					Control of the Contro	
				ender grage grant	And the second s	Polito (pro Brown
			1			
			19 - 9 - 9 - 9 - 19 - 19 - 19 - 19 - 19			
					an distriction of the control of the	
					110 o med led y propried kanadem in her med be the selection of the med led the selection of the selection o	
					is a figure of the second of t	
					The state of the s	
					And Angeles and the second sec	
				Traffic and the state of the st	All of the second secon	
			1	e e e e e e e e e e e e e e e e e e e	all the second s	
					The state of the s	
		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1			
						, M W
			gh.			
					g.r	
					San	
						Α, Α,
500 10 9 8 3 3	E SENT E RECENT PROPERTY AND A SENTENCE OF THE PERSON OF T				t in the state of	P 91012

UNIVERSITY OF ILLINOIS ÉIBRARY AT URBANA-CHAMPAIGN BOOKSTACKS The person charging this material is responsible for its return to the library from which it was withdrawn on or before the **Latest Date** stamped below.

Theft, mutilation, and underlining of boaks are reasons for disciplinary action and may result in dismissol from the University.

To renew call Telephone Center, 333-8400

UNIVERSITY OF ILLINOIS LIBRARY AT URBANA-CHAMPAIGN

DEC 1 6 1980 NOV 2 1 1980 APR 1 9 1983 MAR 2 2 1933
MAR 2 2 1033
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
L161—O-1096

Digitized by the Internet Archive in 2012 with funding from University of Illinois Urbana-Champaign

331.1 ILG5in no.14 cop.2

INSTITUTE OF



# LABOR AND INDUSTRIAL RELATIONS

704 S. Sixth Street Champaign, Illinois

# RIGHT AND WRONG IN LABOR RELATIONS

BY MILTON DERBER

Professor of Labor and Industrial Relations, University of Illinois

LECTURE SERIES NO. 14

UNIVERSITY OF ILLINOIS



331.1

I 65 in I. RIGHT AND WRONG IN LABOR RELATIONS\*

No. 14

by

Milton Derber

Professor of Labor and Industrial Relations, University of Illinois

(A series of four radio talks delivered during May, 1958, over WILL, the University of Illinois radio station, Urbana.)

During the 19th century when employers freely fought the organization of unions, a number of theories existed as to the proper conduct and standards of labor relations. One school of thought held that these were matters regulated by natural law, that through competition only the fittest survived and succeeded. Another viewpoint held that the status of the employer was a reflection of his God-given qualities and that he had the moral right to direct his enterprise without interference. In contrast, certain reformers contended that only through the application of the Golden Rule could justice in labor relations be achieved. Other reformers saw the solution to The Labor Problem in a new political and social order.

During the first decade of the present century, many students and participants in labor relations began to perceive that the so-called Labor Problem (i.e., the widespread conflict between workers and employers over union recognition, wages, and employment conditions) was neither to be explained by "natural laws" nor to be settled once and for all by some panacea. Instead it was recognized that labor relations involve continuing problems just as government or family relations do. They are processes of accommodation between different groups who share some interests in common and differ in others.

How does this accommodation process work out? Power is certainly one of the major ingredients. But underlying the power factor and both

<sup>\*</sup> This paper owes its title and several of the historical ideas presented in the first three pages to a brilliant speech by William M. Leiserson which was published in 1938 by the University of California Press. I have attempted, twenty years later, to reexamine the subject in the light of a new set of circumstances.

established the second of the

----

remain in the second of the se

gen gen dout in the state of th

 restricting and shaping its use is the force of the public ethic--the public sense of what is right and wrong. For short periods power can ignore or over-ride this public ethic. But not for long--in a democratic society.

Invariably there is a crystallization of public sentiments and the power interest is forced to modify or even abandon its position.

This conception is not easy to appreciate at any particular point in time because social standards are often in a state of flux and confusion, and it is difficult to sift the more enduring tendencies from the transient. It can perhaps best be seen by considering changes over a long period of time. Let us take a few examples.

One hundred and fifty years ago, it seemed quite reasonable and proper to the bulk of Americans that men should labor from sunrise to sunset, that children of ten and twelve years of age should be employed in the newly established mills and factories, that the employer exclusively should determine the conditions of employment. This was a predominantly rural and small-town society, and patterns of social behavior adapted to the needs of such a society generally prevailed. When in 1806 a group of Philadelphia shoemakers formed an association to raise wages and protect their living standards, they were branded by the local court as a conspiracy against the community. For many years the courts were to play the major governmental role in labor relations, protecting the property interests of employers against unions.

