise to acquiesce" or because "they are not considered feasible."

The joint conference committee is used to popularize the usual assortment of welfare wrinkles some of which are the following: veterans' associations, junior veterans' associations, relief associations, stock distribution, insurance, duck pin leagues and other athletics, a Scottish bagpipe band, a technical night school, safety councils, scholarships, brass bands, savings funds, and cafeterias. The administration of some of these various devices is left to the company union committees. But, as indicated above, these committees have the power only to discuss. They have no power to make final decisions.

INTERNATIONAL HARVESTER COMPANY

The 20 plants of this company in the United States and Canada have been working under the Harvester Industrial Council scheme since 1919. The council at one of the Chicago plants of the company was first used to break a strike of workers in that year. Later, it was effective in bringing about wage cuts. *Printers' Ink* ran a story in 1921 telling its readers that "The International Harvester Company has just sold perhaps the most important bill of goods in all its history. Through the practical application of common sense advertising principles, it has got its workmen to accept, virtually unanimously, a wage reduction of twenty percent under the war-time figure. The Harvester Company accomplished this big thing through its industrial council. . . . When the time came to cut wages, the machinery was at hand with which to do this expeditiously and peaceably."

The Harvester plan was copied by many smaller companies and the vice-president of the company, Cyrus

McCormick, Jr., has been one of the most tireless spokesmen for company unionism. He has called this development the final step towards "the democratization of industry." He has declared that "employee representation is good business for the company"; and he has also informed us that "a fear of syndicalism" is one of the several reasons behind the establishment of company unions in this country. By syndicalism Mr. McCormick means the ordinary trade unionism which during the war days had been represented to some extent in the Harvester plants.

The minutes of the Harvester industrial councils show that the chief concern of these bodies is production, efficiency, suggestion systems, safety campaigns to cut down the accident rate as low as possible without abating the pace of the speed-up system, stock selling, Americanization, and kindred items on the welfare program.

The more progressive workers have many bitter complaints to lodge against the company, many comments to make on the worthlessness of the councils. They complain of the speed-up and its attendant rate-cutting, of low wages and the slave-driving attitudes of some of the foremen. They have demanded in recent months that the workers be paid wages while setting up machines and for time lost in trucking, repairing, waiting for stock, etc. They demand two weeks' vacations with pay for all workers who have been one year with the company. They demand that the works council representatives call meetings of the rank and file of the workers to report to them after every meeting of the council. They demand that these representatives, when running for office, announce publicly a platform of reforms that will really benefit the workers.

Naturally, the company does everything possible to silence these demands and to keep the councils as mere "points of contact" between workers and management, devoted to securing "increased quantity and sustained quality" of production. At practically every meeting of the council a superintendent delivers a sermon on "Quality." The rest of the "new business" is trivial enough. A typical example is from the minutes of a regular meeting of the council at the Tractor Works held in Chicago, February 3, 1927:

"New Business

"It was requested that the figures indicating the number of accidents posted on the Safety Bulletin Boards at the entrances be checked daily, so that the correct number of lost-time accidents, if any, will appear daily.

"It was also requested that chains for opening windows in the skylight in Department 20 be made accessible, so that the windows can be opened to let out gas fumes caused from the test floor. The chains of two sections of the skylight have been made accessible, which will now remedy this condition.

"Replace door on toilet in Department 9. Mr. Stael reported that this will be taken care of.

"Whistle in six-story building does not function properly. Mr. Butler stated that he will investigate and put in working order.

"Heating ducts in Department 34 not functioning. Mr. Breisch stated that this will be considered as soon as the Heat Treating Department is moved to its new location.

"At the request of the Employee Representatives, Mr. Hoshel attended this meeting to talk on

'Quality' and presented various defective parts for distribution to Representatives and Deputies for interviews with employes involved.

A. PERRICK, *Chairman*,
J. PRETE, *Secretary*."

Other meetings will be frequently taken up with talks by Mr. McCormick himself. At a meeting of the council of the Wisconsin Steel Works, October 5, 1926, he spoke on "The Duties of Council Representatives." He declared that "it takes backbone to tell an employe that his complaint is unjustifiable" and that the chief duties of the representatives, besides the exercise of this remarkable courage, were to "interpret the spirit of the Council Plan," to help in "the furtherance of social activities of the men, the things they are interested in outside of working hours," to "spread our propaganda for suggestions," and finally to be "impartial." In the same address, Mr. McCormick attacked the British General Strike and declared that there is "no fundamental antipathy, there is no different objective between Capital and Labor." He assured the company union delegates that their chief job was to preach "mutual understanding . . . because in that way we are going to keep class warfare out of this country." (*Minutes of Harvester Industrial Council, McCormick Works, Meeting held December 10, 1926, p. 18.*)

A department of industrial relations gives special attention to the plan, and the chairman of this department, a salaried company executive, acts as chairman of the works council, while the secretary of the council is appointed by the superintendent of the works.

CHAPTER V

TEXTILES AND OIL

THE textile industries have a number of company unions worth mentioning. The cotton industry boasts of several—at the Pacific Mills, Amoskeag, Riverside and Dan River, and Crompton Mills. Silk has played with committees at Cheney Brothers, Smith and Kauffman, the Sidney Blumenthal-Shelton Looms, B. Edmund David, Champion Silk Mills, and the Susquehanna Silk Company. Two important hosiery company unions have expired—one at the Durham Hosiery Mills and another at the McCallum Hosiery Mills. The Dutchess Bleachery, a small plant, has a novel partnership* system. In the woolen and worsted industry several unsuccessful attempts have been made by the American Woolen Company, which developed an extensive system of welfare after the Lawrence strike of 1919. The Forstmann and Huffmann Company of Passaic, thanks to the strike of 1926, has achieved more publicity for its assembly system than any other concern in the textile industries.

FORSTMANN AND HUFFMANN CO.

Company unionism became the leading issue in the Passaic textile strike. Although the Forstmann and Huffmann Company had not cut wages, the workers joined the strike chiefly because they were disgusted

* See B. M. Selekman, *Sharing Management with the Workers*, a special study of this plan.

with their company union and wanted a real union in its stead.

Article II of the Representative Assembly constitution reads, "Its object is to promote the best interests of the Forstmann & Huffmann Company and of its Employees through mutual understanding, co-operation and good will. It aims particularly to maintain confidence between the Management and the Employees by providing a means whereby matters of mutual concern may be fully and fairly considered."

So much for the words. Actually, this company union, installed in 1920 to break the Passaic local of the Amalgamated Textile Workers of America, was a nest of stool pigeons and spies. During the strike of 1926, workers who had in previous years served on the Representative Assembly, consisting of 53 employees and 53 representatives of management, swore to some very interesting affidavits. We quote from these statements. One worker says:

"The F. & H. employees were organized into what is called a 'representative assembly,' in May, 1920. They were organized by Mr. Reinhold, personnel manager of the F. & H. Mills. Mr. Reinhold called a meeting of all employees and asked them to pick out a representative from each room, and forced them to vote.

"Mr. R. passed out slips with check numbers and told them they had to vote. The company paid for the time the employees spent at the meeting. The workers elected 53 representatives to the assembly and Mr. R. chose 53 persons. . . . About four times a year the company held a general meeting of the assembly. At these meetings, the mill provided free meals, cigars, cigarettes and all kinds of refreshments to the representatives.

"During 1925, the representative assembly, under the influence of the mill managers, put into effect certain rules with reference to speeding up the work.

[Here he details the several ways in which this was done in the spinning and weaving departments. R.D.]

"We were told that grievances as to conditions, wages, etc. could not be brought before the representative assembly unless they had first been presented to the authorities in the form of a docket committee.

"I know that the workers in the Forstmann and Huffmann plant objected to the speed-up system, the laying off of men, requiring the remaining men to do all the work of the men laid off, the unsanitary conditions and the low wages."

But they could do nothing to correct these conditions through the assembly.

Another worker testified to the following facts:

"I was injured in the mill and requested one of the elected 'representatives' to present my case before the assembly, to see whether any operation was required. He conferred with the doctor and the mill authorities, who decided that this was not the kind of a case to present to the Representative Assembly.

"I was elected a representative in 1923. I attended regularly the meetings of the Representative Assembly and I know of my own knowledge of cases where persons who had complaints to bring before the Representative Assembly were told that they would lose their positions if they did so."

"The procedure in accordance with the rules of the assembly was that if anyone had a grievance or

complaint to make, he was first required to take it up with what was known as the Docket Committee, most of whose members were connected with the employment office of the mills. If this committee ruled that a complaint was not to be brought before the assembly, it was not brought. This committee determined before each meeting of the company union what was to be discussed.

"Since 1922, the popularity of the assembly has steadily decreased, because the workers felt it was nothing but a company union. Workers have refused to be elected as representatives and on several occasions voted for famous race horses for their 'representatives!'

"Before the strike, members of the Representative Assembly were requested by me and other workers to present grievances as to conditions, wages, etc. before the assembly. These matters could not be brought before the Representative Assembly until they were first presented to the mill authorities. The members of the assembly were all afraid to bring these questions before the mill managers."

Scores of similar statements from Forstmann and Huffmann workers corroborated and amplified these charges. One worker told how he had once protested in the assembly against the excessive overtime work. "Several days after this meeting, the superintendent of the weaving department called me and another member of our committee into the office, gave us a calling down, and told us that we ought to be ashamed of ourselves to be on a shop committee and act as we did."

One of the four assembly meetings during the year was a banquet in the plant cafeteria. It was taken up

with much speaking by the personnel manager and a considerable consumption of free beer and cigars. But the assembly did nothing for the workers. Candidates who promised, if elected, to do something for their fellows, were afraid to open their mouths about real grievances. Or if they did, they were ridiculed or persecuted by the management and its agents.

During the strike of 1926, the Passaic mill owners several times attempted to get the strikers to return to the mills and accept the Forstmann and Huffmann type of plan. They ran full page advertisements in the local press containing the "mutual understanding, fair dealing and good-will" phrases of Mr. Forstmann. They promised to cooperate with their employees "in forming plant committees or works councils" to bring about "an era of peace and understanding." (*Passaic Daily News*, May 25, 1926.)

At the same time, Mr. Forstmann was writing open letters to his company union representatives, few if any of whom had joined the strike, thanking them for their "loyalty" and assuring them that "I shall continue, as heretofore, to recognize the Assembly and its elected representatives as speaking for the employees of the Forstmann & Huffmann Company."

At one stage in the strike, seeing that his efforts to open his mills had failed, Mr. Forstmann promised to "improve" the assembly by choosing three "impartial citizens" to act as a "permanent mediation committee." One of the citizens, however, refused to respond, and the plan, apparently, was dropped. He also offered to permit the assembly to be composed only of delegates elected by the workers, with no management-appointed delegates. But this suggestion was rejected by the work-

ers who realized that whether it was a joint-committee or not, it would be dominated by Mr. Forstmann and his personnel manager.

The strike at the Forstmann mills was lost in that recognition of the "outside" workers' unions—the United Textile Workers of America (U. T. W.)—was not obtained. On the other hand what little confidence some workers may have had in the assembly system before the strike has disappeared. Mr. Reinhold, the father of the plan, has left the firm, the company magazine which formerly carried reports of the assembly is no longer issued, and the workers in the unrecognized local of the U. T. W. report that "employee representation" is dead. It exists on paper and the quarterly meetings are probably held. But the "mutual understanding, cooperation and good will" is confined to the company stool-pigeons who still consider themselves members of the assembly.

AMOSKEAG MANUFACTURING COMPANY

During the strikes against wage cuts in the New England textile industry in 1922, probably the most ruthless corporation was the Amoskeag Manufacturing Company of Manchester, New Hampshire, the largest cotton mill in the world which had become immensely rich from the profits of the war period. This company had been forced to deal with the United Textile Workers of America from 1919 up to the outbreak of the strike. More than half of the workers, especially the more skilled elements, were members of the union. The remainder gladly followed their lead in order to benefit by the conditions secured by the union in its struggles and bargainings. Some ten craft locals of the U. T. W. of A. existed in Manchester. Representatives of the

union had access to the mill agent. The union took up grievances with division superintendents. The 48 hour week was enforced. Conditions were as tolerable as in any union mill and much better than in the scores of non-union plants in New England.

With the strike of 1922, relations between the mill and the union were broken, and a few months later the plan of employee representation was introduced. The manner of its introduction and "sale" to the workers is of some interest, for it illustrates methods used by other corporations.

A high salaried public relations expert, who was also a professional publicity man, was called in to put over the plan. A great banquet was arranged in Manchester and tickets distributed free to the workers. Special dignitaries from the town were invited. The publicity man also spoke. He had often before this declared himself an avowed enemy of the A. F. of L. He also claimed that he had helped the Chicago meat packers, the New York milk distributors, and the Pennsylvania Railroad install and maintain their company unions. He was evidently an expert in the field of labor as well as public relations. He was also a forceful speaker and with the employers' agents and overseers behind him on the platform, he let himself go on the iniquities of trade unionism and the virtues of harmony and good will to be achieved through a representation plan.

According to a vice-president of the United Textile Workers stationed in Manchester at the time, the company union plan was proposed after a number of meetings of this kind. The publicity expert won over even some of the former union men, at least those who had not already been blacklisted after the strike. However, the mill agents saw to it that those who were elected to

dominate the joint committees were their trusted lieutenants. The referendum vote on the plan did not go over for some time. In one election for representatives not more than 10 percent of the workers voted. Even small sectional strikes were declared, but the management would settle them up quickly so the resentment against its methods could not spread. A wage cut was effected on the promise of more employment for all after the reduction. The plan was pushed down the throats of all the workers, being adopted finally in the cotton section in January, 1924.

What were the results of this plan? What was the mill management, with its tremendous wealth, its pyramided stock dividends (Jerome Davis, *New York Times Current History*, October, 1922), and its unmistakable prosperity going to do with it? The directors were unwilling to reduce either surplus or dividends. They could only increase the work and decrease the pay. Thomas F. McMahon, President of the U. T. W., declares that from the day the plan was introduced, the working conditions have been increasingly undermined. He made the following statement to the writer early in 1926:

"A comparison of conditions at Amoskeag as they were under union recognition and present day company union conditions will serve to show the role of the employee representation plan.

"Under the union a skilled dresser tender or beamer averaged \$32 to \$35 for a 48 hour week. Today the same class of worker toils 54 hours and receives a minimum of \$18 and a maximum of \$28. The new processes introduced by the company have divided the work into four grades; the majority of

the dresser tenders are now classified in the lower grades.

"The loomfixer formerly minded 60 looms and received an average of \$37.50 for a 48 hour week. The same fixer now cares for 90 of the same type of machine and receives \$10 less per week of 54 hours, or an average of \$27.50.

"The weaver on worsteds formerly operated 2 looms. Today he operates 6 and receives \$4 to \$6 less per week—when he is working, there being considerable unemployment.

"In the cotton section, the weaver on gingham formerly operated 6 looms. Today he is forced to run 10 to 12 with less pay for the 54 hours than he earned before the days of the company union in 48 hours."

The last official company union wage cut of 10 per cent was made in 1924. The company wanted 20 per cent off but came to a compromise in the joint committee. In 1926, the workers' committee summoned sufficient courage to ask for the return of the wage cut. The management countered with a proposition for a sliding scale of wage reductions based upon the prices of goods sold. The company contended that they could occasionally obtain large orders by cutting the list price slightly. But if this were done, the workers would have to bear the difference in their pay envelopes. The joint committee refused this proposal, but the company refused the wage increase. The wage cut of 1924, and the conditions described above, thus stand as a monument to the economic power of the company and its ability to deceive the workers with its plan for "a definite and durable basis of mutual understanding and confidence."

PACIFIC MILLS

"We have learned how to rid ourselves of labor troubles and labor unions," remarked an important executive of the Pacific Mills of Lawrence, Massachusetts, to a friend of the writer. "We give them some of the things they want. There's no danger of radicalism under such a system."

He was describing the plan of employee representation introduced at these great textile mills in 1923. The adoption of the plan followed a series of visits to other company union plants by a selected committee of Pacific employees. They returned with suggestions for a company union at the Pacific. The purpose of the plan, as stated in its printed rules and regulations, is to provide "the employees with a means of expressing to the management their opinion on all matters concerning their working conditions," and to provide "the management with a means of consulting with the employees on matters of mutual concern."

The plan is of the distinctly advisory type. As an official of the mills put it, "it gives no legislative functions to the employees." This official is frank. After examining other company unions, he says, "We found that in most cases this function (the legislative) is so safeguarded that all the executive power actually remains with the management." The Pacific management admits this at the outset. Questioned as to what part the plan played in a recent wage cut, the service manager replied, "The employees were not given an opportunity to vote on the reduction as this would be contrary to the principles of our advisory plan."

When the plan was first introduced at the Pacific, some of the foremen were opposed to it. One of them

echoed the sentiments of some old-fashioned labor leaders known to the writer, "employee representation . . . is the first step towards Bolshevism." But later, after this foreman had seen the plan in operation, he changed his opinion and became one of its keenest supporters.

There appears to be no reason why a foreman should not favor this plan. For President McMahan of the United Textile Workers declares the results are much the same as at the Amoskeag Mills: "For example, in one department at the Pacific, 140 looms in the room were formerly tended by seven weavers receiving an average of \$26 each per week. Today, the same number of looms are minded by two weavers, in this instance receiving more, or about \$36 per person. But the management gets the same amount of work done for \$72 which formerly cost it \$182."

Whether these results are to be attributed entirely to the company union, no one can say. But certainly a plan for getting the workers to see the "management's point of view" would be an important step in introducing a speed-up, unemployment-producing program such as Mr. McMahan describes.

Although the company does not pretend to give the workers any power over important matters, it permits them an endless amount of discussion in the shop councils over all sorts of trivial concerns connected with mill life. A few extracts from the "council notes" in the *Pacific Bulletin*, the company service department organ, will indicate the range of subjects presented for deliberation:

(October, 1925) Cotton Department: "Mr. Francke, [the Service Manager] spoke of the condition of the cats in the mill, and felt that steps

should be taken to feed them or else get rid of them. This brought up the question of the number of rats and mice there were in the mill and Mr. Taylor was to refer the matter to the Overseers." . . . "Mr. Francke called attention to the classes being held at the Y. M. C. A. and Mr. Taylor spoke of the value of some of these classes."

Print Works: "Mr. Murphy asked the members of the Shop Council to give their opinion on the value of employee representation. A few members cited the opinions that had been expressed in their departments, which showed a certain amount of dissatisfaction, and Mr. Francke explained that that was very natural at a time of a wage reduction, but that after all, it was necessary to take the bitter with the sweet."

Management's representative is always on hand to inject such telling bits of philosophy.

Lower Mill: "The Health and Safety Committee recommended that garbage cans be equipped with covers, and Mr. Mailey reported that efforts were being made to obtain the proper kind of cover."

The employee magazine for November, 1925, carries further items of equal importance:

Lower Mill: "Several members complained that the milk had been sour again, and Mr. Francke was asked to take the matter up with the Purchasing Department. He later reported that the Purchasing Department would buy from a different source if the milk was sour again."

Print Works: "Mr. Francke reported improved financial statements at the Cafeteria."

And in one of the minutes for September, 1926:

Lower Mill: "Mr. Coulton called the attention of the Management to the case of a man in his department who had been ordered to have his children's tonsils removed but who was unable to meet the expense."

As will be seen from these sample minutes there is no limit to the variety of questions discussed. Even cost of living, piece rates, and other more vital matters come in for occasional discussion, the management thus being able to "educate" the representatives and at the same time sounding them out as to what the workers will accept. The Service Manager, of course, attends all meetings. A proposition to have separate meetings of the employee representatives on the plant committee has been voted down.

As we shall note in the case of many other company unions, the committees are given responsibility over all sorts of service activities. They nominate the directors for the Mutual Benefit Association; they organize whist parties, and card and checker tournaments. They run the bowling league, the annual banquet and the musical show. They also help in the adjustment of grievances, promote "mutual education" as the Service Manager calls it, and "prevent the spreading of false rumors."

Organized labor has very little chance in such a game. However, the venerable but insignificant loomfixers' local is not molested and its chief officer is, in fact, a member of the company union in order, he says, to see that "nothing is put over" on his men. Other unions for the relatively unskilled mass of workers do not exist. Efforts by United Front Committees and more radical groups have been countered with an efficient espionage offensive. During 1926, for example, the United Front Committee of Lawrence expelled two members who

were declared to be company spies and also members of the company union. At the time, it was charged, on good evidence, that one of them was an operative for a well-known detective agency. Whether or not outside espionage services are employed to eliminate agitators, it is clear that the company union, with all its limitations and admitted helplessness to affect fundamental conditions, is more or less passively accepted by the mass of the workers. They may not participate as enthusiastically in elections as they did during the first few months of the plan, but they accept the incidental welfare services the plan is made to appear to give them. Even some of the old-time craft unionists in Lawrence believe the company union, though regarded as a joke by many workers, may not be so bad for the rank and file. They say it has given the previously unorganized worker at least a taste of organization even though it be off the spoon of the Service Manager.

But in spite of continued assertions by the company and its friends that the plan "has withstood tests in time of stress," meaning, of course, that wage cuts have been effected without revolt by the workers, there have been instances when the machinery showed signs of collapse. For example, in March, 1927, a group of workers in the dye shop struck against the introduction of a new card system, a speed-up variation. When the management introduced a new time clock for checking production, some of the workers threw the clock into the river. When a new one took its place, heavily guarded, the workers struck, demanding not only the abolition of the new card system but also the abolition of the company union. They were finally coaxed back into the shop. The disputed card system was kept. The company union remained.

THE SHELL OIL COMPANY OF CALIFORNIA

This company makes agreements with representatives of its employees and maintains shop committees authorized to adjust grievances in conjunction with management in the various districts covered by the operations of the company. About 4,500 employees are affected.

The minutes of a conference held in 1925 between representatives of the company and the employee delegates is of interest to us chiefly because of the sharpness with which it illustrates the refusal of the company union corporations to permit the workers an outside representative to speak for them in negotiations.

The employee delegates had requested that such a spokesman be allowed to represent them in the conference. They said that all the men in the field wanted it, that they, the 16 delegates, were unanimously in favor of it, that it was of the "most vital importance" for them to have such a spokesman. They argued that the company could employ statisticians and lawyers and experts to prepare wage data for the conferences. The workers were without any such resources. It was unfair.

To this the management's representatives replied that introducing such an "outsider" would spoil the "friendly feelings" between the company and the men. Said the chief company spokesman:

"We must say definitely and positively that we cannot consent that you have any other than the employees to consider this matter . . . further consideration upon this point is a waste of your time and our time because it is a cardinal principle with us."

The company officials assured the workers from the:

oil fields that they were as competent to carry on negotiations as any company executive. To this flattery the delegates from the employees replied: "None of us are skilled in debate, none of us are able . . . to present our case the way we think it should be presented."

Whereupon the representatives of the management tried to point out how much kindlier it had dealt with its workers than other companies and what a concession it was for them even to meet the workers' delegates. They reminded them that the Shell Company was "the first in California to have committees amongst its men." The company practically delivered an ultimatum—"Meet us alone, without any outside spokesman, or the meeting is off."