One hundred years later, at the turn of the present century, when industrial capitalism had reached a considerable height of development and large-scale enterprise had become a characteristic form of business acitivty, the right of workers to form unions was established in practice if not in statutory law, the ten- and even the eight-hour work day were recognized as legitimate social objectives, and industrial child labor was increasingly attracting social condemnation.

 But public standards of right and wrong were in a state of transition. For the right to form unions existed side by side with the employer's virtually unrestricted right to manage his enterprise as he saw fit--and this included the freedom not only to refuse to deal with unions but also to combat them with a huge arsenal of weapons--including the blacklist, the yellow-dog contract, the company spy, and the armed guard. The role of government wavered between toleration and encouragement of genuine collective bargaining. As a result there was often dispute and disorder. America won the unenviable reputation of having one of the most violent labor-management relationships in the world.

When, a generation later, the distinguished arbitrator, William M.

Leiserson, surveyed the prevailing state of labor relations resulting from the

New Deal, he found that a dramatic change had again occurred in public standards

of right and wrong. The law of the land not only supported the right of workers

to form unions but specifically forbade employers to interfere with such efforts.

The eight-hour day and the forty-hour week had been recognized as the standards

for normal work and additional periods of labor were to be compensated at

premium rates. Child labor was banned. Most significant of all, the government

had been given an important role in labor relations--through such acts as the

Wagner Act, the Fair Labor Standards Act, and the Social Security Act.

Today we stand in the midst of another period of transition. The central features of collective bargaining have been firmly ingrained in our major industries. The written labor contract is widely utilized. Procedures for the peaceful settlement of grievances arising out of the interpretation and application of the contract, including final resort to arbitration, have been formulated.

Now one of the central problems is not so much how to safeguard the legitimate right of workers to form unions without employer interference (although as we shall note later this is still a serious question in some areas),

ngh color to the same of the s grander of the first of the control Some for the first of the first algorithms on the first of the second second section of the second secon The state of the s and the district of the state of To the first of the control of the c Chapter of the production of t 

gramma petatyment application of the state o STALL OF THE STATE Tim till attack of a second of the REPORT OF A LIE GOT TO THE PARTY OF A SECOND TO SECO

and the second of the second o grants are the common and the contraction of the co