The delegates, though not convinced, after long deliberation decided "to accede on this point this time" in order to be able to stay in the conference and put forth their other grievances. In the course of the conference they reported that in many cases where grievances were taken up with the committee, the foreman on the job would persuade the worker to drop his action under pain of reprisal. Said the delegates:

"We have plenty of specific instances where the man taking up a case to his foreman or his superintendent for adjustment has failed to work for the Shell Co. for very long thereafter . . . sometimes conditions were made so disagreeable for him that he got out."

A typical grievance presented by the employee delegates to the conference was the following:

"In one district a man was discharged, he felt, unjustly, and he took it up with the shop committee; the shop committees were told by the superin-

tendent that once a man was discharged he automatically was removed from under the terms of this memorandum and has no redress. . . . There was no appeal—no chance for appeal.”

Another worker reported:

“At a conference called a year ago in one of the districts the call for the election was phrased rather peculiarly. One of the employees came in with his ballot and marked it, and the superintendent commented very caustically on the marking of that ballot, standing not three feet away from the man who voted; and because the man resented this he was not long from being removed from beyond the jurisdiction of the memorandum of terms. This is a specific case.”

In another instance a worker knocked a foreman down, and had good justification for it. He was discharged. He did not appeal his case. Why? The company union delegate gave the answer:

“The men oftentimes refused to bring up to their workmen’s committee the question of an adjustment in an incident of this kind because they feel it jeopardizes them in getting employment with the Shell Co. in some other district. In other words putting them on a real or imaginary blacklist.”

The company representatives were, of course, “not in sympathy” with any such methods and promised that steps would be taken to adjust them. The point to be noted in general is that the rank and file of the men were still ruled by autocratic foremen and, in spite of the presence of the company union delegates, made no use of the adjustment machinery of the plan. And to add to their suspicion the management stuck to its

"cardinal principle" that no "outsiders" of any kind should be admitted to the conferences.

STANDARD OIL COMPANY OF NEW JERSEY

John D. Rockefeller, Jr., who in 1924 paid an income tax of \$6,278,000, is vitally interested in employee representation. As we have already noted he has written a book on the general principles, and has added his word to endless symposiums on "industrial democracy." In one of these he writes: "a large proportion of the workers of the country . . . are outside of labor organizations and, unless somehow represented, are not in a position to bargain collectively."

The reason these workers are not in a labor union, Mr. Rockefeller does not reveal. The point is they are not organized, and something ought to be done about it to grant them "collective bargaining." Nothing could be simpler. In many places where Rockefeller millions have been invested, a company union has been installed. One of the leading examples is the Standard Oil Company of New Jersey. One finds its plan outlined in practically every book dealing with employee representation. In view of its importance in the literature, it may be well to give it more attention than other plans not so widely advertised and affecting fewer workers.

A letter from a worker correspondent appeared in *Labor*, the Washington organ of the railroad brotherhoods, January 2, 1926. It read as follows:

"Last month I was employed by the Standard Oil Company at Bayonne, N. J. They have a company union. The rules provide that first of all you must try to adjust your grievances with your foreman. I did but didn't get anywhere.

"Then I went to the delegate who was supposed

to represent the workers. It was his duty under the rules to present my grievances to the superintendent. After stalling around for a while he told me I didn't have any grievance. Within a few hours I was fired. Then the foreman with whom I had the controversy was fired and the delegate who was supposed to take care of my grievance was given the foreman's job.

"The delegate knew where his bread was buttered."

This may not be a typical sample of Rockefeller industrial democracy procedure at Bayonne. But, to use the language of the personnel managers, "it indicates the range and possibility of employee representation devices." Usually, it may be assumed, the foreman is not discharged—only the grievance-bearing worker.

The Background

The events which led up to the installation of the company union in this Standard Oil plant are worth reviewing. In 1915, a 10-day strike for a 15 percent wage increase evoked armed guards with rifles and much violence by these hired gangsters. It ended with the promise that the local strike leaders would receive no-discrimination treatment when they returned to work. After the strike the company characteristically blamed the whole trouble on "outside agitators" but proceeded to grant a 10 percent increase in wages.

In 1916 came another demand for a 20 to 30 percent wage increase and more decent treatment by company foremen. The demands were refused and a bitter strike followed. The strong arm guards and gunmen did their worst. Several shootings occurred. The company won. The workers were driven back to the re-

fineries, this time without any semblance of a gain in conditions.

It will be remembered that following the prolonged strike of miners in Colorado in 1913 and 1914, which witnessed the Ludlow massacre of innocent women and children by Rockefeller gunmen, a "representation plan" was introduced in the mines of the Colorado Fuel and Iron Company. When it was found that this plan worked well for the company, and that it was a paying financial investment, the Rockefeller interests decided to introduce it among their oil workers. In 1918 the three refineries of the Standard of New Jersey at Bayonne, Jersey City, and Elizabeth were brought under the plan. Later it was adopted with slight modifications in other refineries of the company as well as in the plants of several subsidiary companies, and in the production and marketing divisions of the company. They have remained under it ever since. The notes which follow deal with the plan as it functions in the New Jersey refineries.

"Thumbs Down" on a Wage Increase

In 1924 when the workers, through their representatives, elected under the provisions of the plan, presented a request for a 10 percent increase, the plan creaked and groaned but did not quite collapse. The news "broke" when the company refused to grant the requested increase, by no means the first time it had turned "thumbs down" on a wage advance. At the time there was some talk of a strike, but it blew over. The workers, though defeated and detoured up blind alleys at every step of the way, had been well "psychologized" by the plan and its promises. They had no will, and *no union*, with which to take effective meas-

ures to improve conditions. They were helpless, caught in the meshes of the plan they had accepted. The best the representatives could do was to complain weakly that they had been "fairly swamped" with company statistics. It was a shame and a sham, they felt, but they had no organization to oppose it. Trade unions had never been permitted them. Standard Oil officialdom had always contended that trade union "agitators" were made to be clubbed, indicted, and driven out of town.

Installing the System

It goes without saying that the plan was scientifically introduced by the tested methods of modern "employee acceptance." It had been painted in sanguine colors by the management. Its purpose was described by the president of the company's Board of Directors as "primarily to provide conferences where the opinion and viewpoints of employees and management on all such questions as wages, hours, and working conditions could be presented and discussed." *Lamp*, the Standard's employee magazine, edited by a company official, had sung its praises. The daily papers, read by the workers, had dutifully used the company's press releases. The stage was well set and the plan was easily put over in the form the company intended.

Like other company union plans adopted in large-scale industry where the contracts between management and workers necessarily grow ever more remote, this representation system serves, at best, merely as a medium of indirect communication between the company's executives and the workers. Before the plan was introduced, the worker complained to a boss or foreman. The foreman listened sometimes. More often he

snarled and cursed, and fired the complainant. Under the plan he keeps on snarling and cursing if he cares to, but the worker can then go to his representative and may get a chance, assuming the representative is honest and interested, to pass his grievances on up to the personnel office; then to a division conference; then to a works joint conference or an executive council; then to a general superintendent of the plant; then to a general manager; then to a manufacturing committee; and finally to the board of directors of the company.

Note that the right to appeal depends upon a split vote in the various lower conferences. Should a division conference be unanimous and the general superintendent sustain the decision, the appealing business stops there However, if the worker is lucky, he can follow the "line of appeal" till he reaches the All Highest Themselves—the company's board of directors. This one fact stands out above all others, viz., that in the final decisions on these matters neither the worker, nor his representatives, has anything to say. No real power is delegated. The ultimate as well as the immediate power rests solely with management. It is the company's show. It pays the piper and it calls the tune. A "barrel rustler" or a "pitch room" hand can petition and appeal and advise and recommend and confer and consult and go through all the motions of having genuine legislative powers. But he is limited to these harmless diversions. The powers at 26 Broadway, New York City, decide the fate of the oil workers.

In a few company unions, as we have observed, some form of outside arbitration is provided. But even this meagre opportunity to gamble on getting justice is denied the Standard Oil employees under the plan. Not

even an outside Republican or Democratic politician is to be called in as "impartial" arbitrator, as for example, under the plan of the Standard Oil Company of Indiana. The final vote rests solely with the heads of the corporation.

Collective Dealing

Yet some of the workers in Bayonne may tell you they think they have something like "collective bargaining." At least the company program talks of "collective dealing as to all matters of mutual interest." If to sit in a "joint conference" and express opinions and listen to propaganda talks by the company's personnel officials is "collective dealing," the Standard Oil workers have it. But this is not collective dealing as understood by the trade unions of America.

It should also be noted that none of the so-called joint councils is permitted to discuss questions of general company policy, even those relating to promotions, transfers, annuities, job analysis, discharges, lay-offs, or the welfare benefits provided by the company. On these matters representatives are not consulted. And when these councils do meet it is at the call of the company. No regular meetings of the executive council, for example, are held. It gathers at the discretion of the superintendent. Although some of the conferences are supposed to be called quarterly, these, too, are usually left to the company superintendent to call. He may postpone them arbitrarily two or three months, until some important controversial issue like a wage increase has dissipated itself in futile discussion among the men, and the sky cleared for the company. Delays in answering important appeals and requests constitute another method for staving off possible "harmful" and

"hasty" action by the workers. A resolution, for example, may be introduced in a plant joint conference in July and answered by the company in December. In the meantime, the workers wait patiently for the consideration of their case which hangs fire just about as long as the management cares to have it hang. A literal grave-yard for grievances is thus created.

Moreover, the usual inequalities characteristic of these plans are plain to any one who has studied Standard Oil representation. The company representatives, for example, are not, as under a very few plans, permitted to hold separate meetings and caucuses to decide just how they will present their case before the joint conferences. The rank and file of the workers are denied all separate meetings for the same purpose. No mass meetings are allowed. "No," says the company, in effect, "it is best to keep the workers under our own wing. Anything they have to say, let them say it in the presence of management. That sounds fair, doesn't it?" It does. All the words of management *sound* fair. The fairest sounding words ever uttered by capital have come from the lips of Elbert H. Gary and John D. Rockefeller, Jr.

There is also the handicap complained of under the Shell Oil Company plan and under almost every plan we have examined—the right to a separate professional spokesman or advocate who is independent of management. A trained person to act as the mouthpiece of the workers in wage conferences is denied them. No outside spokesman is permitted. The proposition is unthinkable to the management. For it would give the workers the same privileges enjoyed by the company, *viz.*, to hire specialists to present their side of the case. Of course, the workers could not hire a specialist to represent them, anyway, as they have no locals or dues

or assessments, as do workers in a trade union. They are, therefore, in a poor position to ask for an outsider to argue their case. The minute they did that, they would be accused of copying the practices of real unionism and of rank "disloyalty" towards the company. The management would lament that the workers have no trust in it. And how, they ask, can peace and good will in industry prevail when such a condition exists? A "full time man" to represent the workers smacks of the business agent, and the walking delegate. "It would never do," says the management.

All this indicates that the workers are at an overwhelming disadvantage as compared with the company. The latter has its paid talent to manipulate the statistical data on wages and cost of living figures. The workers have no means whatever for checking up on the company figures. They are, therefore, wholly at the mercy of the company in such vital matters as rates of pay. The company can argue that it pays the "prevailing scale of wages" which in turn is determined by "the law of supply and demand." It can reel off figures and averages and completely smother the helpless committeemen with graphs, charts, and blackboard demonstrations. The delegates, if they are "good boys," can then wag their heads just one way—and that way means assent without thought. To do otherwise would, in the final analysis, constitute "disloyalty" if not "insubordination." And "insubordination," incidentally, is one of the misty crimes for which a worker at the Standard Oil of New Jersey may be fired out of hand without redress. When there are no more definite reasons in the company's mind, "insubordination" is a handy blanket provision that covers a multitude of misdemeanors. Indeed, any worker who needs to be gotten out of the

way, can be disposed of quickly without notice, under this head, or because of a dozen other tiny mistakes, technicalities, and breaches of company "discipline." There is also the foreman's power of not recommending a worker for promotion who as representative may have been too active on behalf of his fellow workers.

As we have seen, the important questions of wages and hours are determined by the company in advance of consideration by the joint conferences. As one impartial student who examined the plan thoroughly and at close range says:

"Many of the men feel quite strongly that the Company comes to a Joint Conference with its mind already made up on the wage question, and that the subsequent discussion has little effect. One shrewd old employee, with a score of years' service to his credit, smiled when asked the effect of industrial representation on wages, and answered decisively, 'It took two strikes and a war to raise wages in this plant . . . don't forget that!'" (JEAN G. KENNEDY, *Employee Representation in the New Jersey Refineries of the Standard Oil Co.*, (N. J.) an unpublished monograph.)

The same investigator points out the purpose of the plan in serving as a device for projecting a wage cut and getting it accepted by the workers without disturbance. When a certain bonus that had been given the workers was removed some years ago, the joint conferences played a useful part in "a delicate situation," as the writer terms it:

"They undoubtedly helped the Company to make a ticklish adjustment of wages without provoking trouble. But the joint conference, as a coun-

cil of the two groups most interested in the question, did not face the problem and propose a solution. The Company did that. The joint conference played its part as an intermediary between a decision of the company and the acceptance by the men. Its function was educational, not deliberative" (*ibid.*).

In other words, the employee delegates in the joint conference could do nothing but sign O. K. on the dotted line, and then explain "why" to the workers. Thus they proved themselves very useful in "selling" unpopular decisions.

Essentially Anti-Union

We opened this story of Standard Oil by pointing out that Mr. Rockefeller had referred to the fact that labor was unorganized; therefore some form of collective bargaining would be necessary. But the Standard Oil has made it clear many times that it does not believe in trade union collective bargaining. This is a typical statement from the *Lamp*, August, 1920: "The Standard Oil Company is committed to collective bargaining on the open shop basis made effective through the Industrial Representation Plan, and this position has been approved by both union and non-union employees working for the company and its subsidiaries."

This is a typical piece of Standard propaganda. The month before this appeared, some union boilermakers at the Baton Rouge refinery, who had been elected representatives under the plan the previous year, walked out in an effort to secure a union shop. The company broke the strike and "declined to reinstate the leaders." The discharge and blacklist system is thus clearly illustrated. The union man who acts like a union man

ought to act is not likely to work long at the Standard.

No "agitation" has occurred in the vicinity of the Bayonne plants for some years, except for some distribution of *Labor Age*, carrying an article on the Standard Oil plan, in the spring of 1926. In this connection the general manager of the Standard plant at Constable Hook, near Bayonne, attempted to have the editor of the magazine, arrested. A member of the machinists' union who spoke to some of the workers in front of one of the gates was arrested, and later deported from Bayonne by the Chief of Police. The same chief persuaded several hundred workers who had gone on strike for a wage increase at the Constable Hook works to return and submit their grievances to the company union. Later, when a representative, elected by these workers, was rejected by the company, because he had led in the agitation for the increase, the workers struck again, but were persuaded to return when their leader was recognized as their delegate.

The absence of any suitable union in the American Federation of Labor (the International Association of Oil Fields, Gas Well and Refinery Workers confines its campaigns to the west and middle west) delays the business of organizing the Standard workers, hundreds of whom are disgusted with the plan and with other company welfare measures. The company union, as we have noted, serves as an effective intermediary in introducing and maintaining these other devices. It "educates" the workers to the company's point of view. It banquets the representatives once a year in Newark. It is, in a word, the keystone in the arch of the company's anti-union wall.

CHAPTER VI

COAL AND STEEL

COAL PLANS

ALTHOUGH company unions have until now made no great progress in the coal mining industry, thanks to the strength of the real unions and the greater independence and militancy of the mine workers, it may be well to mention several important companies that have adopted a plan. One is the Rockefeller-controlled Davis Coal and Coke Company, which introduced a committee system in 1920. Although the miners, under this plan, are allowed to pay—by means of a check-off system—for their own checkweighman and “labor commissioner,” there are fundamental disadvantages which outweigh these somewhat exceptional conditions. One student of this plan says:

“Since the employee representatives have no union to support them and since the agreement provides that the employees will not strike, the bargaining position of the employee representatives is considerably weakened. Their position is still further weakened by the arrangement which makes it necessary for the company to gain the adherence of merely a majority of the representatives. If the votes of the employee representatives are taken in a manner which enables the company to know how each individual votes, rather than receive an an-

nouncement of what the vote of the employee representatives as a side is, then the company's position in bargaining is still further strengthened, because each protesting individual marks himself out as an objector to the company's policies." (A. E. Suffern, *The Coal Miners' Struggle for Industrial Status*, p. 294.)

A still more restrictive plan was introduced by the Pacific Coast Coal Company in 1922. This company combines a company union with a benefit society. And it bars from employment any member of the United Mine Workers of America, the plan having been adopted because of the unsatisfactory relations with that union. Each worker signs an individual agreement that he will not join the union while in the employ of the company. Representatives on the "Bargaining Council," as it is called, are paid \$10 a day and transportation by the company on the ground that they are "performing a service for the company." Summing up the effects of this plan, the same writer declares:

"The wage scale in effect, however, indicates that the employees are paying considerably for the sacrifice of their union and for the new psychology which they are asked to apply. The best day wage rate is about \$1.50 below the union day wage scale." (Suffern, *op. cit.* p. 299.)

Another combination company union and employees' mutual benefit association is operated by the open shop West Kentucky Coal Company. It is described by the parent company as an "independent, cooperative fraternity open to all capable workers." It strives to "promote contentment" and professes to confer the following advantages on its members: "collective bargaining,"

"sick and death benefits and old age pensions," "social and recreational activities" and, most important, "no strikes or lockouts."

COLORADO FUEL AND IRON COMPANY

This plan is of peculiar importance, first because it was the foremost plan to be introduced in American industry before the war; second, because of its size and its relation to the Rockefeller interests; third, because it has been the model for so many other plans; and finally, because it has been more intensively studied than any other American scheme of employee representation. To the careful studies made by the Russell Sage Foundation, the reader is referred for a detailed and exhaustive description of the "Rockefeller plan" as it is called, and its effect upon trade union organization in those mines and mills. At this place we need only to summarize some of the outstanding facts revealed by the Russell Sage investigators as well as by trade unionists who have been in intimate contact with the plans. (B. Selekman and M. Van Kleeck, *Employes' Representation in Coal Mines*; B. Selekman, *Employes' Representation in Steel Works*.)

After more than ten years of experimentation with this scheme of industrial representation, it becomes clear that the Colorado Fuel and Iron Company, formerly an arrogant industrial despot, has become at best nothing more than a benevolent despot. The shortcomings of the plan have been revealed by all who have studied it. (1) It has been used from the start as a weapon against the United Mine Workers of America. (2) It has been used to effect wage cuts. (3) The workers had no voice in drafting the plan and are still, for the most part, indifferent to it. (4) The workers are

afraid to appeal grievances and suffer from the fear of discrimination and discharge in spite of the paper promises of the plan. (5) Improvements in housing conditions, roads, etc., which are attributed to the plan might have been granted directly without the elaborate machinery of representation.

The best one can say about this scheme is that it is a medium through which the company ascertains "what's on the worker's mind"; that a few minor grievances have been settled in a perfunctory way; and that the plan has been, to a certain extent, a substitute for the more ruthless blood-and-iron policy of the Ludlow massacre days.

The obvious weaknesses of the plan are brought out in the Sage Foundation studies. Without an organization—a real trade union—behind them, even the best intentioned and honestly elected worker representatives expressed themselves as feeling like petty generals without an army. And the investigators who talked with them declared:

"It did seem to us that many of the miners' representatives were timid, untrained, and ill-prepared to present and argue the grievances of the miners, and that their experience as representatives was not developing initiative or leadership in them. The representatives themselves were of the same opinion, and so were most of the miners whom we interviewed." (*Employer Representation in Coal Mines*, p. 188.)

They tell of interviews with these representatives who cautioned them, "Now be sure not to mention my name." So secure in their jobs do the representatives feel under the "no discrimination" immunities provided for them under the plan, that they made the investiga-

tors for the Russell Sage Foundation give them a solemn promise that they would not betray them to the company!

Again, the rank and file when questioned were of the same opinion regarding the uselessness and dangers of the plan:

"When we asked the men why they did not take their grievances to the representatives, they answered with even greater indignation that it was useless, the representatives did not amount to anything; they would not risk their jobs or antagonize their foreman; they had no power, and so on."

The foregoing quotations are from the study of the plan as applied to the coal mines. The plan in the Minnequa Steel Works of the company is no more effective. Wage rates are determined by the great non-union United States Steel Corporation. The plan merely permits the Rockefeller steel workers to select representatives to share in a great deal of discussion prior to the application of these wage rates to the Colorado plant.

The mine workers, as we have seen, are little better off, although the company agrees to give them a wage basis comparable to that paid to union miners in other fields. But when a wage slash is in order, it is effected irrespective of the wishes of the workers who are powerless. For example, in March, 1925, a 20 percent reduction was put over, and in August of the same year, the company circulated among the workers a petition for another reduction of 11 percent. Sixteen of the workers in one mine refused to sign it, and were promptly discharged. Other mines of the company, where the workers refused to vote to accept the cut, were closed down entirely. At still others, as for example, the

mines at Coal Creek, the men voted solidly against any cut, and were duly informed by the general manager that it did not make any difference to the company; the cut would be made. The editor of the *Colorado Labor Advocate* describes this wage cutting technique: "The company closed down certain mines. After the men had been partially starved into submission, they were offered a chance to sign a petition requesting a wage cut. And as Vice-President Lichty of the company told the writer, 'if they didn't sign the petition, their wages were not cut—the mines were closed.' So, thanks to the Rockefeller plan, the coal miners are working 140 days a year at from \$3.25 to \$6.25 a day. They know they are helpless in the hands of the great corporation." (*American Federation of Labor Weekly News Service*, February 27, 1926.)

That the plan was introduced in the coal mines to offset the power of the coal miners' union, was shown in the refusal of the company to accept mediation in the bloody strike of 1913-14, and in the frequent statements of management that it wanted to rid itself of "outside influence." It is also evident that the protective advantages of the labor union, such as the presence of checkweighmen, etc., are not enjoyed by these workers. They are really living and working under what amounts to industrial feudalism. And practically all the improvements made by the company have been due to strikes or issues brought to a head by the mine workers' union either in Colorado or in other fields. This union, incidentally, is still convinced that the workers will eventually become completely disillusioned with the plan and return to the labor union fold. Vigorous organization work would go far toward bringing this about.

BETHLEHEM STEEL CORPORATION

The 70,000 workers of the second largest steel corporation in the country are permitted to play with a plan of employee representation which has been much discussed and much praised by experts on the subject. It was introduced in 1918, and after it had been in operation five years one enthusiastic personnel engineer wrote, "It is capitalism's move and Bethlehem has shown the way." Bethlehem, he intimated, had shown the capitalists how to exterminate the trade unions and institute in their stead the "happy family relationship." The president of the corporation has written in a business paper that "We are in argument with no one. We want to regard ourselves as a big, happy family, wedded 100 percent to the interests of the Bethlehem Steel Corporation, each of us just as important to it as the other."

All this has the usual ring. Workers of the Lackawanna plant of the corporation to whom the editor of *Labor Age* talked in 1926 had other comments to make when asked about the workings of the plan. "Put in to kid us," "Too much boss—not enough union," "Real complaints can't be got across," "No real stuff," "The representatives have no backing," "The representatives who are honest feel like lone wolves fighting for the pack." These were the answers from the rank and file of the workers.

It appears that the men at this plant, like those of other Bethlehem plants, have plenty of grievances that the plan somehow fails to iron out. The possibility of stolen tonnage, for example. Having no union, and no checkweighman, the workers paid by tonnage complain that they are being robbed at this end. They complain

also of the lack of seniority rules, the man with the bribe and the box of cigars for the foreman often getting the better job. There is also the inevitable speed-up system which has shown nothing but still greater speed since the adoption of the plan. The workers' representatives, assuming them to be honestly elected and uninfluenced by the management, are not permitted to meet separately to discuss their grievances. The final vote on all matters is left with the company officials. The committees, at best, can only recommend.

One worker who now serves as a delegate under the plan makes the following comment:

"Under the plan a representative has to be careful how he handles a grievance. It makes no difference how sound his arguments may be if he causes the minor boss with whom he comes in daily contact to be angered he is sure to get into hot water . . . Wages are a thing you never hear discussed under the plan, although there is a subcommittee supposed to deal with that subject. You cannot bring them up at a general committee meeting. Motions for wage increases are passed along to the subcommittee and as a rule die there, or are recommended back as impossible.

"When a question on a change of the wage rate is up, any one who has had experience in the trade union movement can thus see the lack of power on the part of the workers. The 'buck' is passed to the subcommittee; a delay of several months usually occurs. Then the report comes back that the wages can be no higher than those being paid by the United States Steel Corporation."

Just as we have found under the Colorado plan, the wages are always determined in relation to those paid

by the great non-union steel trust. Bethlehem determines its rates by those in force at Mr. Gary's mills. The worker continues:

"I can remember one case, for instance, where a strike took place in one mill, and when the representatives of the men tried to get a hearing on its grievance it was blocked time after time. The leaders were discharged. And the same conditions exist today as were prevalent then. I firmly believe that real active representatives are weeded out. For the plan was never intended to do what they try to make you believe it will do. The men are ridden by fear of losing their jobs and naturally will not put up a fight for wages and conditions. The plan of course prevents the development of all trade unions."

The industrial relations department of the company brags of the number of workers who cast ballots in the company union elections. More than 90 percent of the men are reported to have participated in the elections of 1925. The explanation is similar to that given by the workers of scores of other companies. Bethlehem workers have described the situation in their own language: "Got to go to 'lection," "Boss say, you vote or you no good," "When the election is held we must vote. Excuses don't go." In other words, the foreman has his instructions to run up a big vote. It takes a brave worker to buck the foreman.

On top of all this goes the spy system operated through what are referred to by the men as "company dicks." It is ever present in the worker's mind. One outside observer, after talking to the men about this system, goes so far as to say, "Remove the labor spies from the mills and the corporation would be faced with

a real union tomorrow." Why the "happy family" must have spies in its midst is left to the management to explain.

The labor policy of the company is consistently anti-union. And it plays the game rather shrewdly. After the 1922 strike which closed down some of its many coal mines, it settled with the union in some fields and held out against it in others. Later—in 1924—it repudiated the Jacksonville agreement which it had signed in its union coal mines. Then it broke the union mines by using the non-union mines against them. Today the Bethlehem is entirely non-union in all its steel plants, mines and quarries. It deals with no "outsiders," and the workers are completely at the mercy of the company.

The plan is working with comparative smoothness. The president of the corporation, writing for a business journal, says that it is now being used for what it was originally intended: "Grievances, in importance, are rapidly being replaced by constructive operation problems, covering such subjects as increased production, better quality and service."

This is the ideal situation for the company. The workers of the more militant sort become disgusted with the plan. They cease to bring their real grievances to the joint committee, knowing they will be sidetracked and meet with no satisfaction. The representatives become more "constructive" and colorless. More reactionary types of workers are elected to the committees and spend most of their time boosting the company's stock selling schemes. Such active trade union elements as there may be are gradually eased off the job. The spy system is used to watch and check on the remainder. The company can tell the world that its ma-

chinery of "democracy" is working beautifully. And the personnel managers can fill books with statistics showing that 71 percent of the "cases" coming before the joint committees were decided in favor of the workers. We have heard of no company union, no matter how hypocritically and unscrupulously operated, where a similar percentage could not be obtained. The vital, important questions are decided against the workers' interests. The petty personnel "cases" are decided in their favor. This is the way it works at the Bethlehem plants.

CHAPTER VII

TRANSPORTATION

RAILROAD COMPANY UNIONS

As we have already noted, more than one-fourth of all the company-unionized workers in the country are employed by railroad systems. Practically all these transportation associations have come into existence since the collapse of the real unions on many roads during the shop craft workers' strike of 1922. The failure of that strike, and the inability of the union officials to come to terms with the lines, opened the door for the company unions. Managements saw that they could not pursue a completely anti-all-organization policy. They had to give the workers the semblance of unionism, something not so different, at least in form and structure, from their old organizations. So the association type of company union—in a few cases the joint committee type—was installed for one set of workers or another on more than 60 roads.*

Summarizing the effects of company union installation on these various roads Elva M. Taylor, who has written four articles for the *American Federationist* on "Employee Representation on American Railroads," says: "The chief end of these unions, under present

* The reader interested in the complete list of railways which went over to company unionism can find it in the presidential report of Wm. H. Johnston of the International Association of Machinists presented to the 17th convention of that organization, 1924, or it may be obtained from the United States Board of Mediation.

conditions, is the overthrow of outside power represented by the officials of the national (trade union) organizations. To be of any value, collective bargaining must be conducted between equals. This can not be the case when employees are negotiating through an organization whose very existence depends upon the sanction of the carrier." (*American Federationist*, December, 1926, p. 1494). As we examine in some detail the conditions surrounding the introduction and application of employee representation to such roads as the Pennsylvania we can arrive at no other conclusion.

The railroad company unions are of special importance not only because of their size and sweep, and the fact that they have been partly built upon the ruins of formerly powerful trade unions and are patterned somewhat after their structure, but also because they are recognized under the Railway Labor Act and have taken their place beside the old line railroad brotherhoods as the legal representatives of certain classes of workers on certain lines. As representatives of the workers before the federal mediation boards they have supplanted the regular trade unions on many roads.

The railroad associations are also worth special study because they have been featured in recent months in newspaper stories as the valiant recipients of wage increases, the implication being that they have possessed sufficient economic power to achieve these advances. In answer to this implication President A. O. Wharton of the International Association of Machinists commented late in 1926 after a number of company unionized lines had granted these advances:

"Wage increases granted last week to shop employees by ten Western railroads, all but one of

them operating with company unions, undoubtedly came as a direct result of increases previously negotiated by the standard shop craft system federations on a number of roads. . . . Had not the regular unions obtained advances in pay for their members, there would have been no increases on the company union roads. They found it was necessary to meet the advances conceded by the union roads, in order to retain their shop employees who were beginning to drift to other roads paying more money. As a matter of fact, the increases granted by the company union carriers do not bring their shopmen's wages up to the schedules negotiated for the standard system federation unions. (*Labor*, December 4, 1926.)

Many railroad lines in the east have also granted slight wage advances to their company unionized workers to the accompaniment of much publicity. The increase has, as Mr. Wharton points out, followed the negotiation of increases on roads where the regular unions are recognized.

Before examining the regular steam railroads in the various operating and maintenance departments of which company associations have been extensively introduced we may first describe two closely related special companies. One is an electric railway utility in New York and the other a large corporation manufacturing and operating sleeping cars over the entire country. For those who want to study employee representation in its most autocratic forms the Interborough Rapid Transit Company and the Pullman Company are offered as illuminating examples.

INTERBOROUGH RAPID TRANSIT COMPANY

The company union on this New York City electric

railway system is an association type of plan known as the Brotherhood of Interborough Rapid Transit Company Employees. It was organized in 1916 following a defeated strike led by the Amalgamated Association of Street and Electric Railway Employees of America affiliated to the A. F. of L. The cause of this strike was the company's violation of an agreement with the union, its secret coercion of workers to sign a "yellow dog" contract, and the wholesale discharge of workers who had the courage to wear A. F. of L. union buttons.

The company union divided the men into 33 separate locals, delegates from which were elected to a general committee. The president of this committee became virtually the boss and overseer of the workers. A 100 percent "closed shop"—for this "brotherhood"—was achieved by forcing all the workers to sign an individual contract. Any worker refusing to sign found himself dismissed from the service. The obligation taken by all workers reads in part as follows:

"In conformity with the policy adopted by the Brotherhood and consented to by the Company, and as a condition of employment, I expressly agree that I will remain a member of the Brotherhood during the time I am employed by the Company and am eligible to membership therein; that I am not, and will not become identified in any manner with the Amalgamated Association of Street and Electric Railway Employees of America, or with any other association of street railway or other employees, with the exception of this Brotherhood, and the Voluntary Relief Department of the Company while a member of the Brotherhood or in the employ of the Company, and that a violation of this agreement or the interference with any member of the Brotherhood in the discharge of his duties

or disturbing him in any manner for the purpose of breaking up or interfering with the Brotherhood shall of itself constitute cause for dismissal from the employ of the Company."

This brotherhood was used to keep the A. F. of L. union off the line. In fact, the year following its organization, when an attempt was made to enlist the workers in the A. F. of L., a resolution, written by a company agent and signed by the officials of the company union, was issued to offset this effort. It read in part:

"Whereas recently some of the labor agitators of the Amalgamated, who unsuccessfully attempted to interrupt service on the I. R. T. lines last fall, have returned to the city and publicly announced to the press that they are here to cause trouble . . . the outside agitators who are endeavoring to create a controversy are in no way representative of the employees of the I. R. T. Company . . . we have not requested and do not desire them."

The brotherhood was used by the company to present its workers with various sorts of welfare. Company officials were enthusiastic for it. One of them in 1919 described it as "the strongest labor organization in New York City today, and the members are quite capable of conducting their own affairs without the aid of outsiders—Paid Professional Agitators." (*Interborough Bulletin*, August, 1919.)

The brotherhood maintained comparative peace on the lines until 1926, its tenth anniversary. The general committee would meet annually for 30 or 40 minutes to assent to any wage "readjustments" proposed by the company and to sign the agreement for another 12 months.

In 1926 something unusual happened. The 700 members of Local No. 7 of the Transportation Department, comprising the motormen and switchmen of the Subway Division, refused to endure the farce any longer. A meeting of the general committee—incidentally, in violation of the constitution—was held in the office of the general manager of the corporation. The resolution, prepared by the company and the president of the general committee continuing wages at the same rates for another year, was all prepared for the steamroller. The usual speeches were made by Frank Hedley, president and general manager of the company, and by Patrick J. Connolly, the president of the general committee. But the three delegates of Local 7 refused to vote for the resolution until they had submitted the proposal to a vote of their members. Two representatives from the elevated motormen's local joined them in their dissent. Immediately, the company officials and their agents on the general committee launched into vile attacks on the recalcitrant delegates. When the vote was put, the five delegates stuck by their guns and two other committee members recorded themselves "not voting" as they wanted to consult their membership.

The story of the strike for a 15 percent wage increase, which began July 6, 1926, need not detain us here, except the part played by the general committee after the 700 subway men had struck followed by some "L" motormen and power house employees. The general committee became the chief strike-breaking weapon of the corporation. All regular and special meetings of all locals were suspended, in violation of the constitution, as the company feared to have the workers meet to discuss the issues. The president of the brotherhood even called on the police to break up attempted

meetings of some of the locals. Company union representatives acted as stool pigeons, reporting any workers of their locals who talked strike or appeared sympathetic with the walk-out.

The 24-day strike, it will be recalled, was described as "outlaw" by the *New York Times* and other papers, and the new union into which the men organized themselves was called an "outlaw union"—meaning outlaw against the company union. These "outlaws" were bitterly condemned by the metropolitan press, particularly by the *Times*, which ignorantly and hypocritically declared that the company union was a "labor union" which had inaugurated "a system of common effort for the correction of abuses and for the sharing of profits." It considered "this system of what may be called self-government in subway transportation . . . the best means of keeping the peace within the industry. . . ." Meanwhile Mr. Hedley and his aids were breaking the strike by the use of strike-breakers, recruited 72 hours before the walk-out—gangsters, spies, injunction suits, and the New York City Police Department's Industrial Squad. This squad brutally assaulted the strikers leaving their hall after a peaceful meeting. The story of 1916 was repeated. Every weapon of corporate and state violence customary in strikes was used by the company against those whom Mr. Hedley described as his "misguided employees."

When the smoke of battle had cleared, and the leaders had been blacklisted, and the strikers had been taken back "as individuals," and the brotherhood "preserved," the company secured a sweeping injunction to prevent the Amalgamated Association of Street and Electric Railway Employees, with which the strikers had affiliated, from organizing the workers. Any worker

known to have any dealings with this union was either not taken back, or if discovered, was immediately fired.

At the same time, the company union general committee resumed its full functions as company mouth-piece and labor regulator. It helped the company to summon scores of workers to the company's office to make affidavits that they were not members of the A. F. of L. union. Its president interviewed all candidates running for office in the locals. He investigated their loyalty. If he was not satisfied, the worker did not run. Those who had been on strike and who were taken back, were enrolled as "new members" so they could not be candidates for office for several months. All the members of Local 7, with the exception, of course, of those who had been discharged, were in this class, so this troublesome local was eliminated from the general committee for some time.

Certain incidental facts concerning the brotherhood as it operated before and after the strike may be added. In order to secure their complete loyalty, the company has offered various bribes and baits to those elected as delegates to the general committee. Many of them have later been given higher positions with the company. The delegates are expected to hold down the men and stifle unrest among the rank and file of the workers. General mass attendance at local meetings is definitely discouraged. Once when a large number of workers began to attend the meetings of a certain local, attracted by a crap game and other entertainment, the company ordered the workers to give up this diversion, even though these meetings were held off the company property after working hours. The company, of course, permits no change in the constitution without its approval. Finally, and most important, must be repeated

the fact that any worker who joins an A. F. of L. union is immediately discharged.

At the hearings before the transit commission held in June, 1927, testimony of company officials revealed that the director of the company's welfare work receives a salary of \$15,000 a year, that President Hedley and General Counsel Quackenbusch received a bonus for their strike-breaking work in 1926, that while the higher company officials were fighting every effort of the workers to advance wages they themselves had received substantial salary increases, that the direct cost of the strike-breaking in the summer of 1926 was nearly \$1,000,000, and that union labor of any kind is definitely discriminated against by the company's management. Samuel Untermyer, commenting on the facts thus confirmed concerning the yellow dog contract, urged the commission "to compel the officials to rescind this despotic un-American fiat and to restore to the men the freedom, without fear of reprisal, of having any sort of proper labor organization that they may choose." He attacked the company officials as "self-constituted autocrats" and characterized the company union as "industrial tyranny." The same type of tyranny, it was also brought out at this investigation, is maintained on the lines of the Brooklyn-Manhattan Corporation. (*New York Times*, June 4 and 7, 1927.)

PULLMAN COMPANY

One of the chief objects of the Brotherhood of Sleeping Car Porters, which began business in August, 1925, is the abolition of the plan of employee representation of the Pullman Company. No other union in American labor history has featured so emphatically in its initial

organization program the defeat of a company union. Both because of this fact, and because of certain intrinsic features of the Pullman plan, we must give it careful consideration in this section.

As with many other companies, the wording of the intentions is all but disarming. The usual no-discrimination clause, now a dead letter, appears in article 6, section C: "There shall be no discrimination by the company or by any of its employees on account of membership or non-membership in any fraternal society or organization." And its president, E. F. Cary, believes that his plan "has created a channel through which the humblest employee may present his grievances for the consideration of the highest executive official if he considers such action necessary to obtain justice." As the plan stands, he believes it is "one of the best solutions of the great labor problem." It has produced contentment among the employees, and this contentment, he assures us, "begets loyalty, industry, productivity . . . and creates a much more cheerful atmosphere in the conduct of our business."

At the outset it may be noted that this plan, adopted in 1920, applies only to the porters and maids in the service and also to certain of the company's mechanical and repair shops, in which a strike was broken a few years ago and the plan introduced among the "loyal men" and strike-breakers. It does not apply to the Pullman conductors who definitely rejected it, organized their own brotherhood, affiliated to the American Federation of Labor, and more than doubled their wages.

The Pullman porters and maids have suffered most acutely under the plan, and this suffering has driven them into their present struggle for organization and recognition of their own independent brotherhood. The

plan therefore becomes in a vital sense an anti-trade union. It was adopted to head off trade unionism, which had threatened the company before. It is now used primarily to destroy the new brotherhood and to keep these workers in complete economic subjection. And we shall find in the story of the plan in operation a record of deception, intimidation, and coercion that is probably without an equal among American company unions. We recommend it for study to the prophets of "integration" and the New Day, who pretend to see in works councils the "solvent of industrial friction."

The Pullman employee representation is a joint committee type of plan with a series of local and "zone general" committees leading up to a sort of supreme court of company officials, called the Bureau of Industrial Relations, at the Pullman head office. Let us look at its manner of handling grievances in some specific cases, and we shall learn how it has been used to keep the porters in subjection. Whenever the plan did not function to suit the interests of the company it simply violated its expressed constitutional provisions.

Take the case of the porter in charge of a car in the Baltimore yards. It was the day of an Army and Navy football game with specially heavy traffic. The porter X had finished making up his car and had then helped a number of other porters to make up theirs in preparation for the evening rush. Having finished, he was leaving the yards when the superintendent halted him and told him he had no business to go, that he should return and help the others. Porter X informed the superintendent that he had already done so, and proceeded on his way out of the yards, but not before the superintendent had taken his name. The superintendent wrote at once to the porter's district superintendent in

New York asking for his immediate discharge for talk and conduct unbecoming a porter. The New York superintendent looked up the porter's record card and found it was without a blemish; he had been five years in the Pullman service. In view of this fact the New York superintendent asked the Baltimore superintendent to reconsider the case. The latter refused. The New York superintendent then asked the assistant general manager in Washington to review the case. The latter, after consultation with the Baltimore superintendent, could obtain no other recommendation from him but discharge. Finally, the case was referred to the Operation Department in Chicago, and X was summarily dismissed, although the New York superintendent as well as the Washington official had both been loath to recommend it, and although the porter had an absolutely spotless record card.

Here was a clear case for the plan to handle. So after the discharge, the grievance was taken up by the district committee of 10, all of whom, including the five representatives of the management, voted for X's reinstatement. Under the provisions of the plan, this should have ended the matter. But when the committee's recommendation was sent to the Bureau of Industrial Relations, they passed it on to the management, which turned down the recommendation of the committee. Finally, after many delays and complications, the case was appealed from the district committee to what is known as the Zone General Committee, the next higher appeal body, where by a vote of 18 to 2, Porter X was upheld. The committee recommended that he be returned to work. But at the same time the management was "sustained" in its position; it always is against the porter. After much delay the porter was

returned to his job, however, without pay for lost time.

Under the plan, as advertised and displayed for public approval, this case should have been finally decided by the committee of first instance, and Porter X returned with full pay for his lost time.

Another case illustrates how the plan serves as a burying ground for grievances. A porter is discharged during the campaign for the real union. His superintendent intimates that he is dropped because of a wire received from Chicago. Why? Because he is known to be very active in support of the newly organized union. The man has an absolutely clean record card. When such appeals are handed to the local committee, it is required, under the plan, to give a decision in 30 days. But the committee, under management inspiration, stalls and refuses to meet to take up the case. The porter remains on the street.

Another porter, who has served the company for years and who is an active and intelligent local committeeman under the plan, is discharged. Why? Because he sent a letter to the delegates in other districts calling attention to the annual—if the company calls it—conference with the management, and urging them to consider what they want to have discussed at this conference. One of these letters falls into company hands. His superintendent forthwith discharges him on the ground that he has sought to "cause trouble." This "trouble" consisted partly of the porter's active participation in defending, before his district committee, the rights of a fellow worker. He had secured for this porter at least part of his back pay for lost time after the charges against him had fallen through.

In many other instances the company has completely

ignored the provisions of the plan and obeyed the instructions of superintendents, rather than the district committees, on questions over which the committees, under the constitution of the plan, are supposed to have complete jurisdiction. And porter committeemen who dared to oppose this violation of the plan's expressed provisions, have been pitilessly handled. One courageous porter who stood up for his fellows in the face of company prejudice and superintendent's spite, was handed his discharge papers and dismissed for "insubordination and unsatisfactory service." Since the campaign to organize the independent brotherhood began, other able porters with clean service record cards have been discharged. Other veteran porters with 14-year service records, have been held off their runs and placed on the "extra" list as a penalty for attending one mass meeting of the new organization. Those who have not been discharged outright, in violation of article 6, section C, have borne the limit of intimidation. After a certain brotherhood organization meeting in New York, a local superintendent called 50 porters who had attended the meeting to his office early the following morning, and showered them with questions and threats. In the Pittsburgh district, the superintendent announced he would fire any worker who attended a brotherhood meeting.

It should be noted also that these tactics were used not only when the men began to organize in the new brotherhood, but at the very beginning of the plan itself. Intimidation was used to make the porters vote for the plan in the first place. Men who would not vote in the first plan elections, were held off their runs, or their pay checks held up. In one district, the porters were given the blue books containing the plan provi-

sions and told they could not leave the yards until they had voted under the plan.

Similar tactics have been used in subsequent elections. In the elections of 1924, for example, the second assistant superintendent at the Pennsylvania terminal district, sent a note to the cashier. It read, "The following P. T. (Penn. Terminal) porters have not as yet voted. In order to secure every possible vote, please withhold their pay checks until O. K.'d by the chairman of the election committee. R. Lancaster."

The company is also known to have marked sample ballots as a guide for the voting porters. The following illustrates the practice. It is a letter sent by a superintendent at Kansas City instructing a local company official to have the porters vote promptly and to see that they vote for the men favored by the management:

"File No. 620

Memorandum to L. G. Johnson, Head Cleaner,
St. Joseph, Mo.

I am enclosing three ballots and envelopes for the use of the three porters operating in line 45.

The voting is being done to nominate a porter to represent the porters at a conference which will be held in Chicago the latter part of January to revise present agreement between Pullman Company and its porters.

Will therefore ask that you have these men vote promptly and return ballots here before Dec. 15th.

I might add that all of the porters at Kansas City are voting for Porter D. G. Emery as their representative.

(Signed) J. L. AUTHUR.

Kansas City, 12-8-25.

2 K."

Included in this letter was a ballot containing a slate of 24 names of candidates. On it was written, "These men checked off are whom we are supporting. Would like to have you vote the same way." (*The Messenger*, May, 1926, p. 151.)