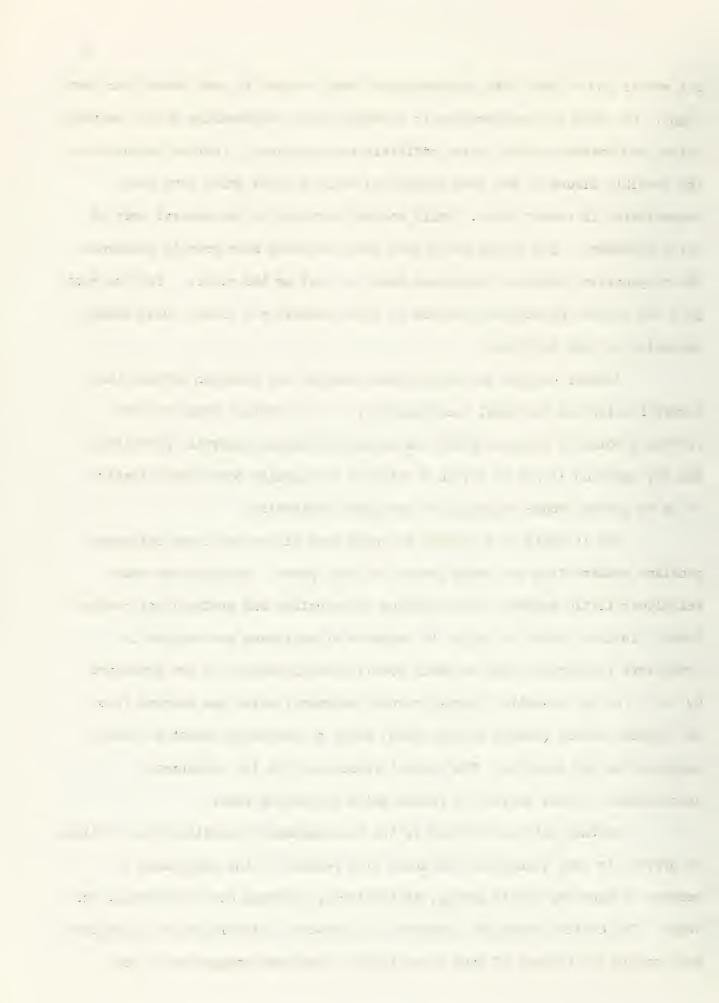
in the set (All ACT of the Committee of

ടെ എം പ്രത്യാന് വിവര് വിവര് വിവര് വിവര് വിവര് വിവര് വിവര് വിവര്  but rather how to deal with problems which have emerged in some cases from that right. One such problem pertains to corruption and racketeering within certain unions and between certain union officials and employers. Inother pertains to the possible misuse of the vast health and welfare funds which have been accumulating in recent years. Still another pertains to the general area of union democracy. The abuses which have been uncovered have greatly concerned the responsible leaders of organized labor as well as the public. For the most part the ethical principles involved in these matters are clear; their implementation is more difficult.

Another complex set of problems involves the relation between the powerful union and the small local employer. As in earlier days when the reverse problem of employer power and employee weakness generally prevailed, the key question is how to strike a balance, to equalize power sufficiently so as to prevent abuse arising from one-sided domination.

But it would be a mistake to think that all of our labor relations problems emanate from the rapid growth of union power. Unionism has made relatively little headway in the growing white-collar and professional occupations. In most states the right to organize of employees not engaged in interstate industries, such as small retail establishments, is not protected by law. Ind the so-called "right to work" movement, which has enacted laws in eighteen states (mostly in the South) poses a continuing threat to union organization and security. The current recession with its widespread unemployment is also serving to reduce union bargaining power.

Another grievous problem is the discriminatory practice which continues to prevail in many industries and areas with respect to the employment of members of minority ethnic groups, particularly, although not exclusively, the Negro. The ethical principle involved is clear-cut. Discrimination in employment solely for reasons of race or religion or national background is not



ordinarily justifiable in a democratic industrial society. The central issue is whether discrimination should be attacked exclusively through the method of education and persuasion or whether legislative controls should be resorted to.

On the economic front, one of the most important issues is that of job and income security. Throughout most of American history, the employer has been free to treat the employee in market or commodity terms--to hire him when he wanted him for as long or short a period as he deemed desirable, to pay him only for the time of actual work. This approach, from a purely economic view, has admirable qualities of flexibility and efficiency. But it also may involve severe human costs unless the employee is able rapidly to find new employment or to have some income protection. The conscience of American society has been sorely tried on this score. Many solutions have been sought, including the provision of unemployment insurance, the establishment of employment offices, the adoption of a national "maximum employment" policy, and, most recently, the negotiation of supplemental unemployment benefit and guaranteed annual wage programs. The issue remains one of the great challenges confronting our nation.

In this brief talk I have merely outlined some of the more important aspects of modern labor relations which are troubling the American public and compelling a reanalysis of public standards of right and wrong. In the talks to follow, I shall consider some of the questions in more detail: next week, the relations between management and industrial democracy; in the following week, union efforts to effectuate a number of codes of ethical practice; and in my final talk, the responsibilities of the general public in labor relations.

## II. MANAGEMENT AND INDUSTRIAL DEMOCRACY

For most Americans, the great discoveries of the twentieth century are scientific or technological--like atomic energy, automation, or the "wonder

Anthony of the same of the sam

The first of the second of the

um to pall a herselfelt as

drugs." But there have been other, non-material discoveries of equal or greater importance. One of these is the discovery that the principles of democracy apply to the industrial world as meaningfully as to the political world. For most employers this was a difficult idea to accept. Outside of a few relatively well unionized industries such as printing, the railroads, building construction, men's and women's clothing, and coal mining, the typical employer until the 1930's ran his enterprise as he saw fit. He was feudal autocrat, benevolent paternalist, or economic magnate--depending upon his personality and philosophy of life. When the threat of unionism hovered over his establishment, he generally resisted by discharging the leaders or raising wages and improving benefits on condition that the wrokers refrain from signing up.