Many other rotten spots are revealed as the plan is manipulated by the company. For example, it provides that tellers at elections for committeemen shall be appointed by the chairman of the local committee who, as the committee is composed equally of management and men, may sometimes happen to be a porter. But in many instances, the chairman has not been permitted to appoint these tellers. They have been appointed, instead, directly by the management. Moreover, the company refuses to permit porters charged with certain offenses to appear before the committee to hear the charges. The defendant is never allowed to face the evidence or to be in the room when the charges are made, often by some prejudiced "welfare worker" serving as a spy and informant for the company. The procedure before the higher committees is conducted in the same manner, the charges and evidence against the defendant being sent up from the local committee without the defendant being permitted to appear in person to answer them. And before both committees, the defendant is frequently denied the right to know from what source the evidence against him has been drawn.

It should also be mentioned that no mass meetings of the men are permitted under the plan. One conscientious porter representative acting in good faith attempted to hold a series of meetings "for the purpose of analyzing every rule, and to listen to suggestions, recommendations and petitions which the employees might make." It had been stated by manage-

ment that any petition signed by 51 percent of the members in a given district, would be given consideration. The workers had certain petitions they wanted to make, but they wanted first to hold meetings to discuss them. But the representative who started to call such meetings was quickly squelched by the company, and told he would be dismissed if he continued to hold them. (*The Messenger*, May, 1926, p. 156.)

Let us summarize a few of the company's tactics to defeat the new brotherhood and to maintain its company union system. Naturally, the various tactics overlap. Some of them are aimed directly at the brotherhood, others are a part of the company's campaign to make the porters use the plan.

It has, as we have noted, victimized, intimidated and coerced the porters in compelling them to vote in the company union. The brotherhood has a thousand affidavits to this effect.

It has circulated every sort of lying rumor about the leaders of the new brotherhood—Moscow gold and all the others.

It has subsidized a part of the Negro press in its campaign to vilify the brotherhood and extol the plan.

It has used spies, stool pigeons, "welfare workers," and company "instructors" to help break the brotherhood.

It has even violated the seniority provisions which it is pledged to uphold, by placing Filipino workers on club cars as a threat to the colored workers to stop organizing.

It has, in 1926, called elections ahead of time in an effort to counteract the appeal of the brotherhood to the United States Board of Mediation.

It has stuffed the ballot boxes for company candidates

and otherwise cheated in the elections for committeemen. A New York superintendent refused to allow newspapermen to watch the elections in 1926.

As noted, the company may call an annual joint conference under the plan if it feels so disposed. Chiefly to head off the growth of the brotherhood it called one in January, 1926. The 18 delegates who attended this conference in Chicago were clearly hand-picked by the company. They were virtually pledged in advance against the brotherhood. Large terminal districts, like those of the Pennsylvania station in New York and Washington, some with over a thousand workers, were not represented. But Grand Rapids, Michigan, with a half dozen porters, had its delegate at the conference, supposedly elected by a majority of the votes cast for the whole country. Another came from the Columbus Pullman agency, with 15 porters. The most competent, intelligent, and popular porters from the big cities were, somehow, not elected.

This conference thus proved to be completely in the hands of the company. After long prayer and deliberation, and as a last desperate measure to fool the porters and keep them out of the real union, it voted for what the brotherhood calls a "chicken feed" wage increase—8 per cent, or 18 cents a day, raising their wages from \$67.50 a month to \$72.90 a month. Concerning this concession, forced by the threat of the brotherhood, the *Messenger* (March, 1926) says:

"Every delegate there was dissatisfied with the result. . . . Even the Uncle Toms thought the award was inadequate. . . . The Company thought the little increase would be to the porters what a honey-sucker is to a baby, namely a pacifier. But

on the contrary, it has created widespread dissatisfaction. . . .

"In fact there is no agreement, since two of the delegates refused to sign. According to the Plan, 24 delegates are to constitute a conference and all of them are required to sign in order to have an agreement. In the recent conference there were neither 24 delegates, nor did they all sign. It is also reported that four of the delegates signed under protest and that no one would have signed except the two-check men (one check for porter's work and one for stool pigeoning) if they had thought that the Company would not have discriminated against them."

A further concession was made by the company in August, 1926, when it appointed one lone Negro to act on its Bureau of Industrial Relations along with five high company executives. This was offered as a bid for the confidence of the porters, the most "loyal" of whom had complained that none of their own race was on the bureau.

At this writing, the appeal of the brotherhood for recognition as the spokesman of the workers, as against the discredited company union, is before the United States Board of Mediation. The decision in this case is of great importance, for it will affect many railroads where real unions are battling for recognition against company-controlled associations and joint committees. The company is still discharging porters for membership in the brotherhood. The situation is described by A. Philip Randolph, general organizer of the brotherhood:

"Real, red-blooded Brotherhood men must gird up their loins for a long hard struggle. The Pullman Company will not readily and cheerfully give

up its Employee Representation Plan, though dying, if, indeed, it is not already dead.”

The company union is not dead. It will not be dead until the brotherhood has won full recognition to represent all the 12,000 porters in their struggles for decent working conditions.

CHAPTER VIII

THE PENNSYLVANIA

THE P. R. R. AND THE SHOP CRAFTS UNIONS

THE Pennsylvania Railroad has been called the Standard Railroad of the World. It operates over 25,000 miles of track and over 10,000 miles of main lines. It carries over 11 percent of the freight traffic of this country and 17 percent of its passenger traffic.

This railroad in normal times employs about 240,000 including some 60,000 workers in its maintenance of equipment department. The chief crafts included in this classification are blacksmiths, boilermakers, sheet metal workers, machinists, carmen, electricians, and molders. It is with the relations of this body of workers to the road, and the methods used to introduce the company union among them that this section is concerned.

Before the war-time period of federal control of the American railroads which began on December 28, 1917, the P. R. R. had refused to deal with any labor unions representing the workers in its maintenance department. With the four train service brotherhoods the road had made agreements for many years while denying similar recognition to unions covering other classes of employees.

The P. R. R. was regarded as one of the most pitiless enemies of organized labor. At that time it made no

hypocritical professions to "industrial democracy." It ran its business in a businesslike way with no concessions, paper or actual, to the ideals of representative government. Of course, if an individual worker had a grievance he could beseech his immediate superior for redress. He could "talk the matter over." And it was almost certainly fatal to appeal any higher than the foreman. In short, the workers were at the complete mercy of the company, and the company in those days spent little on publicity men for the purpose of impressing the public with its mercifulness. Unions were taboo, organizers were deported, union men were discharged. The spy system was well lubricated.

In December, 1917, the United States Railroad Administration took over the railroads. Within two months General Order No. 8 had been issued declaring that no discrimination would be permitted against employees belonging to labor unions. This was followed by busy months of organization work. The shop crafts were lined up. System Federation No. 90 covered the Pennsylvania System. It was affiliated with the Railway Employees Department of the A. F. of L. Full recognition was granted in negotiations with the railroad management and the governmental authorities. The conditions of the workers were improved, wages were increased, grievances were adequately handled. National agreements were made between the Railroad Administration and the thriving unions.

The war ended, and the Transportation Act of 1920 provided for the termination of federal operation on March 1, 1920, and for the organization of the Railroad Labor Board composed of three representatives each from the public, the employees, and the railroad managements of the country. This board was to act on

cases appealed to it from adjustment boards to be made up of representatives of the company and of the labor organizations.

The events which followed, insofar as they refer to the case of the Pennsylvania Railroad and its shop craft workers, are condensed in the "History of the Case" included in Decision No. 1829 of the United States Labor Board:

"At the termination of Federal control, the Pennsylvania System in common with practically all the other carriers desired a revision of the rules and working conditions of the shop employees. Under the requirements of the Transportation Act, 1920, it was necessary for the carrier to take this matter up with the representatives of the shop employees and endeavor, in good faith, to negotiate an agreement. At that time, the Federated Shop Crafts (System Federation No. 90) held the agreement with the carrier, and their representatives offered to enter upon negotiations in regard to the changes sought by the carrier. The carrier declined this offer on the ground that it had not been furnished with evidence that said organization actually represented a majority of the employees in question, and stated that it had already prepared a ballot for an election in which shop craft employees should designate their representatives. The representatives of the organization objected to the form of this ballot on several grounds, but proposed to go along with the carrier in the contemplated election, provided the name of their organization, System Federation No. 90, was placed on the ballot. This proposal was declined by the carrier, and, as a consequence, the carrier held an election with a ballot containing only the names of individuals; and the organization held an elec-

tion with a ballot containing the name of System Federation No. 90, with blank space for those who desired to vote otherwise. In the election held by the carrier, there were 3,480 votes cast and counted. In the election conducted by the employees, there were 26,055 votes cast, all of which but 7 were cast for System Federation No. 90. These votes were cast by employees actually in service."

In the conference between the shop crafts union representatives and the P. R. R. held May 24, 1921, and referred to in the foregoing quotation, the union men first learned of the company's intention to create a company union and institute its own system of balloting for delegates to represent the workers in the negotiations called for by the Labor Board. The company, without any consultation with its employees or their union, had worked out its own plan whereby the workers were to be denied the right to choose the organization to speak for them in all future conferences with the management.

It should be noted also in connection with the May 24th conference that when the union representatives asked that the ballot be withheld until an interpretation of the representation clause of the Labor Board's earlier decision, No. 119, could be rendered, the management rejected this proposal as well as the proposal to have the workers vote for organizations rather than individuals to represent them if they so desired.

In refusing to meet the union, and in projecting its own plan, the Pennsylvania contended that it would deal with no one not an employee of the company. At that time, however, every officer of System Federation No. 90 was an employee of the company away on furlough with transportation pass and maintaining full

seniority rights. Two months after this meeting, in order to destroy the shop crafts organization, the company ordered these officers back to work. Failing to heed this arbitrary summons, they were forthwith dismissed from the service without a hearing as provided for in the decision of the Railroad Labor Board.

As we have noted above, an insignificant number of the workers in the shop crafts department voted in the company's election. On the other hand, the mass of the workers voted in the union election, and only seven votes were registered against the workers' being represented in all negotiations by System Federation No. 90. In spite of this, however, the company held its own election to be a satisfactory record of the opinions of its workers and proceeded to enter into negotiations with the dummy representatives it had set up. System Federation No. 90 immediately filed with the Labor Board a complaint against the company under Section 307 of the Transportation Act. The Board thereupon rendered Decision No. 218 in which it held that both ballots had been improperly prepared and that the representatives chosen on the company's ballots were illegal. The Board ordered a new election, prescribing rules and a form of ballot, and specified clearly that *organizations* as well as individuals might be chosen as representatives.

The company refused to accept this decision of the Labor Board. It also refused to cancel the illegal election already held. When the Labor Board declined to vacate its order, the company secured a preliminary injunction in a United States District Court which prevented the Labor Board from officially publishing the fact that the company had violated the Board's decision. The case was carried through the Circuit Court of Appeals to the Supreme Court of the United States, which,

on February 19, 1923, rendered its unanimous decision fully upholding the right of the Labor Board to issue its decision against the P. R. R. It declared that the railroad had violated the Board's decision. It also dismissed the suit brought by the railroad and dissolved the injunction. What followed is described in the words of the Labor Board in decision No. 1829 cited above:

"After the Supreme Court had freed the Board from the injunction, it was deemed advisable in the interest of industrial peace on the Pennsylvania System to give the carrier an opportunity to conform to the decision of the Board before further proceedings were had. Officials representing the carrier were called into conference with the Board, but the effort was unavailing."

Following which the Board published its decision against the P. R. R., the opinion reading in part as follows:

"The course adopted by the Pennsylvania System in this matter is indefensible from every viewpoint. It cannot be justified on the ground that the contention of the employees or the decision of the Board deprived the carrier of the right to deal with its own employees. System Federation No. 90 was composed exclusively of employees of the Pennsylvania System and their officers and representatives were employees of the carrier. If, in rare instances, these local representatives of the employees availed themselves of the advice and assistance of the officers of their national organization or of other counsel, this would have been the exercise of a fundamental right. The Board's decision did not require the carrier to negotiate with System Federation No. 90 or any other organization, but merely

accorded to the employees the right to choose between System Federation No. 90 and the organization set up by the carrier.

"The plan called 'employee representation,' which the Pennsylvania System assumes to have originated, is guaranteed in the Transportation Act, 1920, and prevails on the railroads throughout the United States. If employee representation means anything at all, it signifies the right of a class of employees, through majority action, to select their own representatives, to negotiate with the carrier agreements covering wages and working conditions. This is what Congress said it meant, but the shop crafts have so far been deprived of this plain, simple, indisputable right on the Pennsylvania System. The carrier has not questioned the right of these employees to choose their own representatives, but it has prevented the exercise of this right. While professing its acceptance and observance of the principle of employee representation, it has set up a system which throttles the majority and establishes the representation of a coerced and subservient minority proven originally to amount to about ten and one-half per cent (10½%) of this class of employees.

"While the carrier was refusing to deal with the organization of the shopmen and that of the clerks, as such, it negotiated agreements with the train and engine brotherhoods, which they signed officially as the representatives of those organizations. If the same right had been accorded to the shopmen, this controversy would never have existed."

The powerful Pennsylvania was indeed able to defy a considerable number of the constituted authorities. As the Chairman of the Board put it when the report

was given out that the Pennsylvania intended to defy and ignore both the Rail Board and the courts:

"The road now persists in violating both the act of Congress and the decision of the Labor Board, in refusing to permit a fair ballot to be taken. The management of the Pennsylvania Railroad is now striking against a decision of the board, an act of Congress, and a decree of the Supreme Court."

What redress was there for the shopmen organized in System Federation No. 90? Only a suit in equity asking the courts for damages sustained by virtue of the failure of the railroad to recognize and deal with them. Such a suit was brought and carried to the higher courts but without results. The Supreme Court found that the Transportation Act gave the Labor Board power to make decisions but provided no penalties for violation. Consequently, the P. R. R., unlike the organized shopmen when they went on strike in 1922, could thumb its nose at the government without fear that "public opinion" would bear heavily upon it for its violation. The Supreme Court in the opinion handed down in the equity suit used severe language against the company; but language is powerless to move the all-powerful Pennsylvania Railroad. The opinion says among other things:

"The Pennsylvania Company is using every endeavor to avoid compliance with the judgment and principle of the Labor Board as to the proper method of securing representatives of the whole body of its employees. It is seeking to control its employees by agreements free from the influence of an independent trade union. It is, so far as its

dealings with its employees go, refusing to comply with the decision of the Labor Board and is thus defeating the purpose of Congress."

In the same opinion, referring to the company union, Chief Justice Taft says:

"The Company paid the expenses of the organization and such permanent officers as they had were put upon the payroll of the Company. It instituted a trade organization with which the Company proposed to deal and has dealt, although the evidence conclusively showed that it did not at the time of the election certainly represent a majority of the employees."

The language of the court is strong enough, but without the power to enforce the provisions of the Transportation Act which the P. R. R. had violated, no governmental authority was able to influence the action of the road. It continues to this day to deny recognition to the shop crafts and to deal only with its company union.

COMPANY-UNIONIZING THE CLERKS

The shop craft workers were not the only ones who suffered from the cold blasts of Pennsylvania "industrial democracy." The road also attacked the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees. The substitute offered was the company-controlled "Pennsylvania Railroad Clerks Association."

As in the case of the shop crafts the clerks' union, after the termination of Federal control of the railroads, notified the P. R. R. management that it was

ready to go ahead with negotiations. The company's reply was the plan of representation, and, as in the case of the shop crafts, a ballot to determine what *individuals* should speak for the workers in negotiations. The clerks' union stood on its right to continue to represent, as a *union*, its constituency on the road. Whereupon management without further ado, balloted its employees with the same result as in the case of the shopmen. The workers voted overwhelmingly for the real union. When the company threw out these ballots the real union appealed to the Labor Board which declared that the company election was illegal and in violation of the rights of the workers. But the road followed exactly the same procedure as in the case of the shopmen. In spite of Supreme Court decisions, it refused to alter its illegal conduct. The decision of the Board was quite as scathing as its decision in the shop crafts case. It stated that "the position of the Pennsylvania System in this matter is devoid of intrinsic merit, violative of the will of Congress, and destructive of the rights of the employees."

The Board also quoted from the record of the statement made by a company vice-president in hearings held by the Board:

"Question: Simply drawing this distinction, that if they will agree to deal with you as individuals, you will deal with them; but if they deal with you as officials representing employees' organizations, you will not deal with them?

"Answer: You have stated it correctly."

Here we have the gist of the P. R. R. as well as other company union plans. The companies really desire to

deal with their employees as individuals. All the elaborately organized plans are devised as but steps toward that goal.

In its decision in the clerks' case, the Labor Board also called attention to the facts that the employees of the road "had been harrassed by officials of the carrier and coerced into an attitude of silent submission or discharged from the service." Of course the Pennsylvania plan carries the usual "no-discrimination" clauses, and talks at great length about "the spirit of cooperation," the "increasing realization that interests are mutual," and "fair play."

The coercive tactics used by the company in its campaign to destroy the workers' real union and herd its employees into the dummy associations are illustrated by many incidents in the story of the Brotherhoods of Railway Clerks. In one instance, in the spring of 1923, when the clerks' union tried to call a conference in Harrisburg of all local organizations, the company officials immediately issued instructions to their local agents directing them to order every employee, who might be expected to attend the meeting, to report for duty on the Sunday for which it was called. And not having any work for the men to do, they ordered them to act as watchmen in the yards—anything to keep them away from the union meeting! In several instances workers who expressed themselves in opposition to the ruthless tactics of the company were immediately discharged. Threats of discharge were usually effective in forcing the clerks to accept and sign for ballots in the company union elections. By doing this, they automatically became members of the company union. (U. S. Labor Board, Docket 405, May, 1923.)

TRICKING THE TELEGRAPHERS

The shopmen and the clerks were not the only railway unions on the P. R. R. that were forcibly treated to a dose of employee representation. The Order of Railway Telegraphers, in spite of a greater willingness to "go along" with the plan, at least to the extent of participation in several elections, fared no better than the others. Its experience with the P. R. R. serves to illustrate further the unscrupulous policy of the road. In this instance, it faced a popular vote of 12 to 1 against its plan. In four separate elections, three of them held under the scheme, the telegraphers, instead of boycotting the ballots, elected members of their union as "representatives." And on each occasion the P. R. R. foiled the efforts of the union men to represent those who had voted for them. All of the elections with one exception were called with little or no notice; all the factors were favorable to management and adverse to the union. Barrels of propaganda were issued by the company. Coercion and trickery and intimidation were employed. Yet the men repeatedly returned a vote in favor of the representatives of the Order of Railway Telegraphers.

The union, of course, contended that under the Transportation Act it was the one and only legal representative of the telegraphers on the road. The company in turn forced its own kind of elections. The workers in each instance resorted to the company ballots but elected union men. On each occasion when union men were elected as representatives, the management refused to accept the results.

As in the case of the shop crafts and the clerks, the

Labor Board upheld the bona fide union in no uncertain terms. It said:

"The employees had the right to select their organization, the Order of Railway Telegraphers, to represent them in all negotiations with the carrier, but the carrier by absolute compulsion prevented the exercise of this right."

The Board also pointed out how the company had "assumed charge of the employees' election, formulated the ballot and the accompanying instructions over the protest of the employees' representatives, and proceeded to hold the election in accordance with its own arbitrary policy."

After making this particular decision, the Board ordered a new election "in which the employees will be given the fullest opportunity to vote either for organizations or individuals." The company, however, as usual, ignored this order, held another election, and, in spite of the repeated coercion and intimidation of members of the union, the O. R. T. men were again elected as representatives. This committee was checkmated by the company at every turn and in desperation was about to call a strike, when the Board stepped in again and held an election under its own auspices. The great majority of the workers, 4,258, voted for the O. R. T. to represent them; there were scattering votes for individuals, and only 318 voted for the company union.

Again the company refused to accept the results and began immediately to coerce the elected representatives to give up their union and accept the plan of *individual* representation. The committees were called into the offices of company superintendents and asked to sign away their union rights and affiliation. Refusing to do

this, they were discharged from the committees or their "resignation" announced by the company.

Following this flagrant violation of the Transportation Act and the Labor Board's decision, the company announced a new election which the union telegraphers, comprising at least 75 per cent of the men, decided to boycott. The remaining workers participated. From this minority the company chose acceptable representatives, and "The Association of Telegraph Department Employees of the Pennsylvania System" was founded. Later in the year, after a company-steered conference in Philadelphia, the P. R. R. announced that it had reached a "satisfactory settlement" with this "rump" organization. The settlement provided for the surrender of practically all the demands that had been made by the bona fide union before it was beaten back by the company agents and replaced by the pliant committee.

OTHER PENNSYLVANIA MANEUVERS

In addition to breaking the bona fide unions of shop craft workers, clerks, and telegraphers, the P. R. R. also undermined the organization of its maintenance of way workers setting up in its place a company "fraternity." In this instance the company was dealing with one organization, *as an organization*, even though it denied recognition to a real union which actually represented its employees. In the same way the company dealt with the four train service brotherhoods as organizations. Simply because the latter were strong, the company did not dare to challenge their existence as it could in the case of the weaker unions. The results of these maneuvers of the company were (1) The P. R. R. could advertise that the Big Four "went along" with the plan. (2) The weaker unions we have men-

tioned above were given no support by the brotherhood "aristocrats" in resisting the company plan. (3) Railroad union solidarity was destroyed.

Additional sidelights on the introduction of company unionism on the Pennsylvania may be noted:

a. We have seen what a mockery the company made of majority rule in the various ballots it conducted in violation of the Labor Board rulings. It is interesting to observe the tactics employed in introducing the plan among those classes of workers most opposed to it and in spite of the almost universal boycott of the ballot by the union men. For example, in the Southwestern district, after the first plan election among shop craft workers, it was discovered that practically all those elected were union men. The management called them into a conference at St. Louis. At first they refused to attend, but finally agreed to go when they were assured they would not be asked to take any official action. What happened is described by an impartial student who carefully examined the records:

"They met at St. Louis and were shown a proposed agreement similar to the one already adopted in the east. This draft was discussed in some detail for two or three days. At the end of that time the men were sent back to their shops without being asked to take any action. Three days later the men were called back to St. Louis. The shopmen were much opposed to having their fellow workers participate in the Company's system even to the extent of going to St. Louis, but they finally acquiesced. When the men reached St. Louis, they met Mr. Henry under orders of the General Manager, Mr. L. W. Geer.

"He told them at once that they had come for

the purpose of negotiating an agreement and produced the draft which they had already studied. The employees said they would have to have time to consider the matter among themselves, whereupon the management withdrew, leaving the 21 employees alone in the room. They decided they would not enter into an agreement with the management, and proceeded to draw up a resolution stating that inasmuch as the matter was at that time before the Labor Board for settlement they deemed it unwise to sign any agreement. All but three of the 21 employees signed the resolution which they presented to management."

Whereupon the manager adjourned the meeting and sent them home. Now comes the real touch of "industrial democracy":

"On August 8th, a month after the refusal of the elected representatives to act as such, the management put the proposed new set of rules and regulations into effect . . . without any pretense of having first obtained the consent of the employees in any way.

"By this order, wages were reduced several cents. The order was signed by the General Manager . . . but not by any representative of the employees."

This is a clear illustration of what the P. R. R. understands by "collective dealing."

b. The company has used its committees both to carry on political and economic propaganda. These committees have been sent to Washington, all expenses paid, to work for bills approved by management and against bills introduced by organized labor. They have also been used to turn out propaganda against government ownership of railroads and other progressive pro-

posals. Dozens of resolutions of this sort have been written by company attorneys, passed at company union conventions, and released to the press by the company's public relations counsel.

c. Agents of the Federal Council of Churches of Christ in America and the Philadelphia Yearly Meeting of Friends who made an impartial investigation of the P. R. R. plan as applied to the shop crafts in 1925 found great dissatisfaction over the piece work schedules but the general level of wages were deemed "satisfactory." However, these wages generally had to be as high as those on other roads, or the company union could not have been sold even to a minority of the workers. It is also a fact that the company reclassified large numbers of the men so that the pay for many of them fell below the rates on roads where real unions prevail. The church committee found that the committeemen, handpicked by management, were "loyal" to the plan, that the rank and file of the workers were indifferent, that none of the workers consider that the plan gives them any real economic power, and that the advertised "cooperation" between men and management is largely on paper. They also referred to the fact that the company, in its desire to get out as large a vote of the employees as possible, had resorted to economic pressure and had played upon the job fear of the workers.

This company pressure was exerted during all the early elections held under the plan. Reports from Altoona and other shop centers were similar to the one which reached the *Cleveland Federationist* in May, 1923. Describing a company union election it says:

"Men who were not at work were brought to the polls in automobiles. No excuses were accepted,

and when workers attempted to 'laugh off' the importance of the event they were given to understand it would be to their interest to present themselves at the polls. All pretense of democracy was thrown aside. The phrases and platitudes that company officials have worn to a frazzle were not heard as the workers were told 'they must vote the ticket.' "

This is the sort of "square deal" the workers on the Pennsylvania have received from their bosses. The booklet describing the plan for public consumption says: "The Pennsylvania Railroad Plan is an accomplished fact. It is no longer an experiment. . . . It is not necessary for Pennsylvania Railroad Employees to resort to a strike in order to get a square deal."

In an address before the Rotary Club of Philadelphia in 1923, Mr. Atterbury, now President of the system, stated that "He Profits Most Who Serves Best," the Rotarian motto, was the principle underlying the P. R. R. plan of employee representation. He asserted that the road had become one "happy family" in its relations with its employees.

CHAPTER IX

RAILROADS (*Continued*)

ATLANTIC COAST LINE

IN addition to the Pennsylvania, as we have indicated, more than 60 of the 200 railroads in the United States have introduced a plan of employee representation or an employees' association among certain classes of their workers. (U. S. R. R. Labor Board, *Local and Unaffiliated Labor Organizations*, 1924.) We shall discuss a few of these company unions briefly for the purpose of bringing out further aspects of railroad company unionism. The Atlantic Coast Line offers some good examples of associations introduced by management to assist in the breaking of strikes. Since the shopmen's strike of 1922, the road has nourished a Shopmen's Association, which the company says it finds much more satisfactory than dealing with the real unions, as it includes none of the "so-called grievance committees" which management found so "troublesome."

But it is the company union among the telegraphers on the A. C. L. that is of peculiar interest. It was installed in 1925 during a strike of the members of the Order of Railway Telegraphers. The company immediately began filling their places with strikebreakers. Then it tried to put over a company union on the strikebreakers. This led to the presentation to the Railroad Labor Board of a most unusual petition. The strike-

breakers themselves protested against the company union and the company's high-handed methods of introducing it. One of the telegrams to the Board early in December read in part:

"We, the undersigned employees of the Atlantic Coast Line Railroad, desire to call your attention to the fact that company union representatives meeting the management Monday are not the choice of the majority of the employees in station, tower and telegraph service, having opportunity of free expression for choice of representation, nor are they elected by secret ballot, but on the contrary are the product of supervised elections by officials of the Atlantic Coast Line Railroad." (*Labor*, December 12, 1925.)

In a subsequent hearing before the Board, it was brought out that the officers of the road made a tour of the property to beat down any opposition that might develop to the projected plan. It was also shown that when the company union was organized, certain chosen men were summoned from 13 districts to division headquarters with all expenses paid. Company officials presided over every meeting. Every man had to sign his name to his ballot in voting for committeemen. The ballots were then sent to the general manager. The company explained the heavy expenditures entailed in calling this conference by saying that the men had no money.

Why did the road start the company union? The testimony before the Labor Board showed that the strikebreakers were making the same demands concerning rules, rates and conditions for which the other men had struck! So the company installed the company

union in order to keep down these demands and in order to produce out of its strikebreakers a more docile and loyal class of telegraphers.

GREAT NORTHERN

Some of the most vigorous "independent associations" have been built up on this railway, particularly among the shop craft employees. The stationary engine employees, mechanics, supervisors, yard masters, telegraph and telephone electricians and dining car workers are also in independent associations which sign agreements with the road. The Brotherhood of Railway Clerks in 1926 blocked an attempt of the company to run that class of workers into a company union formed by some expelled unionists and known during its brief existence as the "System Protective Association of Clerks, Freight Handlers and other Office, Station and Store Employees." (*Railway Clerk*, November, 1926, p. 413.)

The signalmen were also successful in defeating a company union on this line in 1925. In a ballot arranged by the Railroad Labor Board, the trade union secured 78 votes as against 45 cast for the company union. But in 1926 the company agents rallied the signalmen and they were swept into an "independent" known as the Signalmen's Association of the Great Northern Railway. In the hearings before the Labor Board in 1925 it was admitted by company officials that they accompanied company union organizers over the lines when they were signing up members in the company association. It was charged at the time by President D. W. Helt of the Brotherhood of Railway Signalmen that at least minor company officials had expressed their intention "to eliminate all national and international labor organizations on the Great Northern

Railroad." (U. S. R. R. Labor Board, Docket No. 4859.)

The Associated Organizations of Shop Craft Employees is by far the liveliest company union on the road. It is about five years old. Its preamble states: "The interest of our members and our employer being mutual, we recognize the necessity of cooperation, and it is the aim of the organization to cultivate a spirit of harmony between them upon a basis of equity and justice."

The organization has a dues check-off arrangement with the road and members are not permitted to join any other association such as an A. F. of L. union. It is organized on a lodge basis somewhat similar to that of the regular railway brotherhoods, and has the usual grand lodges, system chairmen, adjustment boards and even ladies' auxiliaries. The social and entertainment side of lodge membership is emphasized.

Under the Grand Lodge Constitution the general secretary-treasurer is authorized at his discretion to issue "a small snappy pamphlet" to be sent to members quarterly. The motto of this periodical, which is more slangy than it is either small or snappy, is, "Boost the Road You are Working for. Work on the Road you are Boosting for." This *Shop Craft Gossip* is all that the name implies. It carries long reports of the travels of the company union officials much in the style of a trade union journal. It is full of fight against the A. F. of L. unions. After the convention of the A. F. of L. in 1926, where an assessment was voted to wage the battle against company unions, *Shop Craft Gossip* observed in an editorial dealing with the forthcoming company union elections: "The Old Unions have set aside \$250,000 to break us up. So be sure your vote is

for men who are capable of keeping this Association just what it is today."

The secretary-treasurer of the organization, who declares his body is "the best labor organization on any railroad in the United States," has been charged in hearings before the Railroad Labor Board in 1924 with having long been a "spotter" for a detective agency in the employ of the Great Northern. He had also been formerly a local officer of the International Association of Machinists (*Labor*, September 19, 1925), and had returned to work before the close of the strike in 1922. The evidence presented to the Labor Board at the time also showed that after the shop craft strike, coercion and intimidation were used in forcing workers to join the company union, and that many who refused were summarily dismissed from the service. It was shown that association officials sent out instructions to their lodges on how to bring pressure to make every worker sign up, and thus achieve a closed shop for the company union. A prominent international officer of the International Association of Machinists told the writer, "All the members of the A. F. of L. shop crafts unions who refused to join the company union were discharged."

The officials of this association were the leading spirits in a convention of railway company unions held at St. Louis in September, 1925, chiefly to consolidate these independent associations to help the companies in their fight against the Howell-Barkley railroad bill, proposed by the A. F. of L. and the standard railroad brotherhoods. Although it was charged at the time that another purpose of the convention was to effect a federation between the various railway company unions, the letter calling the meeting specifically stated, "it's beyond consideration, as the success of our Association lies in

the fact that we deal directly between employer and employee and always will." To federate the company unions would be to violate the first principle of these associations. Indeed, an interesting sidelight on this conference call was the fact that certain railroad managements refused to permit their company union officers to attend. At which *Shop Craft Gossip* declared with a superior air: "An association that can't allow its officers to meet with the officers of other Independent Associations and *openly* discuss any subjects of interest, must have little confidence in their abilities."

The St. Louis conference was attended by 52 delegates, representing 77,000 shop craft workers, but of these 30 delegates representing 51,000 shopmen were from the Pennsylvania Lines.

There seemed to be no agreement among the delegates as to the best form of company union to install among railroad shop workers. The Pennsylvania delegates were continually defending their inside committee system while the others stood by their "direct labor organization" system with lodges and semi-independent treasuries, etc. A resolution, introduced by the Great Northern delegates, recommending "that all independent associations should be organized along the principles of direct membership representation" had to be withdrawn because of the opposition of the Pennsylvania delegates. Commenting on this action and the representation system in force on the Pennsylvania, the Great Northern secretary-treasurer said: "On the Eastern and Central Section and Altoona shops, they have absolutely no voice in the management and handling of the organization. They hold no meetings, consequently have no lodges and are not in a position to express themselves unitedly at the various points on any subject."

Thus one railway company union attacks another, declaring its system to be infinitely superior to that of the other lines. This Great Northern association, incidentally, has shown great interest in the development of company unions on other roads and has hailed the birth and growth of new "independents" on the Northern Pacific, the Soo Line, the Santa Fe, and the Union Pacific.

SANTA FE

Some nine or ten company employee associations have developed on the Atchison, Topeka & Santa Fe Railway System since the shop crafts strike of 1922. The machinists, boilermakers, blacksmiths, electricians, sheet metal workers, carmen, firemen and oilers, and maintenance of way workers are among those who now have their separate associations with similar constitutions, by-laws and rules of procedure. All have lodges or locals covering the entire system.

As on the Great Northern and the other roads we have discussed, the company directed the formation of these associations. As one of the division chairmen of the maintenance of way association puts it, "We owe much to the management for the assistance they gave us in organizing and enrolling our members and hope we will be able to prove to them it was money well spent." (*The Association News*, monthly organ of Santa Fe maintenance of way employees, October 1, 1925.) Moreover, according to an official of this association, which was organized in 1925, some months after the shop crafts associations were formed, "the management was besieged with repeated appeals for assistance in an effort to organize an independent association." (The term "independent," as we have noted, means inde-

pendent of the A. F. of L.) In spite of this company assistance to the "independent," the United Brotherhood of Maintenance of Way Employees still has an organization of some of the workers on the Santa Fe.

The associations on the Santa Fe have a fairly uniform method of getting together with the company in monthly meetings. The company has issued a set of instructions called a "Method of Conducting Shop Council Meetings." It stipulates that the order of business at each meeting shall be as follows:

"1st: Reading of minutes of preceding meeting held, showing action taken thereon.

"2nd: Suggestions that may lead to safer practice or more comfortable or more healthful surroundings.

"3rd: Suggestions that may lead to greater economies in operation or to increased efficiency.

"4th: Handling grievances or discussing any differences of opinion arising under the application of the agreement, and disposing of same whenever possible by mutual agreement to do so.

"5th: Shop problems of local management.

"6th: Other new business.

"7th: Unfinished business.

"8th: Discussion of questions or matters in which members of the shop craft associations and management are mutually interested.

"(a) With respect to

(1) Association and lodge matters; (2) collection of dues; (3) increase of membership; (4) lodge rooms within which to meet; (5) entertainment, etc.

"(b) (1) Safety measures; (2) constructive measures that may lend a tendency to make the daily work more pleasant; (3) constructive mea-

sures that may lend a tendency to encourage a greater degree of confidence between employees and their supervising officers; (4) output; (5) efficiency; (6) loyalty; (7) conservation of time and material; (8) relations as between the management and the associations.

"Under the latter sub-division (b), it is suggested that a short address be given or a paper read by one of the officers or one of the committeemen on any one of the eight or related subjects which are of mutual interest to both the management and the employees: to be followed by not to exceed 10 or 15 minutes discussion of the subject matter thereof. It is further suggested that at each meeting the Chairman designate the one who is to prepare the address or paper for the next regular meeting.

"It is further suggested that from time to time association officers and railroad officers higher in rank than those regularly attending the Shop Council at that point be invited to attend and address the Council; also that prominent local citizens be occasionally invited to address the Shop Council while in session."

The character of the associations on this road may be judged also from certain items in the *Bulletin*, the official journal of the combined associations. Reporting on meetings held by the System General Committee of the Machinists' Association with certain division committees, in August, 1925, a few possible changes in the constitution and by-laws are suggested. One is the abolishment of the "lodges" and the substituting therefor of regular and special meetings of the membership. In these membership meetings, decisive action is to be taken only when 50 percent or more of the membership is

present and voting at the meeting. Why this provision?

"This is wise, because these meetings really should take no formal action unless enough of the members are present to constitute a representative number, and in case anything important or serious arises, the members will generally attend the meetings when their interest is at stake. Further, it will prevent a small minority of radical members from getting together and endeavoring to put something over which is not for the best good of the membership as a whole. The old union [the former A. F. of L. body] suffered from this radical minority ruling their lodges because of the non-attendance of the conservative members, and we do not want to perpetuate a condition of this kind in our associations." (*Bulletin of the Associations of the Santa Fe Railway System*, Sept. 15, 1925.)

The *Bulletin* of the associations is full of "peppy" accounts of lodge meetings. A junction shop council meeting is reported as follows:

"The Shop Council meeting at Redondo Junction, August 20, conducted by the night shift, was one of the most enjoyable in several months. Between the regular order of business some good songs were sung and a humorous dialogue given by several professional colored entertainers, to say nothing of the good music by the augmented shop orchestra—piano, two saxophones, two violins, cornet and bass viol. Good cigars with special souvenir wrappers inscribed: 'Santa Fe Shop Meeting, Redondo Junction, August 20, 1925,' were passed around. While the boys couldn't enjoy the smokes during the meeting owing to the new rule against

smoking in Company buildings, it is hoped this matter will be adjusted satisfactorily to all concerned.

"Several exceptionally good papers were read by officers and employees, and some comic verses dealing with the trials and tribulations of one 'William de Bush,' roundhouse foreman, were received with much laughter. In fact the boys not only had a good meeting but were given a free fifty-cent vaudeville performance in addition. The American flag presented to the Council by Jack Raymond, sheet-metal worker, was flown over the assembly hall for the first time. Attendance, 133."

This issue of the *Bulletin* leads off its editorial column with a "Bible Thought and Prayer," followed by an appeal for contributions and two columns on "Membership Delinquency" which mention, but try not to lament, the fact that the road has as yet no check-off system, as do some company union roads, for lining up all the "boys" in the association. It says in part:

"Unfortunately, the *Bulletin* has no infallible solution of the question. Manifestly under the open shop policy of our employer—to which our associations have assented and rightly we believe—we cannot ask the discharge of an employee who does not belong to our association or of a member who is not in good standing."

Then a warning—

"Without a majority participation of the employees affected, the employee representation . . . which is afforded by our associations, will deteriorate and become in danger of falling into the hands of the radicals and the mercenaries which are found in every group of people."

By radicals the *Bulletin* means any workers interested in organizing a union affiliated with the A. F. of L.

Although the associations have no check-off or yellow dog contracts to help them hold their strength on the Santa Fe, they do have provisions in their constitutions and initiation ritual preventing any of their members from joining an A. F. of L. union. The machinists association, for example, expressly provides that its members shall "refrain from carrying membership in any other organization . . . having for its purpose the supplanting or injuring of this Association in its relations with our employer." This, of course, is to prevent "the destruction of our Association by sinister influences [again the A. F. of L.! R.W.D.] which would gladly work among us under the guise of fraternalism until we might be destroyed." The slogan of these associations on the Santa Fe is, "Loyalty to our Country, our Association and our Company."

UNION PACIFIC

Another important road with a number of company unions attached to it is the Union Pacific System. Its chief associations are among the shop crafts, yardmasters, miscellaneous employees, mechanical supervisors, train dispatchers, maintenance of way foremen and clerical employees.

Methods used by the road to introduce its company organizations among the maintenance of way workers are described in a pamphlet, *Company Unions*, issued by the international office of the United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers. Describing the check-off used to collect dues, it points out that when a man refuses to join the com-

pany union they go to the paymaster's office and deduct his dues from his wages whether he wishes it or not. When the worker complains, they hand him a circular explaining that he is regarded as a member of the association. The pamphlet quotes from one of the circulars sent out by a Union Pacific supervisor on the Colorado Division:

"Denver, Colo., Sept. 19, 1923.

"All Foremen:

"Have received quite a few complaints from various carpenters regarding being \$1.00 short on their last half August pay-checks.

"Please advise your men that this \$1.00 was deducted from their pay as enrollment fee in the New Miscellaneous Employees' Association, of which they are now a member; also that \$3.00 will be deducted from the last half September pay as dues and fees for membership in the new union, covering the period from October to December, inclusive."

It was also charged by the A. F. of L. Maintenance of Way brotherhood that while the General Manager of the road was in conference with the real union, telling its representatives that an increase in wages was impossible, division officials of the line were "covering the road, assuring the men *substantial increases* would be granted if they joined the company association." (U. S. R. R. Labor Board, Docket 3141.) The trade union also charged that the road promised the men free coal and other special benefits if they would join the company association. When the benefits were not forthcoming, the officers of the company union became very much exercised and feared that their associations would

disintegrate without company support. It was also shown that the company officials called and dominated the conferences at which the "independent" associations were launched.

Writing in the *Railway Review*, May 5, 1923, an assistant to the Vice-President of the Union Pacific System, G. H. Sines, who has been called the "father" of company unionism on these lines, tells us that the company's employee representation plans developed out of the shopmen's strike of 1922. The new association was composed of the former strikebreakers and the 10 per cent of the employees which had returned to work. These he describes as "the new men who sought to avail themselves of the opportunities offered by the Union Pacific System Lines to fit them for desirable vocations under capable supervisors and in a pleasant environment." These two elements made up the association, but the management initiated and submitted the plan which was accommodatingly adopted.

The agreement made with this association was, from the company's standpoint, a distinct improvement over the previous one made with the real union. The conditions and standards of the workers were considerably degraded but broadmindedness was displayed by the company union members. Mr. Sines explains:

"The conference in which the agreement was negotiated between the Union Pacific Lines and the Shop Employees' Association was one of the first in the experience of those dealing with the shop employee representatives where such representatives were found to be so broadminded, liberal in their views and fair in their relationship to the management as to suggest and propose changes which resulted in reduction of rates for certain classes of

work where such rates were not considered by them as fair to the carrier."

This was indeed a fortunate situation for the company—the employees voting themselves a wage cut. Certainly there must be a philosophy behind this "fair-mindedness." Mr. Sines writes:

"The Shop Employees' Association—Union Pacific System and the Miscellaneous Employees' Association—Union Pacific System, are the embodiment of the fundamental ideals which lead to pure unadulterated Americanism . . . to contentment in work."

The two associations, therefore, adopted mottoes. One took the unique slogan, "A Day's Work for a Day's Pay," and the other the highly original "One Hundred Per Cent Americanism," "either one of which," according to the Assistant to the Vice-President of the road, "is an inspiration to every man to give the best that is in him every minute of the time."

Since its organization in 1923, the Shop Employees Association has issued a *Bulletin*, which is devoted primarily to boosting the "Great Union Pacific Family." Its circulation is now about 11,000. It carries pictures of the athletic teams, both those of the company union and those of the company's athletic association. It runs articles on "Capital—Why is it Misunderstood?" "Formula for Success" (by Attorney General John G. Sargent), "The Cost of Living Drops," "Main Street Owns the Railroads," "Begin at the Bottom," and "inspirational" quotations from Henry Ford and John D. Rockefeller. It prints long articles from officials of the road and extracts from the *Railway Review* and other railway owner's magazines. During 1924 it waged a

hot campaign against the Howell-Barkley bill and the late Senator La Follette. It carries reports of balls, barbecues, picnics and other association social events. The workers write for it on "Loyalty" and "Allegiance." The bosses also contribute. In one instance a Superintendent of Motive Power of the Los Angeles & Salt Lake Railroad (a Union Pacific subsidiary), working under the plan, wrote an essay on "Our Association." He quoted scripture to prove his case. Part of his essay is illuminating:

"Our Employer, in the plan of the Association, raises the level of justice to the higher plane of human fellow feeling. He does more for us because we are his children, a big lovable family, and he goes further than Justice. Read—Matthew 20: 1-16."

Concluding this fundamentalist conception of the company union he writes:

"Now we have proved in history right will prevail and have cited you passages from the Bible which teach you the things or rather explains the things that your Association stands for. This is conclusive proof that your Association is right and in the hands of good leaders such as George Washington and Abraham Lincoln and leaders in Bible time, we will go forward. A wonderful Association this one of ours. Do you believe in it? Answer is proved in history and Bible." (The *Bulletin*, August 31, 1925.)

Although this little sermon gives us some insight into the mind of a typical company booster it fails to explain fully certain actions of the Los Angeles & Salt Lake Railroad in penalizing certain workers who are not so

completely convinced of the divine origin of the independent association. For example, we may refer to the case of one D, a fine old trade unionist employed in the shops of this line. The company union covering his craft had passed a ruling that workers could either pay their dues directly to the company union secretary or have them checked off from their pay envelopes, the latter having been the compulsory procedure up to that time. D preferred to pay his dues quarterly by check. One quarter in 1926 his payment was four or five days late, a common enough occurrence among the men. But the company union secretary slapped a fine of \$1 on D for tardiness in payment. D protested paying this fine. Shortly after this his job was abolished quite arbitrarily. The circumstances indicate that this was nothing more than an easy method of dispensing with his services.

The real reason for this discrimination and discharge became more apparent when nine days after he was laid off he was charged with having handed labor papers to other workers and with telling them that management paid no more wages than it wished to, and that the company union was only a blind to keep the workers out of trade unions. The company could not stand this hostile criticism and D was forthwith laid off through the abolishment of his job.

One of the charges later made against this worker by company union officials was that he read, and kept in his locker, copies of the *Nation* and the *Haldeman-Julius Weekly*. As these liberal journals would probably not be read by other members of the "big lovable (Union Pacific) family," D was looked upon as a dangerous man and considered unworthy to associate with his Bible-

quoting brothers and bosses in the company union.