In the decade preceding World War I, some of the more farsighted employers, reacting in part to dramatic union advances and in part to the rising humanitarian sentiments of the general public, began to realize that a new day was dawning. Workers--even the immigrant workers who could not yet speak the English language--had to be treated as human beings, not as market commodities or cogs in a machine. But even more important, they were members of a democratic society which took seriously the creed that all men were created equal in spirit if not in ability and should have a voice in determining the conditions under which they worked. Thus it was not enough simply to introduce welfare programs and decent working conditions--this after all had been done by kind-hearted employers throughout the years. What was needed was some procedure which would give the workers an opportunity to express their views and air their grievances within the enterprise without fear of jeopardizing their positions.

The employee representation plans--which in later years came to be known as company unions--seemed to be the answer. They provided a means whereby workers could select representatives from among their midst to meet with management and have a voice in the determination of matters affecting their interests. In the mass production industries where unionism was unable to gain a foothold until the New Deal period, the employee representation plans made rapid headway. To some outside observers they seemed to be a legitimate alternative to unionism, although others were skeptical because invariably management retained the right to make the final decision on any disputed item.

There is no doubt that many leaders of management sincerely believed that they had found a solution to the problem of securing industrial democracy without endangering their managerial responsibilities. In the view of Clarence J. Hicks, one if its most outstanding advocates, the employee representation plan entailed real sacrifices of management authority and arbitrary control.

The Great Depression of 1929-33, however, ended this development as it did so many other developments of the 1920's. The attention of the nation became focused almost exclusively on the problems of unemployment and poverty, and industrial democracy became a rather neglected issue. When economic recovery was resumed under the New Deal, the situation had changed. Employer efforts to reinstitute employee representation plans or to start new ones were seen, not only by the union leaders but also by the general public, as a companyinspired and dominated device to forestall independent unionism. The employee representation plan was rendered illegal under the Wagner Act. Collective bargaining received legal support.

Thus through a long period of debate, experimentation, and conflict, the public standard of industrial democracy has come to mean a collective

The second of th

Entropy of the control of the contro

n tender in the many tenders and the state of the signer of the state of the state

relationship between management and organized labor in which the representatives of the workers are selected without management interference or domination and have the power to bargain over wages and other matters on an effective basis.

But industrial democracy means much more than adequate independent worker representation--basic as that is. It means the elimination of arbitrary action on the part of managers and supervisors towards workers; it means the establishment of machinery for the settling of grievances which any worker or group may raise when they feel they have been unfairly treated; it means advance notice and often advance consultation with workers or their representatives prior to important management actions which may affect them; it means that workers through their representatives can have an effective voice in the making of decisions and the formulation of rules relating to their working lives; it means that the employer is no longer free to infringe on the personal affairs and views of his employees.

Industrial democracy is, of course, not a simple, one-way street.

Unionism of itself does not assure a democratic process although one of its great contributions to American life has been to restrain managerial autocracy. There are strong unions which do not respect democratic principles either in terms of the internal affairs of the union or in terms of their members' welfare on the job. There are also some unions which are so powerful that the employer has sometimes lost some of his own democratic rights within industry--such as the right to select members of his managerial staff or the right to discharge inefficient employees or the right to press effectively grievances with respect to work performance. For democracy involves duties and responsibilities as well as rights. The employer is entitled to a fair day's work just as the employee is entitled to protection against arbitrary discipline.

Thus far, however, we have treated industrial democracy as if it were simply a restriction on autocratic management. But the more enlightened

THE SECOND S BUT THE SECOND S

The second of th

Land the second of the second

leaders of industry have also come to see its positive benefits and advantages-particularly in the large establishments where the personal relationship
between executive and employee has disappeared.

As students of human relations have discovered, one of the essential elements of a successful personnel program is a system of two-way communication between management and workers. In a large organization it is easy for the top executives to lose touch with activities at the lower levels. Unless there is some recognized procedure through which the workers can make known their sentiments, it becomes quite easy for the first and intermediate lines of management to abuse their authority. Communication procedures can be established without a union. But the existence of a strong, responsible organization independent of managerial control provides greater assurance that lower-level abuses will be brought to top management's attention.

Equally important for the top executive is the presence of an independent check on his own mistakes and blind spots. Although Americans are rightly proud of their tradition of speaking their minds, few employees are willing to endanger their jobs by telling a company president, for example, that he is wrong or prejudiced. The union official who does not depend on the company for his job can do this more effectively than almost anyone else. And the worker who is supported by a strong union can also speak up more freely and forcibly.

The fear of managements that industrial democracy means joint management of the enterprise and an end to their independent status as managers has not been justified by American experience. The unions have unquestionably gained a steadily increased role in the determination of wages, hours, and other conditions of employment—and in some industries they have come to play an important part in determining or influencing various types of production

The state of the s

en la compositio de la compositio de la composition del composition de la compositio

 decisions. But in the great majority of cases, the union has not attempted to share with management a responsibility to decide production, sales, or financial policies. Its role has been that of critic or watchdog in behalf of the workers rather than co-manager.

The ideal of industrial democracy is one of the great ideals of American life. Like political democracy, its basic tenets are not always adhered to in practice. Like political democracy, its success requires constant vigilance and application. Responsible unionism has made a major contribution to its development. But responsible management also is a vital factor in its achievement. Industrial democracy needs a strong unionism to check potential abuses by people in positions of authority; it needs a strong management to initiate policies and direct the economic and technological affairs of the enterprise.

### III. THE ETHICAL PRACTICES CODES OF THE AFL-CIO

The hearings of the McClellan Committee of the United States

Senate have made the public intensely conscious of certain corrupt practices
in a number of trade unions and labor-management situations. The abuses
revealed are serious; they have shocked not only the public in general but also
the responsible leaders of labor and management.

However, if intelligent remedies are to be applied, these abuses must be seen in proper perspective. First of all, as far as we can ascertain, they relate to only a small minority of American unions although some of the unions like the Teamsters and East Coast Longshoremen are powerful and important. Second, they are not new or novel phenomena—examples can be traced back for over sixty years. Third, they rarely involve union officials alone. Often employers or public officials have either actively cooperated with the offender or failed to take positive corrective action. Fourth, they are in part the result of membership apathy, a condition prevailing among all kinds of American

LIBRARY

organizations, not only unions. Fifth, they are most typically associated with industries which have been particularly susceptible to racketeering and corruption in other phases of business as well. Finally, they have shown the most tenacious qualities and have been eradicated in particular situations only after years of bitter struggle--sometimes on the part of heroic, honest union men, sometimes as a result of public outcry and legal action.

The distinguishing feature of the present crisis is the important and unprecedented role which the central federation of labor unions in the United States—the AFL-CIO—has assumed. This role pre-dated the appointment of the Senate Committee and indeed the AFL-CIO merger itself. The decisive point perhaps occurred in 1953 when the AFL expelled the International Long—shoremen's Union after the New York State Crime Commission had revealed a lurid picture of crime and violence.

During the postwar years the problem of racketeering and corruption was greatly aggravated by the rapid and widespread negotiation of private health and welfare programs, many of which were administered by the unions.

An investigation in the early 1950's by the New York State Department of Insurance revealed that in a number of cases the funds had been mishandled--through such means as excessive commissions and service fees, kickbacks to union officials, and the lack of proper audits. A similar type of investigation by the Douglas Committee of the United States Senate in 1954 and 1955 revealed that these and other abuses existed in major cities throughout the country.

The reaction of the leaders of organized labor was prompt and decisive. The 1954 convention of the AFL strongly condemned the misuse of welfare funds and the following year the AFL executive council issued a set of guides for the proper administration of health and welfare programs. The CIO suspended several locals which had been found corrupt and its 1955 convention endorsed a proposal for federal legislation to regulate welfare funds.

and the state of the section of the

1,000

And the second s

For the second of the control of the

ACLE OF THE REPORT OF THE PROPERTY OF THE PROP

When the AFL and CIO merged in December, 1955, the new constitution contained specific provisions for the investigation, suspension and expulsion of corrupt unions, including the establishment of a Committee on Ethical Practices.

This Committee has developed and the AFL-CIO executive council has adopted six codes for the guidance of its affiliated organizations. The first code was designed to prevent local union charters from being issued to "paper" organizations whereby a few corrupt persons could claim the right to negotiate "backdoor" or "soft" agreements with employers for a fee. The second code provided standards for the handling of health and welfare funds, including the elimination of fees or salaries to full-time union officers from such funds, the securing of genuine competitive bidding on insurance contracts, and the safeguarding of the members' rights. The third code barred from union office any convicted criminal, racketeer, or supporter of a totalitarian organization. The fourth code prohibited union officials from holding a significant business interest in any company with which they dealt. The fifth code was concerned with the uses and accounting of union treasuries. The final code, which is, as we shall note later, of a rather different character than the first five, specified a set of guides to aid unions in the maintenance of democratic procedures and rights for their members.