Commenting on the methods used to secure dues payments in the company union D writes:

"Dues were deducted by a compulsory check-off system from 1922 to 1924. Payments were then for a time made quarterly on a voluntary basis. But so many of the workers forgot or refused to pay that pressure was brought by the company union officials (chiefly stool pigeons) cooperating with company officers. They would bulletin a job as abolished whenever a worker refused to pay his dues. If and when he paid his job was restored.

"Later the secretary of the company union approached the workers advising them that the most satisfactory plan would be to have each worker sign a paper giving the company permission to check the dues out of his pay envelope each month. Some refused to accept this plan but the pressure on them was inexorable.

"I was the last one who refused to sign. I was haled before the master mechanic. I told him I was trying to find out whether it was a voluntary or compulsory plan. He assured me it was not compulsory BUT the management wanted us 100 per cent in the company union. He even offered to put up my dues one month! Finally I told him I would pay quarterly by check."

This D had done until 1926 when his alleged delinquency in one payment pitched him into the trouble already described. It is quite clear from the records in this case that D was laid off for being a thinking, agitating type of worker instead of the dumb, accepting sort so indispensable for the success of a company union.

VIRGINIAN RAILROAD

The status of company unionism on this road is, at the present writing, a matter of dispute before the United States Board of Mediation. The struggle grows out of a revolt of the company union of the shop crafts workers at Princeton, West Virginia. They had been organized by the company into a Mechanical Department Association.

A majority of the shop workers recently decided that they have had their fill of company unionism. Some of them had secretly maintained membership in the International Association of Machinists even when they had been forced into the mechanical department association. When the road discovered this, some of the men were discharged. When the discharged employees asked the company union representatives to take their grievance to the superintendent, they were met with a refusal on the ground that the representatives did not care to lose their jobs.

Seeing they could get no satisfaction through the company union machinery, 70 of the 86 men in the shop asked the machinists' union for a charter. On learning of this, the superintendent either inspired or dictated a petition addressed to himself which was circulated among the "loyal" workers. It asked for the discharge of all trade union agitators since they were alleged to be "destroying the peace and harmony heretofore existing." The president of the road joined in the drive against the "agitators" and the superintendent was ordered to post a notice warning all workers to stay out of the International Association of Machinists or suffer such "drastic action" as management might devise. The superintendent called in the men and

threatened to dismiss them all and to close the shop if necessary, in order to break the machinists' local. He even ordered 10 apprentices to go to the union and demand repayment of their initiation fees. He paid their wages and carfare when they went on this mission.

This action of management is in direct violation of the provisions of the Watson-Parker Railroad Labor Act which, according to railroad brotherhood leaders, is supposed to guarantee freedom of the workers to organize in unions of their choice. While the case is being appealed by six of the men to the Government Board of Mediation, the other 64 men were advised by the Machinists Union to return to the company union until this provision of the law has been tested and the opinion handed down in the case of the six men chosen to make the application.

According to a *Federated Press* correspondent, from whose story the foregoing facts are taken, "if the new railroad labor act is not a fraud on the shopmen's unions, the Virginian Railroad must deal with the local of the Machinists Union as an accomplished fact. All other anti-union roads must do likewise when a majority of the men in their shops sign an application for a trade union charter." (*Federated Press*, Washington Bureau, March 14, 1927.)

OTHER RAILROAD ASSOCIATIONS

Several more of the sixty odd company union railroads may be mentioned, to illustrate further some of the methods by which company associations have been introduced and operated.

Take first the Delaware, Lackawanna & Western and its open war on the A. F. of L. unions. Evidence presented to the Railroad Labor Board showed that officials

of this road used influence and pressure to force the section foremen into an "independent" association. According to a member of the Railroad Board, "the carrier deliberately planned and executed its plans to dominate and dictate the form of organization and representation for Section Foremen." The company also "discriminated against the membership of the United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers by offering increased wage rates, vacations and sick leaves with pay, to Section Foremen, conditional upon their withdrawing from the United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers, and the formation of an organization that would be under the domination and dictation of the carrier."

By similar methods the company built up flourishing company unions of Mechanics, Helpers, Apprentices and Coach Cleaners. At the last two-day convention of this association, held in 1926, nearly 50 locals were represented, these locals comprising some 6,000 workers.

An incidental sidelight on the purposes of company unionism on the Lackawanna is furnished by the director of personnel of that road in a speech before the New York Railway Club in 1926. He declared that "the employees' association has developed natural born leaders of men who have automatically stepped up to supervisory ranks—239 in the last 19 months." (*Railway Age*, September 4, 1926, p. 423.) In other words the company union is a sort of selection agency through which those representatives who serve the company with unswerving loyalty are promoted to higher positions.

On the Boston & Maine Railroad the company union of shopmen, organized in 1922, has been the chief obstruction to the formation of trade unions.

Finally, in 1926, a company union committee of five shop crafts workers, appealing to the company over certain grievances, was discharged. The grievances concerned the adjustment of piece rates and other matters. The committee of five, discharged by the company, have appealed to the United States Board of Mediation.

The Missouri Pacific Mechanical Department Association provides additional evidence of the assistance commonly given to the "independents" by road officials. A letter was sent from the company offices to supervisory officials, urging them to work with the company union committeemen "with a view of keeping up interest in the association." It suggested that "the committeemen should call meetings of the men regularly, and the men should be encouraged by the officials to attend them. The railroad will furnish quarters for all meetings, and they will be suitable and convenient for the purpose." Then to provide means whereby the officials can keep a check on proceedings at these meetings the letter added, "the division and local mechanical department supervisory officers will arrange to be invited to attend the meetings." (*Labor*, July 21, 1923.)

Illustrations of company union tactics come not only from roads which have succeeded at least temporarily in their policy of fastening "employee representation" on the workers but from some that have failed. The Brotherhood of Railway Clerks is one of the standard railway brotherhoods that have fought the company union successfully on several roads. The Southern Pacific Lines in Texas and Louisiana attempted, in 1923, to establish an association bearing the name, Association of Clerical Employees of the Southern Pacific Lines. The Brotherhood of Railway Clerks persuaded the management of the road to submit the question of the choice

of union to the workers. It was found that there were 1,635 employees eligible to vote and a ballot was mailed to each. When they were counted it was found that 1,083 votes were cast, 611 for the standard brotherhood and 462 for the company association. Whereupon the management laid down the arbitrary rule that 818 votes, or a majority of all *eligible* votes, must be secured by the brotherhood to win the right to represent the workers. The brotherhood appealed this arbitrary ruling to the Railroad Labor Board. But the company union, in order to prolong the controversy and gain time, of course, accepted the road's ruling. The Labor Board finally decided that the company had no power to make such a ruling. But in spite of this decision the road held to it. The brotherhood then made an *ex parte* submission to the Board and was finally sustained. The company relented and the company union apparently went out of business. (*Railway Clerk*, September, 1923.)

In another instance a company union of clerks on the Kansas City Southern attempted to supersede the regular clerks brotherhood even while the latter was in negotiation with the management over certain rules and conditions. This "rump committee" was promptly recognized by management and an agreement covering general office clerks was signed. The matter was laid before the Labor Board by the regular union and after six months the Board ruled that the company had no right to make a separate agreement covering office clerks. The company came back with the contention that the regular union did not represent a majority of its employees. The regular union was willing to submit the matter to a ballot of the men, but the company suggested so many restrictions on the election that the

balloting was delayed. Meanwhile the company continued to violate the decision of the Labor Board. Finally the Board upheld the regular union with respect to the manner of the balloting. But the company did not press for an election immediately. Instead it continued to recognize the brotherhood nominally while also dealing with the company union. Then it suddenly announced an election when the General Chairman of the brotherhood was away on vacation. But the brotherhood rallied its forces and with effective leaflets against the company union defeated it by a vote of 411 to 318. Several days before the election, however, the company served notice on the General Chairman of the brotherhood that his service with the company would expire at an early date. Management thus threatened to penalize a union man for fighting back in a scrap which management had done everything to provoke. The case was appealed to the Railroad Board; the clerks' brotherhood finally won. But the company is still doing all it can to encourage an association with which it hopes ultimately to displace the brotherhood.

CHAPTER X

INTRODUCING THE PLAN

As we have examined a few of the plans in force in American industry, we have noticed that they have been introduced in a wide variety of ways. Some companies use their personnel or labor department to "sell" the plan to the workers. Others may call in an industrial evangelist, like John Leitch, to install the plan. Others engage a detective bureau or "engineering corporation" to do the job.

Whatever agency is used by management, certain fairly standardized methods are used to try to convince the workers that the company is sincere and that "co-operation with management" is a great opportunity. In some instances a delegation of workers may be sent to selected plants to observe the working of employee representation there. In other cases, the plan is simply drawn up by management and the workers told where and how they can vote in the first election. In still others, a banquet of the more "dependable" workers is held, and the plan explained in speeches by the personnel staff. Sometimes, of course, when the workers prove recalcitrant, more vigorous methods may be used. Some employers in their haste to get a plan adopted have used strong arm methods. In one instance, described by a responsible trade union official, the workers voted three times on a certain plan, the first two times rejecting it. "The third time, they were

given a space of time to think it over and during that period the company got busy through its superintendents and bosses who told the men they had better vote to accept the plan, because if they didn't the company would shut down." (A. B. Wolfe, *Works Committees and Joint Industrial Councils*, p. 132.)

In the case of the Raritan Copper Works, (subsidiary of Anaconda) the worker delegation method was used. In 1926, the manager of the Perth Amboy plant picked out five workers, who were sent away to study a company union system in the plant of another company. While this committee was away, certain workers began to push forward the idea of a real union, the Mine, Mill and Smelter Workers. The management promptly fired several of the active spirits in this movement. The other workers organized a committee which went to the office asking for the reinstatement of the discharged workers. The manager told them to come back later, he would investigate. When they returned, he told the committee the workers had been discharged for being "fresh" to a foreman. However, on their dismissal cards had appeared the notation, "for agitating."

Meanwhile, the delegation of "loyal" workers had returned to the plant with recommendations for a company union. The elections for delegates under the plan were held, but, thanks to the agitation of the local smelter workers' union, about 60 percent of the workers were reported to have cast blank ballots. Some of the delegates who were elected, out of a plant with 1,300 workers, received but 59 votes; others, even less. Yet the plan went into force.

The defenders of company unions have made much of the fact that a large number of plans have been introduced in entirely unorganized industries where the

threat of trade unionism has not been effective for years. They argue that this shows that management, when it adopts employee representation, has no intention of striking at unionism. In reply it may be pointed out that practically every big corporation has been seriously "menaced" by real unionism at one time or another. They are therefore sufficiently farsighted to realize that the works council must be introduced before another such threat appears on the horizon. They have heeded the advice given by many company union installment experts, a typical example of which appears in a management journal:

"The time for a company to make a move is when all is peaceful and no organizers are about. The employer must be ahead of the game if he expects to win. Let him put it off until the unions are on the ground and getting better entrenched every day, and he will have the fight of his life when he wakes up and tries to put across an organization that leaves the union in cold storage." (*Industrial Management*, v. 61, p. 62.)

The company union employers, affiliated to the American Management Association, who gather yearly to exchange experiences in the field of employee representation, agree that in the successful introduction of a plan everything depends upon the preliminary cultivation, and the "economic education" that has preceded the actual installation. This, they declare, must be carried on without "suspicion of propagandism." They also point out that much depends upon the "leadership," or the person in charge of the industrial relations program in the plant. The chief drawback to calling in an outsider to install a plan lies in the fact that once

he withdraws, and no expert is left to explain things to the worker's, they are likely to resent and resist some of the management's proposals. Many a plan has fallen by the wayside because it was not sufficiently "sold" to the foremen and the "supervisory staff" and was merely a paper constitution, devised by some industrial relations expert who took his salary and left, after he had set the conference machinery on its feet.

Employers' associations that have studied the technique of installation advise that the plan should not be superimposed. It should be sold gradually to the workers and they should, if possible, develop the idea that the whole scheme originated with them. It is suggested by some associations that the best time to introduce a plan is during a period of increasing business prosperity when the company can afford to grant a "fair proportion" of the demands that may be made by the workers during the first period of operation. If some of these demands cannot be met "employees may lose interest in the project." (Burton, *Employee Representation*, p. 96.)

The fact that many company union plans have been introduced through the undercover operations of detective agencies and "industrial harmonization bureaus" cannot be denied, though the more liberal class of corporation executives declare that they abhor the spy system. If they wish the motives of management to be taken at their face value, these executives should devote some attention to cleaning out the professional strike-breaking elements that have associated themselves with the business of installing company union systems. For example, the Sherman Corporation, Engineers, might be given a thorough study. It offers to clients a very complete company union service. Its preten-

tious "Industrial Counsel" charts, in its sales literature, feature "employee representation, organization of procedure, plans, charts, works councils, constructive guidance." Its printed reports on the kind of service it has furnished large corporations are full of items dealing with the same subject. Its weekly letters and "confidential service" mention its achievements in the company union field.

A SHERMAN INSTALLATION

A typical Sherman Service installation deserves detailed description. It was revealed in a mass of daily espionage reports, which came into the hands of organizers of the International Association of Machinists in 1923. These reports dealt with a job done by Sherman for the New York, New Haven and Hartford Railroad. With Sherman's assistance, the road had just broken a strike of its shopmen, and was introducing a company union. Sherman acted as counsel and initiator. He drew up the constitution and by-laws, and the form of yellow dog contract. He placed under-cover operatives among the workers to sell them the idea. He "put over" the whole "constructive" plan. The particulars of this job are of interest for they illustrate what has been done for countless other corporations.

Let us note first a memorandum drawn by Mr. Sherman himself. It is addressed to a subordinate at New Haven who is dealing with the railroad company. It presents Mr. Sherman's suggestions with regard to the company union then being established. The memorandum is entitled, "Analysis of By-laws of Mechanical Department Association, New Haven Railroad System." The proposed company plan is taken up section by section and article by article, Mr. Sherman offering

a bit of polish where the edges seem jagged. He is specially solicitous that the qualifications for representatives be properly determined lest some union nucleus break through and disrupt the body. He phrases it this way:

"Article 3, Section 2.

"Membership in the association is not restricted and the only qualification required of a candidate for the position of representative or for any office in the Association is that he be an American citizen and twenty-one years of age. While for the first election it may not have been delicate to restrict members, representatives and officers to any great degree, yet it would seem advisable to provide some reasonable restriction for the future, otherwise the membership with its voting power might be overwhelmed by undesirable members. . . . The 'good fellow' or the 'spell binder' type would be likely to be elected, irrespective of the brief term of his employment."

He then suggests that the company had better stipulate at the outset its right to count the ballots:

"Article 4, Section 4.

"The assurance of fair and honest elections can be best safeguarded by management cooperating in its supervision as a matter of policy rather than as 'may be desired by said committee.'"

On the next page he shows a certain shrewdness in advising the company to hold association meetings monthly instead of quarterly, and in this connection observes:

"If a labor organization were to hold its meetings but quarter-annually, interest in it would soon

wane, and the organization would meet with an early death. *It is necessary with an independent employees association to keep in mind all factors that create and maintain enthusiasm in labor unions, and to meet these requirements in so far as it is possible, by displacing destructive thought and action by constructive effort.*" [Our italics.]

Then he urges the company to adopt the "individual contract" to bind all workers to the association. "It would be well," he writes, "to prepare an application whereby the member will 'in consideration of employment and membership in the association' agree to observe its rules and regulations."

In another memorandum, devoted to a comparison of the by-laws drawn by the company officials and the more skilfully devised document proposed by the service, which, incidentally, was finally adopted, the service sounds a note of alarm in referring to certain loosely drafted clauses of the company plan:

"The powers vested in the Employee's Representatives under this plan would not prevent their so amending the by-laws as to permit for the election of representatives and committees from among outside labor organizers or others not employed at the plant."

Indeed, there is real danger in the clumsily framed by-laws of the company association. For, says Sherman, "there is nothing apparently anywhere in the by-laws which would prevent the entire Association from being delivered to the American Federation of Labor or any other national labor body." Amended by Sherman, these pitfalls were easily avoided.

WORDING THE "YELLOW DOG"

Then we come upon a letter which is worth producing in full even though it repeats some of the counsel already given to the New Haven with respect to the "yellow dog" features of its anti-union association:

"SHERMAN SERVICE

	Boston,
Production Engineering	January,
Industrial Co-Ordination	Eighteenth,
Series U571 A	1923.

Mr. C. L. Bardo,
Gen. Mgr. N. Y. N. H. & H. R. R.,
New Haven, Conn.

Dear Sir:

In addition to changes in by-laws of the M.D.A., as submitted in previous communication, the following in reference to the application for membership occurs to us:

A member is not specifically obligated to the constitution, by-laws and amendments of the Ass'n., unless the multigraph form of ballot used in advance of the formation of the Ass'n. is still being used in substance, as in application for membership. Otherwise, it would seem to be well to prepare an application whereby the member will 'in consideration of employment and membership in the Ass'n.' agree to observe its rules and regulations.

Attached herewith, are copies of two application forms, either of which we believe would be suitable. Form No. 1 is rather moderate, altho *quite effective*, while that marked No. 2 is of a more restrictive character.

We are also suggesting further addition to the by-laws, to be paragraph No. 2 of the Preamble, as follows:

'It is hereby mutually agreed between the members of this Association that during the period of their employment by the New York, New Haven & Hartford Railway, they will not join or affiliate with any other organization, association or trade union covering the same kind of work as that performed by the members of this Association, whose obligations, functions and purposes are the same as, similar to or in any way conflict with the Constitution and By-laws of this Association.'

A clause similar to the above has been adopted by the Employees' Ass'n of the C. R. I. & P. [The Rock Island Railroad. R.D.]

The other additions noted as attached herewith are those recommended by Mr. Sherman personally.

Yours very truly,

SHERMAN SERVICE INC.,

(signed) *Walter C. Cole,*

Advisory Director."

WCC/6

The two sample application blanks, excellent specimens of individual contracts, were attached to the letter. Number two reads as follows:

**"APPLICATION FOR MEMBERSHIP MECHANICAL
DEPARTMENT ASS'N NEW HAVEN RAIL-
ROAD SYSTEM**

Believing in its purposes and desiring to avail myself of representation of the employees of the N.

Y., N. H. & H. R.R. in all matters pertaining to the relations of such employees with their employer and such as is provided by and consistent with the Transportation Act of 1920, I hereby voluntarily make application to the Secretary of said Association for membership therein and agree to obey its Constitution and By-laws and that while employed by the said Railway Company in any capacity which entitles me to retain membership in said Association, I will negotiate with said Company as to my service as an employee, the representation of its employees in general and all matters covered by the Constitution and By-laws of said Association and consistent with said Transportation Act of 1920, only through said Association, unless I elect to act personally in my own behalf; and I also agree that during such time I will not join or affiliate with any other organization, association or trade union covering the same kind of work as that performed by the members of said Association, whose obligations, functions, and purposes are the same as, similar to, or in any way conflict with the Constitution and By-laws of said Association."

It need hardly be added that the strictest features of Mr. Sherman's plan were adopted and that the M. D. A. was nursed through its infancy by the agents of the Service placed in the various shops of the New Haven. In the daily reports submitted by these undercover men, special attention was invariably given to the ups and downs of the M. D. A., of its meetings or failures to meet, of its popularity with the workers, some of whom, although they were strikebreakers, regarded it with suspicion. And every effort was made by the operatives X-13, Y-59, Z-36, and their fellow spies, to convince the human material upon which they were

paid to work, that the association was "to the workers' interest" and not a "bosses' affair."

THE OPERATIVE "SELLS" THE PLAN

A careful analysis of the service reports to the railroad company reveals the various purposes for which Sherman had been engaged in connection with the strike. At least the reports show the service attempting to accomplish the following objects, not the least of which, it may be gathered, is No. 2:

1. To tell the strikebreakers what extraordinary "advantages" the shop holds for him, thus discouraging labor turnover.

2. To sell the Mechanical Department Association to the workers, making it popular with smokers, "sociables," and bowling leagues.

3. To convince the workers that the labor union is always destructive and the company and the M. D. A. always "constructive."

4. To urge the workers—strike-breakers inclined to be lazy and incompetent—to speed up and improve their work. If they do this the A. F. of L. union men will never be taken back to replace those who are now "loyal" to the road and members of the M. D. A.

5. To make more or less feeble suggestions with regard to improvement of the technical processes and social relations in the shop. Recommending, for example, that the toilets be open, that a hinge be oiled, that an electric light be altered, that a lunch counter be improved.

6. To remove forthwith all radicals—any worker who questions the divine right of the New Haven to run its property as it sees fit, or who opposes the M. D. A.

7. To stimulate enthusiasm for, or at least liquidate the opposition to, the 9-hour day.

8. To cheer up the workers and fill them with "constructive educational thoughts" [a common Sherman promise.]

In the daily reports of the under-cover operatives we find the company union outstanding in its claim upon the attention of the Sherman agents. We find Worker No. 82, for example, spoken of as "appreciative of the plan." In other words, he is for the M. D. A. and the spy reports that he will be encouraged to "cooperate in the effort to promote its membership." Indeed any worker who favors the plan is reported as "loyal" and "faithful" or if he at first shows signs of resentment, followed by a more cordial feeling toward the plan, he is said to be "responding favorably to constructive treatment." Should a worker be lukewarm and passive toward company unionism, "further efforts will be made to correct him."

When a new man appears on the job, this is what happens, at least this is what the spy reports:

"Herbert Hooker, recent employee, was promptly cultivated upon his commencing work. He was advised of the advantages of the M. D. A. and responded favorably. He will be given continued attention."

Above all, it is well to know what the company union is doing in meetings not attended by company executives. The Service furnishes full reports on all meetings and supplies copies of the minutes to the higher officials.

We find, however, that the company plan like all the others we have examined interferes in no way with the

client's right to fire his workers for infraction of company rules. In one instance we find the M. D. A. presuming, on the initiative of one or two workers who had apparently not been so well "cultivated," to interfere in a discharge. It is soon set in its place and told there will be no relaxing in the old rules of discharge.

But in spite of its complete failure to function as a committee to protect the workers' rights in the shop, we find it busy arranging picnics, dances, smokers and athletic meets. The Sherman operatives keep it in this harmless field by their unceasing cultivation of the "constructive attitude" among the workers.

It should be added that the M. D. A. of the New Haven system, with its constitution packed with Sherman's provisions and its yellow dog contract in full force, is still flourishing. Whether the Sherman undercover operatives still snoop about directing the work of the association, is not known. The motto of the organization is "cooperation." It issues one of the most elaborately illustrated company union magazines in the country. The number for April, 1926, contained 24 pages with more than 30 pictures and cartoons, some of them covering a whole page. Mr. Sherman still tells his prospective clients that the New Haven job was one of his biggest company union installations.

The Sherman Corporation, it may be noted in closing, is not the only industrial spy concern dealing in company union installation. The Corporations Auxiliary Company and other larger "human engineering" services have peddled the plans to the employers. One Boston agency was for a time busily engaged in attempting to persuade New England textile mill agents to install these plans. It sold one to the National Sun Silk

Company of New Bedford. This was a House, Senate and Cabinet type of plan and was used by this company in ridding its mills of the local organizers for the Amalgamated Textile Workers of America. When the union was finally liquidated, the plan was dropped as it had served its purpose for the company and was no longer needed. (For a full account of anti-union espionage operations, see Sidney Howard, *The Labor Spy*.)

CHAPTER XI

SPECIAL SIDELIGHTS ON COMPANY UNIONISM

THE COMPANY UNION AND THE YELLOW DOG

It is perhaps only natural that the companies should do everything possible to achieve a 100 percent closed shop for the company union, just as it is the desire of the trade union to achieve the same standing in plants where it is recognized. But the individualistic pretensions of the company seem even more hollow than usual when they are found to be using every form of coercion to force workers into a company association. One common form of coercion is that applied at the very beginning, when a worker is hired. He is given a contract or agreement to sign. This specifies that he will belong only to the company organization and will not join any outside trade union.

Already we have noted some of the companies using the yellow dog contract in connection with the building up of company union membership. Some of the transportation companies that have employed this method are the Atchison, Topeka and Santa Fe, the St. Louis and San Francisco, the Interborough Rapid Transit Company, the Brooklyn-Manhattan Transit Corporation, the New York, New Haven and Hartford, the Boston and Albany, the Rock Island, the Pacific, the Milwaukee Electric Railway & Light Company and the St. Louis Southwestern Railroad. The Pacific

Coast Coal Company has also used the yellow dog to build its company union. Companies that have submitted yellow dog contracts to their workers have discharged those already employed who refused to be ruled by the agreements made between the company and the "independent" association.

Individual contracts such as the one we have already noted on the lines of the Interborough Rapid Transit Company have been used as a basis for securing anti-strike injunctions against workers who have attempted to break away from the company union and join a trade union. The yellow dog contract may thus be considered one of the chief defenses built by the more hard-boiled companies to protect their feeble and hothouse-grown company associations.

"NO DISCRIMINATION"

This is the promise of practically every company union constitution. The company says it will not discriminate against a worker by virtue of his membership in a labor union or any other organization. Except in the yellow dog concerns just discussed, where to become a trade union member is to violate a contract signed with the company, this provision is usually observed. The instances of workers fired for *belonging* to a union are few and difficult to prove. But to belong to a union and to work, as every trade union man ought to work, to organize his shop and to get every worker into a trade union—that is quite another story. Hundreds of workers have been "laid off," demoted and otherwise victimized by company union concerns for this kind of agitation. We have mentioned many of these instances above in our description of individual

company unions. In most cases the reason is not given outright. The worker is not told in so many words that he is being discharged for union agitation. He is simply called a "troublemaker," or "agitator," or a "source of discontent." He may even be looked over by some industrial psychologist and found to be lacking in "adjustment" to his job. Or the job itself may be abolished. Or he may be demoted, or laid off in one department and offered a job at much lower wages for the same work in another department. There are a hundred and one ways of getting rid of a worker in a non-union shop without giving any specific reason for the company's action. A violation of some minor technical rule, ordinarily overlooked, may be offered as an excuse by the foreman or the personnel department. There is always some way discovered to dispose of a trade union man who is doing his duty as a trade unionist.

Some companies make their position clear enough in certain provisos added to the no-discrimination clauses of the company union by-laws. The Standard Gas Company of Oakland, California, for example, says, "If any employee wishes, he may be a member of a labor organization, but no interference in the affairs of the organization [the company] is tolerated from outside." "Interference" is interpreted as any attempt on the part of the worker to enlist his fellow workers in the trade union organization of which he is a member.

One fact stands out in practically all company union plans from the more "liberal" ones to those of the hard-boiled Western Union and the Pennsylvania Railroad—the management retains the right to hire and fire. Final authority is vested in the executives. The works council has no power over such matters. In other words, the

worker, under a company union, is actually no more secure in his job than the worker in outright, undisguised, non-company union open shop plants such as those of the United States Steel Corporation or the Ford Motor Company. He may be able to appeal, through a long list of subordinate officials and joint committees up to the very throne of company power. But the power rests with the company, and the worker can be discharged at will in spite of all the verbal promises and pretensions of management to the contrary.

Occasionally the ruthlessness of a company in exercising its power of discharge is illustrated by the wholesale dismissal of workers who refuse to "go along" with a plan. The National Industrial Conference Board admits a number of interesting examples of this practice. One is described as follows:

"In a western motor concern, one department which consisted almost entirely of union employees refused to elect any representatives, and maintained this attitude for over two years. Recently, when a wage reduction was necessary in that plant, those employees refused to accept it *and were accordingly discharged*. The employees hired to take their places have manifested an interest in the Council and have joined the rest of the employees in supporting it." [Our italics.] (Experience with Works Councils in the U. S. Research Report No. 50, p. 142.)

Doubtless this plan carried the usual no-discrimination provisions. But in a crisis—such as an unpopular wage reduction—these prove to be nothing more than verbal assurances. When they are not openly disregarded as in this instance they are often quietly and secretly violated by the companies making them.

THE CHECK-OFF

In our survey of railroad company unions we have noted the frequent use of the check-off to collect company union dues. While objecting to this method when it is used in a contract between a trade union and an employer, these open shop corporations have nothing to say against it when it meets with their own purposes. They quickly forget their open shop principles.

The check-off is used on a number of roads including the Chicago and Alton, and the Union Pacific. A statement by a worker who had a relative working in the Alton shops illustrates the practice:

"After the company union was introduced the first pay he received was short \$1.50. He went to the timekeeper and called his attention to the shortage. The timekeeper assured him it was all right, that the shortage represented the company union 'dues.'

"My brother-in-law said he had not joined the company union and had no desire to do so. The timekeeper told him that didn't make any difference; his name was on the company payroll and that made him subject to the company union. He was at liberty to do one of two things—stand the gaff or quit the job. Jobs being scarce, my brother-in-law stuck." (*Labor*, November 20, 1926.)

At this writing the Chicago and Alton is still checking off these dues even though more than 85 percent of its shopmen are members of the A. F. of L. unions and fighting for recognition of their organizations.

Even where voluntary payments are the rule the workers are sometimes fined if they fall behind, and the company is likely to post a notice like that posted

in the Galesburg shops of the Burlington road in 1926: "Men who do not immediately pay their dues will get straight time (instead of time and a half) for overtime."

POLITICAL USES OF THE COMPANY UNION

The first section of article XIV of the Constitution and By-Laws of the Shop Employees' Association of the Union Pacific System reads as follows:

"The Association or any of its Units or Lodges shall make no political endorsement, nor discuss or permit to be discussed in any Convention or Lodge, any political subjects. This paragraph does not prohibit the Association from legislating, through its representatives, on any political subject that may be considered inimical to the welfare of this Association or defending, through its representatives, its rights and policies against all legislative measures, national or local."

Any legislation that the company deems "undesirable" the company union would doubtless regard in the same light. It thus becomes a convenient political weapon for the company to employ in its offensive against the trade unions.

We have already observed how the Pennsylvania Railroad has used its company union to turn out propaganda against the Plumb Plan, public ownership, "La Folletteism," and various laws supported by organized labor. The Pennsylvania is not the only system that has sent delegations of company union members to Washington to shake hands with the President and to create an impression of "labor support" in the lobbies of Congress. Many others such as the Santa Fe and the

Missouri Pacific have indulged in the same tactics. In addition to opposing the Howell-Barkley bill, backed by the rail unions and opposed by the managements, the "independent associations" have been used to back legislation of a more general character with no direct relation to railway problems. Some of them went so far as to serve the interests of the companies by agitating for the Mellon tax-shifting scheme and other reactionary measures, having no other purpose except to promote the financial interests of Big Business.

In 1926 company union agents of certain Canadian coal companies were used to lobby against an honest checkweighman bill introduced in the legislature of British Columbia. Should company unionism develop extensively among the coal mines in the United States there is no doubt that similar measures would be taken to repeal the protective measures passed through the efforts of the organized mine workers.

In another instance, a company union delegate from a large packing plant was sent before a state senate to oppose a bill for the eight hour day. His speech was in part as follows:

"I represent the employees of _____ Company. This plant is working on an eight-hour workday basis. The workers are being paid time and a half after the eight-hour period and are well pleased with the arrangement. They are not in favor of the bill, because it would prevent them from earning overtime money which they now earn. Should this bill be passed as it now stands, it is my opinion that the company would be forced to work two shifts."

After helping his company to defeat the bill to establish the eight hour day, this company union delegate and

the workers he was supposed to "represent" were rewarded in an ironical manner. Two months later they were asked to accept a fifty-four hour week and a ten hour day. Overtime was to be paid for all work done after ten hours!

AS A WEAPON AGAINST A LABOR PARTY

At conferences where company union practitioners meet to exchange experiences, the political importance and implications of employee representation are always discussed. At one of these conferences in 1924, attended by personnel managers from many great corporations, some with as high as 20,000 and 30,000 workers in their company unions, the "menace" of the La Follette progressive movement was touched upon by a number of delegates. For example, the Vice President of a certain steel company referred to the fact that the Progressive Party had convened in Cleveland a few months before. He declared that the business conference which he was addressing—a conference specializing in ways and means to improve company union plans—was "diametrically opposed in principle" to the progressive political party. He said that the company union conference would go far to "offset" the things for which the progressives stood, and added, "If we can bring about sound industrial relationships, we will have done much to take away the fire and the ammunition from the radical and the agitator and as business men we should take advantage of every opportunity to secure from those who have had experience in the handling of employee relationships such parts of their experience as will be helpful to us in the solving of our problems."

Other speakers at the same conference referred to

the progressive political movement, calling it "radical" and "unsound." They all urged the company union as the solvent of the industrial problem which would make unnecessary such drastic solutions as were proposed by the progressives, supported by the A. F. of L., in the 1924 presidential campaign.

The American employers fear the growth of any sort of genuine labor party much more than they fear and oppose either a mere progressive party or the present legislative activities of certain state federations of labor. If they can build rival labor lobbies to serve their purposes they will have gone a great distance towards forestalling the development of a labor party. The company union is one of the most effective ways to foster these "class peace" labor organizations. Should the organized labor movement of America ever develop militancy on the political field, the company unions would undoubtedly serve as the nuclei for rival "labor parties" used by the business and financial interests to mislead and confuse the workers.

CHAPTER XII

LABOR'S CASE AGAINST THE COMPANY UNION

IN all our detailed description of specific plans we have indicated either directly or by implication the labor criticism of company unionism. We have also noted above the various company objectives. In all of these the anti-union, anti-agitator motive stands out prominently. It remains here merely to summarize the more common labor arguments against the company union. Most of them are repetitions of those already noted in the foregoing sections. But they are based also on countless reports from the trade union press, and on interviews with company unionized workers.

1. The company union is really not a "union" at all but rather a form of labor regulation or labor management adopted to serve the needs of the employer. In large industries it costs less to handle men in groups than in units of one. The company union is a form of "group handling." It is neither self-initiated nor self-perpetuating. The company creates it, carries it on, and discontinues it at will. The company alone can alter the fundamental constitution or by-laws.

2. Although the company union advocates speak of "collective bargaining" and of "dealing with our men as a group," there is no equality of bargaining power possible under such a plan. The "bargaining" of the company union type is not between strong and well organized forces on both sides. The workers are prac-

tically at the same disadvantage as under complete individual bargaining. They have no power to strike. No treasury or reserve funds are permitted for any such purpose, or for any purpose outside the sphere of "welfare" benefits.

3. The workers are permitted no independent outside representatives of any kind, no technical men or expert organizers or negotiators. Under present day conditions real collective bargaining can be carried on only by those who have some knowledge of markets, the business cycle, buying and selling methods, and the conditions prevailing throughout the country in a given trade. The intricate and technical details of wages, hours and costs of living must be studied by persons who can give their full time to the subject. All of these agents the managements can and do hire,—statisticians, wage experts, labor managers, economists, lawyers, industrial relations functionaries. Yet the worker in the company union is expected to come tired and weary from his job and take off an hour or two a month to "represent" his constituents in such difficult matters. "Collective bargaining" under such conditions is either a farce or an open fraud. In a court of law the worker has at least the technical right to be represented by competent counsel. In a company union outside counsel that cannot be discharged or discriminated against is denied him. For this would violate the "cardinal principle" of the whole scheme—its complete dependence on the will of the corporation.

4. By the same principle trade unions are barred from participation in the plan except in a few instances where the company has used one union, covering a limited craft, to prevent the organization of the great mass of the workers. The plans are most commonly used to

fight trade unions. They are introduced as "substitutes" for trade unions. They are installed after trade unions and trade unionists have been expelled from the plant. In fact the company union is usually nothing more than a weapon of conflict used to prevent the workers from organizing in labor organizations with national strength and national affiliations.

5. The employers go farther than that. They even prevent their company-unionized workers from having connections with workers in other company-unionized plants of the same company. They discourage the interchange of ideas concerning matters of any importance. There may be an occasional trip to inspect the safety apparatus, the ventilation or even the works council procedure in another plant. But the management usually discourages any further steps towards fraternization between workers in their different factories. In fact it usually plays off the workers in one department of a plant against the others and keeps them split up even in the joint conferences.

6. Having organized the workers into company brotherhoods and works committees, corporations frequently use the agreements made between these dummy unions and the corporation as the basis for injunctions against any outside trade union that may try to organize the workers. Particularly is this true of company union firms, such as the Interborough Rapid Transit Company, where the yellow dog contract prevails. Such actions reflect clearly the real attitude of the companies toward the trade union movement.

7. The company associations, as we have just noted, are usually confined to one shop or plant. Competition in the national market makes it impossible, they say, to give any higher wages than those paid in other plants,

In fact, through a system of complicated supplementary rewards and bonuses, they are often able to pay below the basic national wage scale for the particular industry. Unlike the trade union, the company union, even granted an economic force which it does not possess, could have no effect upon the wage scale for the industry. A trade union exists for the purpose of exerting pressure on all employers in a given industry or market. There are no individual shop solutions to the problem of wages or hours. The company union is thus, in effect, nothing more than a "parasite," accepting the wages that have been struggled for in the wider field by the trade unions.

8. While confining this "selective bargaining," as it might be called, to one shop or plant, the corporate employer, with characteristic inconsistency, affiliates nationally with other employers in his industry. He joins state and national manufacturers' associations and special industrial associations. He does this while at the same time doing everything possible to prevent his workers from joining any association reaching beyond the walls of the one plant or company. He struggles to keep them out of any association not controlled completely by the immediate corporation.

9. Through his state, national, and special employers' associations, the employer carries on unceasing propaganda and campaigns of "education" and advertisement against public ownership, social legislation, civil liberty, real unionism, labor laws and everything that has been either achieved or advocated by the labor movement. At the same time he forestalls every effort of his workers to join the national labor organizations that are striving at least to bring some measure of relief to the workers through legislation. The company union is aimed not

only at the trade union as a power in the shop but at the whole trade union movement in its legislative and political phases. A victory for company unionism in America would not only destroy the trade unions as an economic force but end all hopes for a labor party representative of the wishes of the workers.

10. This leads to a further point that can scarcely be over-emphasized. The employers count on using the company union as their most effective "educational" agency for the inculcation of capitalist economics and a reactionary political philosophy. They would make of every worker an ardent worshipper of the system of private profits and a subscriber to the political opinions expressed in the *Saturday Evening Post* and the *Wall Street Journal*. They desire to develop in the mind of every worker a suspicion of trade unionism, of public ownership, of any efforts even to regulate or control the tremendous power of capitalist imperialism. Every advocate of employee representation lays great stress on the "moderating" and "educating" effects of the plans, and the facilities they offer for reaching and directing the minds of the workers into conservative ruts.

So much for the broader aspects of organized labor's case against the company union. The picture is not complete, however, unless we add some of the characteristics of the plans themselves, their inherent weaknesses and dreds of factories and railroads. All these indictments cannot be brought against each and every plan. But they are sufficiently widespread to be cited as significant drawbacks and defects which serve to complete and confirm our conviction that employee representation is one of the major menaces to the American trade union movement

1. Employees under works council plans are usually

not permitted to hold separate meetings. In the first place, no mass meetings of workers to discuss shop problems and grievances are permitted. In the second place, separate meetings of the workers' committeemen or delegates to joint conferences are usually prohibited. They are forced to enter the joint committees, to face representatives of the corporation, without any previous consultation with each other or the opportunity to reach an agreement as to their programs or demands.

2. Because of this absence of separate meetings it is usually impossible for the workers to instruct their delegates to the joint committees or to force them to run on any platform except that of personal popularity. As a result it is not difficult for management to win over some weak or conservative worker to vote with it on matters of real importance. The will of the workers—if they have any—in the absence of meetings and methods of developing a plant public opinion, can thus be thwarted by a single "company man" or one, who in some instances, may be even an espionage "operative" or company stool pigeon.

3. The fact that the worker is paid by the very company he is supposed to be "bargaining with," the fact that bribes or various subtle varieties of rewards can be offered him, the fact that reprisals and discrimination have been practiced on company delegates—all these are matters which count heavily against the plans in spite of all the promises and fair words of the corporations.

4. Practically every plan limits the subjects that come within the sphere of the delegate's legislative powers. Usually their discussions are confined to safety, suggestions, awards, athletics and recreational activities. Matters which are definitely outside the field even of

mutual discussion vary with the company and the type of plan. These subjects include wages, hours, overtime pay, working rules, employment (hiring and firing) transfers and similar matters. The delegates may debate for hours over the style of wash bowl to be introduced in the company club house. They may even be permitted an opinion as to the color of the sky lights—the works councils used by the British to exploit the workers in India permit as much—but over the vital issues, some of which we have just mentioned, many of the plans bar all discussion.

5. Most plans, we have discovered, are purely advisory or consultory. The workers, no matter how wide the range of subjects discussed, have only the right to "deliberate," to "talk," and to vote recommendations or suggestions. The final vote or veto rests with the company officials whose managerial powers are never encroached upon. Some companies admit these limitations quite openly saying, "we can allow the workers great leeway in questions discussed so long as we have the final vote. We can permit them to discuss almost any question." Others try to make the public and the workers believe they are having a final vote on matters which are really determined only by the company president or the board of directors.

6. Presiding over the joint committees is usually the personnel manager or some other salaried agent or executive of the company. He and the foremen usually "guide" the discussion. A company man usually keeps the books and records and acts as secretary of the joint committee. Under most plans the secretaries of the standing committees or sub-committees—such as those on safety and sanitation, economics, sick benefits, Americanization, athletics, recreation, etc.—are appointed by

the management. Even though these "company men" may have no vote, still they occupy strategic positions and, as the company minutes show, do most of the talking, explaining and advising as they vigilantly direct the discussion into "constructive channels."

7. Finally there may be noted a few minor points that have emerged in our discussion of several plans: The elections are sometimes crooked and company manipulated, and the resultant vote for delegates represents but a fraction of the workers. Certain "loyal" men are favored or endorsed by management. The workers are often forced into the plan without consultation or explanation and against their better judgment or desires. The meetings are almost invariably held on company property and under circumstances which give the worker the feeling that he is under the roof of management, a sort of guest who should display the best manners he has and not disturb the atmosphere of the harmonious "Big Family." It should be remembered also that the company unions, being completely dominated by the corporations, are continually violating their announced and advertised provisions. Scores of examples could be cited. A recent incident on the Pennsylvania Railroad is sufficient illustration. Under the employee representation plan, wage changes are to be discussed in the committees. But the *Railway Clerk* points out:

"A notice was recently posted in the freight depots of the company in Cincinnati reducing the tonnage rates of pay of tallymen, truckloaders and truckmen and changing the basis of figuring their pay. It was issued without any semblance of consultation with the employees. The company didn't even make the gesture of holding a meeting of its hirelings masquerading as 'employee representa-

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tives' to get their formal O. K. The order was posted three days before its effective date and signed by the agent." (*Railway Clerk*, September, 1926, p. 327.)

Students of company unions who confine themselves to an examination of their paper provisions, and who take no notice of their actual deeds, have rated the Pennsylvania plan among the highest. So we need not summarize here the hyprocisy of dozens of other firms whose phases are as smooth as those used by the Pennsylvania, but whose industrial practices are equally patterned after the "voluntary cooperation" of Benito Mussolini.

CHAPTER XIII

CURRENT TRADE UNION TACTICS

THE trade unions have an overwhelming case against the company unions. Are they making the most of it? Are they doing their best to out-manuever the companies and their pet councils, committees and associations? What are some of these tactics of the trade unionists?

The answer to these questions involves a frank criticism of American trade unionism, and of present-day trade union leadership. The writer may perhaps best indicate the line of this criticism by referring to the attitudes of certain officials of organized labor. Their public statements and more particularly their opinions expressed in letters and private conversations show what they are doing—or not doing—to meet the situation.

It goes without restating that all these labor men are opposed to the company union and have poured out their feelings against it without reservation. A hundred pages of this book could be filled with their attacks on employee representation. But behind this barrage of words what have they been doing to offset the company union or to formulate the trade union tactics against it? A careful examination reveals little that could be described as encouraging.

Some of our present-day trade union officials, while attacking the company union in their speeches, will tell you in confidence that they have no fear of the animal.

They feel certain it will meet an early death. Their argument runs something like this: "The workers who play with the company union will very soon burn their fingers and become disillusioned. They will see that the plan is merely to betray them, that they can secure nothing substantial from it, that it is infinitely inferior to the trade union. They will, thereupon, return to our fold, or if they have not been trade unionists before they will suddenly see the light, and come over to the real unions. In the meanwhile there is nothing that we can do except to sit tight and observe the process. No special tactics are necessary. The company unions will pass away in due season leaving us in command of the field."

This statement of the miraculous elimination of company unionism is not exaggerated. It represents the stereotyped attitude of a large number of trade union officials in industries where company unions prevail. It is usually combined with considerable ignorance as to the number, types and character of the company unions that have been introduced. The writer has had occasion to write to the heads of various unions in industries where the company unions have made significant advances. Some of the replies have been a pathetic revelation of ignorance and indifference to the whole problem. "Very sorry, but I'm not familiar with the company unions in our industry. Yours fraternally," is the gist of a number of such replies. Sometimes this may be supplemented by a vague reference to the larger companies whose names have appeared repeatedly in the press and whose propaganda for employee representation has been broadcasted from coast to coast. The indifference of certain trade union officials in this matter is indicated in a sentence from a letter written to the author by a rank and file worker, a company union dele-

gate, who has tried without success to get the union interested in organizing his plant, now under the domination of a company plan: "God knows, brother Dunn, the officials of the . . . union are dead to the issue of organizing." It may be added that this worker is not a "radical." He merely wants to see his mill organized in a real union.

Some union leaders have replied to inquiries about company unions by dictating a page or two attacking some "dual union," or laying it all on the "Communists!" One union leader has gone so far as to declare that the company unions are responsible for "Communist propaganda." Therefore they are bad. But what to do about them he does not suggest.