But the AFL-CIO did not limit itself to verbal utterances. It served notice on several of its affiliated national organizations that they must either eliminate the corrupt influences within their midst or face expulsion. Some of these unions complied with the directives and were subsequently restored to good standing. In the case of the lanudry, bakery, and teamsters unions, the AFL-CIO orders were defied and expulsion followed.

The first state of the state of the state of the state of the control of the cont

THE RELEASE OF STREET WAS A CONTROL OF STREET OF STREET THE THE TOTAL TIME SECTION SECTION SET TO HEALTH A THE SECTION OF SECTION SECTION SECTIONS the same of the continuent of the configuration of the continuent ាន ស្គ្រោះ ជាជាដូច្នេះ មេខាន និង ស្គ្រាស់ ស្គ្រាស់ សម្រាក់ សម្រាក់ នេះ និង ស្គ្រាស់ នេះ និង និង និង សម្រាក់ ប្ The state of "read" of the state of the stat A Million of the contract that the second of the contract of a Beautiful at and the state of the second to the second second to the second second second second second second second second Tight is a first on the second of the second of the second inferrence of the mark we night and it is in the second of the wall or think ANT WAR WAREHAL MALINES AND COME, OF THEBE TO SEE TORGET & AND COMMITTEE TO SE ar main of the stage of the sta Source laws of the control of the experience of the purpose of the second of the secon , Bronder the engine of the man of place of maken to go thereto have been by a place povež pomijena se pod se pomijena se pomijena se pomijena se pod je pomijena se pod je pomijena se pom to promit the transport of the control of the contr a college to the property of the college

El rea rui in incerna Alema de la compania del compania de la compania de la compania del compania de la compania del compania della compania

There is considerable misunderstanding among the general public about the significance of these actions, for the real strength of the labor movement lies not in the AFL-CIO but in the separate national unions affiliated to it. The AFL-CIO is the national and international voice of American unionism, but it does not take part in collective bargaining. The stronger national unions can reject Federation recommendations and policies with comparatively slight risks. At worst, expulsion can follow and rival unions chartered in their stead. But the well-entrenched union is not likely to be supplanted, unless powerful factions within it are prepared to secede. Moreover, a powerful union like the Teamsters has aided many other unions in their struggle for recognition and economic achievement, and the leaders of these unions are naturally reluctant to condemn it. Expulsion in such a case may endanger the internal stability of the Federation as well as deprive it of a considerable operating revenue. The attack of the AFL-CIO on corrupt practices within the labor movement is thus seen to involve decisions of a high moral order which warrant the utmost public respect and support.

But will these steps be sufficient? The AFL-CIO leaders themselves have recognized that some governmental assistance is necessary. They have announced their support of legislation requiring annual reports and the public disclosure of the financial operations of welfare funds. They have supported the enactment of legislation which would make embezzlement of international union funds a federal crime. They have called for strengthening of the Taft-Hartley law and administration with respect to "sweetheart" agreements between employers and bogus union leaders, to payments by employers to union officials to avoid strikes or for other reasons, and to the filing of false reports on union finances.

The state of the s Investment of a very last the second of the second The first term of the first of , ± t = −1. The state of the s and the company of the control of th ACT OF THE REPORT OF THE PARTY AND THE PERMIT · Entry 

On the other hand, they have vigorously resisted proposals for the government to regulate union elections, trusteeships over locals, and other non-fiduciary internal affairs on the grounds that these would lead to unnecessary and unwarranted interference with the entire labor movement in order to cope with the misbehavior of a small minority of wrong-doers. In short, they have distinguished between the problems of corruption and collusion and the problems of union democracy as far as governmental intervention is concerned.

This raises a major problem which cannot be examined adequately in the time available. It is unfortunately a fact that democratic procedures do not automatically eliminate the possibility of corruption. Measures which may promote democracy are not necessarily adequate for the elimination of corruption, and the reverse is also true.

There are a few legal steps, however, which may apply to both areas.

One of these would enable individuals who have not obtained due process through their union within a reasonable time to appeal to a court or special administrative agency for relief. Another is the provision that if the union does not meet certain minimum standards of conduct--such as those contained in the sixth code of the AFL-CIO--members might appeal to a court or other governmental agency for corrective action. Of course, these steps, together with the legislation on financial matters described above, would not be a cure-all. They might indeed generate an unhealthy degree of litigation and governmental intervention unless the legislation is carefully drawn to minimize such action. But in this imperfect world we can progress only by a willingness to experiment with new ideas and new procedures.