It is interesting to note in this connection that one of the major criticisms leveled against company unions by such trade union officials as Matthew Woll, Vice-President of the A. F. of L., is that they are "irresponsible organizations." They cannot be controlled by "responsible" trade union officials. Therefore they are likely to get out of hand and become as "threatening" as did the shop stewards movement in England some years ago. They may become the very centers of radicalism and agitation against the present system of private property. They are potential sources of Bolshevism and may lead to the formation of Soviets. And as they take in all the workers in a plant, both skilled and unskilled, native and foreign born, these all-inclusive committees have dangerous possibilities. The employers, Mr. Woll believes, ought to recognize these facts and not play with this kind of fire. His full statement on the subject is taken from *The American Photo-Engraver*, October, 1925. Touching on the relation of the company union to the shop stewards of England, he says:

"It was an irresponsible movement that came near to plunging the whole British labor movement into the grasping arms of Bolshevism. The shop steward was under no restraint. He had imposed upon himself no sense of responsibility. He could flare and flame as much as he liked, knowing that there was upon him no responsibility for fulfillment or for consequences. . . . Such movements can upon occasion run wild and become gravely dangerous to all organized industry, including both workers and employers. . . .

"The company union organized by industries . . . has within it the germ of disaster. The employer may bring it into being. He may keep the veto power, as he always does. He may make it useless for constructive work, as he always does and also surely always will. But he cannot remove from it the germ of uncontrolled rampage."

It is hardly necessary to point out that this warning to the American employers is entirely gratuitous. As we have indicated in our descriptions of a wide variety of company plans, the corporations will see to it that they do not get out of hand. There is certainly no danger that they will begin to "flare and flame" or to accept orders from Moscow. So it would seem that Mr. Woll's apprehensions are entirely fanciful and reflect nothing more, perhaps, than a trade union leader's fear of the great unorganized army of unskilled workers which may some day be drawn into real unions and possibly displace the present craft union leadership of the A. F. of L.

Some of these craft unionists, in arguing against the company unions installed in a certain Government Navy Yard, illustrate an attitude of prejudice towards the

unskilled as well as towards the workers of another race. They have contended that the committees, adopted by the Navy Department, permitted the unskilled and "less responsible laborers," as they call them, to outvote the skilled crafts. They complain also that in some departments with a small minority of white men the Negroes elected all the members; and they argue that this "industrial type of council," including all the workers in a given yard, makes for the One Big Union and I. W. W. type of organization as opposed to "the responsible craft unionism represented by the machinists' union."

Coupled with the labor leader's general ignorance concerning company unions, even in his own territory, and his prejudice toward the unskilled workers whom he has barred from his own union, often goes a resistance to every appeal by these very workers to "come over and organize us." The officials of the steel workers' union, for example, have in recent years been asked by workers in various company union plants to make at least a survey of the situation with a view to inviting the workers, regardless of craft, skill and race, to join the A. F. of L. So far these officials have not moved a step in the direction of any of these plants. It is not difficult for the employers to persuade workers that their interests lie with the company and not with "outsiders" when the particular "outsiders" in question are not even on the ground to show their interest in the workers or to attempt to organize them in bona fide unions. Under these circumstances "shop solidarity" can quite easily be sold as an engaging substitute for "union solidarity."

In other industries the union leaders of certain skilled workers have gone so far as to assist the companies in introducing the representation plans even though they

were doubtless aware that such plans might be used to destroy other unions. The action of the leaders of the Brotherhood of Locomotive Engineers in assisting the Pennsylvania Railroad to install the company union is a classic example of this sort of labor "leadership."

In a few cases where specialized trade unions have actually participated in a company union plan they have usually permitted it to operate in certain departments of a plant to the obvious disadvantage of the unorganized workers in other departments. The union leaders in these instances have "gone along" fearing, in some instances, that any resistance to the plan would lead to their own annihilation. The result has usually been that in time the trade union has lost whatever influence it had over the workers, and the company has strengthened its hold upon their allegiance. Encouraged by this attitude of the craft union leader, the employers have even suggested that such tractable unions can be made a part of the plan under certain conditions. *Law and Labor*, organ of the League for Industrial Rights, says, "It may be made to work with unionized employees, but it can only be a success when the union will accept it in a spirit of constructive enterprise and submerge its own militancy." What this means is clear enough. If the real union will cease to function as a real union, if it will become a part of the company scheme, accepting its basic concepts and practices, naturally the employers will be willing to incorporate it in their programs for the regulation and Americanization of their working force.

The employers would like nothing better than to induce the leaders of trade unionism to give up their "militancy," their fighting trade union spirit, and become loyal pro-company men. They will even give them interesting and profitable jobs as "business agents" in

the company unions and promote them to higher company positions if they demonstrate their abilities in this field. There are many instances of local trade union officials who have been gradually won over to positions of leadership in a works council plan. They have deserted their trade union posts as soon as they have been guaranteed a steady position with the company. The corporations have made effective publicity out of these desertions.

In some plants, trade union officials of the old-fashioned school have taken positions as delegates under representation schemes. They declare, probably in good faith, that they want to be on the "inside" in order to discover what the company union does and in order to protect the workers who are under it. One of these officials connected with a local textile union reports that since the company plan was introduced, and since he was elected a works council delegate, his craft union has become 100 percent organized in his plant. He states that the workers in his craft, realizing the dangers of company unionism have organized more solidly as a method of self-protection against it. But in this case the craft involved is so small as to be a negligible factor in the plant. The rest of the workers in the more unskilled crafts look upon this union as little better than a company union itself because it has apparently accepted the plan and all its works. They find no incentive to join a union of this sort, especially if it is practically identifying itself with the company union, unmindful of the needs of the great majority of the workers. This sort of blind guileless "boring from within" is extremely dangerous to the integrity of the trade union and to the trade union officials attempting it.

The existence of craft sectionalism in American trade

unions is certainly responsible for the growth of a large number of company unions. In the big electrical plants, for example, you will find some ten or more trade unions which could be clamoring for "recognition" were the company an "organized shop." The jealousies and jurisdictional disputes between these unions has contributed much to the weakness of trade unions and to the growth of company unions. The employers can honestly argue that they permit all workers to be represented in their works councils—irrespective of race, creed, nationality, skill, craft, sex or age. They offer what is, in effect, an all-inclusive, "over-all" organization, whereas the narrow craft unions of machinists, pattern makers, plumbers, molders and so forth, offer only to the workers in the higher skilled crafts the chance to belong to a union. It is, therefore, not surprising that the unskilled worker, ineligible to join the "regular" craft unions should listen to the "shop union" arguments of the company's personnel department. A divided trade union movement with its antiquated structure, its separate agreements, its petty craft squabbles and its out-of-date approach to organization problems has contributed immeasurably to the success of the companies in winning workers to the company unions. Says the *Seattle Union Record*, commenting on this point:

"We know of an important company union which would revolt and join the A. F. of L. if it would not have to split up straightway into craft unions. Such a state of affairs raises the question whether the A. F. of L. can make a winning fight against company unions without first dealing with the problem of craft organization. Historically, craft organizations was the line of least resistance. It may still be the logical type of organization for

most of the building trades although they, too, have been cursed with jurisdictional disputes. It is not the logical type of organization for modern large scale industries." (*Seattle Union Record*, August 20, 1926.)

The existence of "dual organizations" in certain trades has also opened the way for the company union and made it a simple matter for the employers to convince the workers that they can gain little by joining a union that is only one of many unions competing for the workers' per capita tax. (See David J. Saposs, *Left Wing Unionism*, Chapter V. for a thorough discussion of dual unionism in the United States.) In some instances where two or more rival unions have existed, no one of them able to rally the mass of the workers, management has quite easily installed a company plan and persuaded the workers to accept it. This is exactly what happened some years ago when the "cooperative plan" was introduced on the lines of the Philadelphia Rapid Transit Company in Philadelphia. The competing unions bled themselves white in their struggles with each other. As a consequence management was able to say, "If any one union can secure a two-thirds vote of all the employees that union will be taken in and recognized under the plan." The management knew very well that no one union could muster the arbitrary two-thirds vote. It also knew it was making a gesture that would attest to its fair attitude toward unions in years to come. Liberal economists would investigate the plan and quote Mr. Mitten's good intentions concerning the trade unions. The rivalry of these dual unions placed Mr. Mitten in this enviable position, and made possible the initiation of his non-union plan. Today he maintains that Mitten

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management "is pro-union, provided the union be organized, not for destruction, but for cooperation with management to increase efficiency." But there are no union men in his employ, and taxi drivers working for his company have been discharged for attempting to organize a real union.

CHAPTER XIV

WHAT THE UNIONS CAN DO ABOUT IT

CRITICS of trade union inertia will naturally be asked to present a program of activity for unions having the desire and the will to combat the company union. What can the trade unions do, given a leadership that recognizes the dangers of company unionism and is determined to make a stand against them?

BORE FROM WITHIN

The most obvious and widely advocated method seems to be "boring from within." It is given at least lip service by all branches of the trade union movement. William Z. Foster has proposed it and practiced it in the steel mills and in a number of other industries. William Green, President of the A. F. of L., has written in the *American Federationist*, October, 1925:

"Wage earners will do themselves and industries a great service when they capture company unions and convert them into real trade unions. The machinery of the company union offers a strategic advantage for such tactics. Use that machinery as a basis of a real organization."

This boring from within, as has been pointed out above, is a delicate and dangerous operation. It cannot be entered into blindly and without a very thorough understanding of all the factors involved. Mr. Green

probably recognizes the fact that the borers are very likely to bore themselves completely out of the shop and find themselves blacklisted. At least that is what happened to members of Mr. Green's own union, the United Mine Workers of America, when they attempted to capture certain company unions of Mr. Rockefeller's Consolidation Coal Company in Kentucky. The incident is described in the report of the United States Coal Commission, as follows:

"The Miller's Creek Division of the Consolidation Coal Company at Van Lear, Johnson County in 1918 entered into an agreement with its employees which provided a careful system of committee representation for its employees and a system for the presentation and adjustment of grievances arising in and about the mines. This agreement permitted the employees to elect nine committees and division committees representing the entire division and it provided a system of conciliation by meetings of these committees with committees of the management."

But the local members of the United Mine Workers were apparently convinced that this system was made for them to use. So they got control of the committees. The employers state it this way:

"By skilful political tactics these men eventually got control of the committees appointed under the agreement and completely diverted the joint meetings from their purpose under the agreement. Instead of conferences devoted to problems of work and housing conditions, they confined themselves to insistent demands for a unionization of the mines and the institution of the check-off,

in other words for a termination of the open shop policy."

As a result of these attempts to make the company union a bridge to the complete unionization of the mine, these members of the U. M. W. of A. were promptly victimized and the company now excludes members of the union from its properties. (Brief No. 3, Northeastern Kentucky. Submitted by the Bituminous Operators' Special Committee to the U. S. Coal Commission, April 25, 1923.)

More successful attempts at boring from within have been made by the Amalgamated Clothing Workers of America. In a number of plants where it is now recognized, it was once forced to place its men in key positions on company committees. These men gradually won control of the committees and achieved a complete victory for the Amalgamated and the destruction of the employer's works councils. By the same methods much of the pseudo-welfare work of the clothing companies was swept away by the energetic efforts of this union.

A practical method of controlling a committee was adopted by one of the unions among the craftsmen at the Boston Navy Yard. It simply elected the shop committee in the lodge room of the machinists' union. Then the workers would go and elect the same committee under the plan. In such a situation a great deal depends upon the attitude of management. In this case the Commanding Officer over the yard might contend that he was not dealing with the union but with an inside committee. But actually he was dealing with an outside union controlling the inside committee!

When the workers have attempted to bore from within the company unions of industrial establishments,

such as steel plants, they have usually started by pledging the "delegates" either secretly or openly to fight for real demands for their constituents. They have in some instances rallied the workers behind these candidates and have occasionally elected them. They have also advocated the abolition of the "joint councils" and the substitution for these of committees composed solely of workers. In other words they have tried to change the fundamental character of the company union by making it a representative body composed exclusively of worker delegates. So far none of these particular attempts have met with marked success, although in a few instances they have forced the company to give up the plan altogether and return to non-union individual bargaining. The borers have also stressed the importance of making demands dealing with vital issues instead of the countless minor ones that the employers have already brought forward to divert the attention of the committees from the more important problems of the workers' life in the shop.

Where no trade union exists through which militant workers can carry out their plans to capture the company unions and to convert them into real trade unions, the workers have often organized informal nuclei connected with such organizations as the Workers (Communist) Party. For example, in approaching the workers in the Deering Works of the International Harvester Company. *The Deering Worker*, a nucleus organ, in its issue of November, 1926, announced that the elections were to be held in January and that certain men—naming them—were up for re-election. It continues:

"These men are supposed to represent our interests, and to fight for better conditions for us.

[This is, of course, a very large assumption. R.D.] Now is the time for them to tell us what they intend to do for us. *The Deering Worker* will print in its December issue any statements these candidates send us. Nominations two days before the elections is a joke. So we call on these representatives now to call together the men in their department, and announce their program for re-election."

Such a procedure is, of course, the last thing the management would permit. Elections are not for the discussion of such controversial issues as the "outsiders" attempt to raise. No company with a plan of works council wants to see its "representatives" heckled on such questions as "higher wages, vacations for workers, pay for lost time, larger sick and death benefits" and other issues defined by the "borers." It would not mind having the industrial relations manager explain these problems to the committees, but to have them made an issue in the elections and to have the workers aroused about them is not the intention of any company using the works council as a means to keep down labor agitation. As this sort of agitation is not desired by the company it should be pushed with corresponding zeal by workers who are sincerely attempting to win over the company organizations and to transform them into real labor unions.

FIGHT FROM WITHOUT

In many cases where boring from within is out of the question and where there is an opportunity to win the shop immediately for the trade union, the "attacking from without" policy is to be recommended. Several of the railroad unions have gained more by this method. They have shown up the weaknesses and shams of the

company plans and, as we have noted above, they have polled the votes of the majority of the workers in elections held to determine which union should represent them. The special governmental machinery for the negotiation of railroad labor problems has, of course, dictated these tactics. In no other industries have the workers been confronted with the opportunity to vote for the trade union as against the company union. They have usually first suffered the defeat of the real union and then been faced with the company union as the only alternative to absence of any plans for "collective dealing." The Pullman porters and similar groups of militant workers are also gaining more by organizing their own unions and openly assailing the company plan than they could ever achieve by attempts to bore from within, against great odds, in an effort to make the plan work for the benefit of the workers.

Other unions have emphasized a flexible policy, realistically using the company plan where possible and in other instances attacking it or boycotting it from without. The immediate circumstances determine largely which is the more effective strategy in a given situation.

AMALGAMATE THE CRAFT UNIONS

The amalgamation of the weak and custom-bound craft unions into strong industrial unions is another policy that must be pushed by enemies of the company union. We have noted above the fatal effects of the separate and conflicting craft unions, none of which are equipped to unionize the workers in the great American industries. The workers attempting to defeat the company unions have rightly advocated the joining of all these petty unions into a union qualified to take in every worker in the plant, and thus rob the employer of

one of his chief arguments in approaching the non-union worker. One thing is certain—no backward craft union will ever make the slightest headway against the company union. No matter how militant its tactics, this archaic type of union is worthless as a weapon in the struggle against company plans.

ORGANIZE THE UNORGANIZED

Along with this long-advocated program for the end of separatism and the amalgamation of craft unions must go the propaganda and work for the organization of the unorganized. If no vigorous campaigns to win the non-union worker are made by the real labor union, it is an easy matter for the employer to entice him with a plan whereby he is offered certain superficial advantages without any charges or dues payments. Such workers can only be enrolled by unions which can conduct energetic union campaigns, proving to the workers what their economic power can do for them. As the worker looks at some of our small, spiritless, unimaginative, high-dues craft unions, making no attempt to organize the unskilled worker, he is certainly not inspired to join them. Only when a union with competent leaders and a powerful drive enters the field can the unorganized worker, who at present makes such good company union timber, be saved for the real labor movement. Such drives as the one carried on in Passaic in 1926 indicate what might be done in certain industries. The Passaic workers, long neglected by the A. F. of L. union, were suddenly stirred by a call to join a real mass organization. They responded with a will and an enthusiasm that astonished everyone. If industrial conditions are favorable, and if something like the same spirit that animated that drive can be continued, there is no

doubt that great numbers of these workers will remain with the United Textile Workers and out of the company union which the employers will continue to offer them from time to time. But if the textile union officials relapse into the somewhat cynical and inert attitude that has characterized them at certain periods, the Passaic workers cannot long be kept loyal to bona fide unionism.

REAL ORGANIZATION WORK NEEDED

The writer is convinced that the company union will not be wrested from its position in American industry by anything except energetic campaigns to organize the unorganized into industrial unions. The special assessment voted at the 1926 convention of the A. F. of L. for the purpose of creating "an adequate fund" with which to carry on a study of the company union and a "campaign designed to remove these employer-controlled unions and shop representation plans out of our industrial life" will, if raised, not be adequate. But it will be well spent if the bulk of it goes for campaigns to organize the unorganized in company union territory. Something more than vague "educational" plans are needed. The advocates of union-management cooperation see in this resolution something "epoch-making." They believe that these company unions can be converted into cooperative agreements whereby the trade unions will take over certain minor managerial functions, thus displacing the company union as a part of the plant speed-up machinery. We are not here discussing the value of union-management cooperation or the Baltimore and Ohio plan. But this much is clear. Money spent in attempting to ingratiate the trade unions with the capitalists will be thrown away, and

the workers will be only further demoralized and confused. Money spent in militant organization campaigns may or may not bring immediate results, but it will at least help to stir the unorganized workers to some faith in the integrity and ability of the trade union movement. And it will show the company unionized workers the two major defects of all these plans—that they give the workers no power, and that they give them no wages comparable to those paid in the well-organized industries. Finally, and in the words of A. J. Muste, “the basic industries (meaning the company unionized industries) will not be organized by a labor movement that says it cannot be done . . . that expects the bosses to do the organizing for it,” and that is “bent on being respectable or on being thought respectable by those who are its relentless enemies.” And—to be most emphatically repeated—it will not be organized by a leadership “wedded to an arbitrary idea of craft unionism.” (*Labor Age*, April, 1927.)

The worker in the great steel plants, public utilities, meat packing establishments, and general manufacturing industries will not join a small union of the antiquated type. He will join—and in masses—the right kind of an industrial union. He must be lined up in masses. That is the next and the supreme task of the unions affiliated to the American Federation of Labor.

CHAPTER XV

OUTLOOK FOR COMPANY UNIONISM

WE have observed that the tendency has been for the large corporations to cling to their plans even during a period when labor unions offer but feeble threats of organization. When the labor unrest that followed the war had subsided, and the business depression had set in, the smaller fry abandoned their plans declaring that they could deal with their workers just as well without the pretense of "industrial government." The smaller employers could not afford to keep on their payrolls the special labor managers and full-time personnel administrators whose presence is usually required if a plan is to be "kept sold" to a body of workers. The larger companies, however, maintained their labor experts even though they realized they were not so indispensable as during the labor stringency. They were farsighted enough to understand that the plan might be needed again in some emergency. In the meantime it might be used to good advantage as an instrument of "cultivation" with which to develop "right attitudes" on the part of the working force. The plans also continued to serve as safety valves for workers' unrest and as intelligence systems to learn what the workers are bothered about—both indispensable functions in large corporations.

No matter what values the corporations may see growing out of the plans in future "labor troubles,"

it is quite evident that they hope to make them serve more fully the productive needs of management. It has been observed that when plans are first introduced a great many grievances are presented and apparently disposed of in one way or another. Then the employers do all they can to direct the plans into what they describe as "constructive channels." This tendency has been observed, for example, at the Bethlehem Steel mills and at the Swift Packing plants. There is every reason to believe that the companies will continue to press the councils into this field, making them more effective auxiliaries to the speed-up system, and more helpful in all manner of schemes tending toward increased production.

It must be admitted that in some large industries where, as we have noted, the company unions are quite well entrenched, the corporations have now nothing to fear from trade unionism as at present constituted. Even so, there is always the threat of the "left wing"—the "class war agitators," as the personnel men call them—who are likely to take advantage of some workers' grievance and issue a handbill or a shop paper denouncing the company. To appear to clear up these grievances and to serve as an antidote to these "extremists," the company union is always useful to management. Doubtless many corporations that have no fear of the tired and tractable old-fashioned craft unions, retain their company associations as defenses against possible attacks from the radicals in the labor movement.

But altogether apart from the imminence of unions or union radicals, these plans are maintained as a part of the employers' machinery of exploitation. They serve as a kindly lubricant for the wheels of industry for private profit. Kept under strict control, and not en-

couraged to develop any dangerous ideas concerning "industrial government," the company union becomes simply a routine device in the technique of industrial management.

There are those, of course, who read into the company union all sorts of visions touching on a "new leadership in industry." They see, for example, a new local labor leadership growing out of a possible federation of company unions, either those within one company or those in the same geographical area. They believe that those who were once active in the regular labor movement will be won over to the company union—as a few have already—where they will develop into labor leaders without the "dangerous" national and international connections—and ideas—that spring from contact with a wider labor movement.

Others, of the more liberal stamp of "labor economist," who have made much of the complementary nature of the trade union and the company union, see a feast of love and reason set before them both if they will but *cooperate*. They look upon the company unions as merely transitional stages in the evolution toward an American industry unionized by trade unions that have become joint-dealing bodies and that have lost all their early "destructiveness," militancy and "antagonism" toward capital.

There are prophets of many schools of liberal thought who entertain similar notions concerning the future of employee representation in America. The writer sees little reality in any of their labor predictions concerning the future "functional relations" of a caponized unionism. He believes they are inflated and incorrect, and that no such epoch of cooperative paternalism is before us. He believes that the trade unions can be made into

fighting industry-wide organizations that will conquer the company unions and use the shop committees as instruments in the struggle for the full fruits of the workers' toil.

The challenge to the trade union movement is unmistakable. The job must be tackled by a united labor front, by a movement which, as A. J. Muste says, will appeal to the soul of the non-union worker caught in the machinery of the company-fostered association. It must be an appeal "to his courage, his self-respect, his pride and independence." For as Muste adds:

"It is the ancient fight for freedom that we are carrying on, freedom under the conditions of this machine age. Today the worker is not free, whatever else he may be. Partly with the opiate of 'prosperity,' partly by being chained to a monotonous task, partly by a huge machinery of propaganda, partly because life has become vast and complex and he has not been educated to cope with it adequately and fearlessly, he is made passive, apathetic, superficial, sometimes cynical. His elections, his natural resources, his civil rights, are stolen from him, and he lets it pass."

The trade unions' movement exists to arouse this very American worker from his slumber and his slavery. And one of the chief obstacles to be overcome in this struggle for liberty is undoubtedly the company union and the "psychology" which it generates. Every energy and force possessed by the American trade union movement is demanded in the campaign to destroy it. Before the trade union movement can afford to become "constructive" it must attend to this necessary task of destruction.

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