# IV. THE PUBLIC RESPONSIBILITY IN LABOR RELATIONS

In the widespread discussions about labor relations, much is heard about the need for union and corporate responsibility, but surprisingly little about the public's responsibility. This is largely because people generally feel that they have relatively little to do with labor relations but are simply innocent bystanders who sometimes get hurt--through work stoppages or price inflation or illegal behavior. However, as I have tried to indicate in my previous talks, this is a misconception. For the public sense of right and wrong may in the last analysis be a controlling factor. What then should the mass of American citizens who are not active spokesmen for unions or management be doing to meet their responsibility? I should like to suggest four areas for action.

The first way in which the public can exercise its responsibility is to become better informed about labor relations. In some high schools, for example, units of study dealing with labor problems and relations are being included in courses on American history, civics, and social science. Arrangements are being made between the schools and business groups for student visits to factories and other types of enterprise. Both union and management officials might be invited to talk to various community groups about their work.

Newspapers can make a valuable contribution by paying more attention to the undramatic, constructive aspects of labor relations, such as the negotiation of new contracts and achievements in plant safety.

The public also needs to give a good deal more thought than it has to the moral standards by which it judges labor relations. Some observers have noted a tendency toward the adoption of a double standard--one, relatively lax and indulgent, for the business world; another, relatively severe, for union officials. For example, union leaders are properly castigated for

A second to the second to the

obtaining kickbacks in connection with the awarding of health and welfare insurance contracts or for providing commissions to friends or relatives in such cases rather than reaching decisions on the basis of the most favorable bid. But countless similar deals in the business and even in the professional worlds of medicine and law are rarely publicized and condemned. Similarly, when unions exercise their bargaining power to win above average economic concessions for their members, this is often viewed with alarm. Similar exercises of economic power in the business world are regarded as "part of the game."

A strong case can be made for insisting on high moral standards for the leaders of organizations which are engaged in activities to protect and improve the welfare of their membership rather than purely for personal economic gain. But these standards should take into account the standards of other groups. Many prominent business and church leaders are calling for a re-examination and improvement of business ethics. Certain standards of various professional groups are also undergoing challenge. There is very serious question whether the ethical standards of any major economic group in the nation can be expected to deviate widely from that of the others.

Still another way in which the public can contribute to more effective labor relations is to restrain its always strong impulse to call for new legislation whenever a major dispute breaks out or some serious abuse is brought to light. The idea that every social evil can be handled simply by passing a law is a fallacy which has wide appeal throughout the nation. Iaw, of course, is of fundamental importance to a democratic society. But it is often ineffectual as a guide to proper conduct. Democracy requires maximum reliance on individual and group responsibility. If our major institutions—business, union, farm, professional—fail to exercise a substantial degree of self-control, the entire democratic structure runs the danger of collapse.

. The state of the first color of the state of the state

Nevertheless, a certain amount of legislation has been found to be necessary to prevent powerful interests from exploiting their power or selfish and corrupt individuals from violating their trust. And here the public responsibility becomes especially heavy, for the nature of the legislation adopted and the manner of enforcement may have a major impact on the relative bargaining power of groups and organizations. In the labor relations field, the Wagner and Taft-Hartley Acts are significant examples. The Wagner Act of 1935 reflected a wide public sentiment that employers not only had superior bargaining power to their workers but also that this power had often been abused. Without the support of the Wagner Act, it is doubtful that unionization in the mass production industries would have made substantial headway. The passage of the Taft-Hartley law in 1947 was to some extent at least an expression of public concern over the rash of major strikes following World War II and public feeling that the Wagner Act was too one-sided. As a result, while it retained many of the old restrictions on employer behavior, Congress modified or eliminated some of them and imposed a number of restrictions on union behavior. Thereby it reduced the unions' ability to organize, especially in areas like the South and in industries and occupations like trade and finance.

Currently two major industrial relations issues are being subjected to intensive public debate. One of these involves the extent to which the government should regulate the internal affairs of unions in order to promote what is commonly referred to as "union democracy." In a previous talk I have discussed briefly the dilemma which this extremely complex issue involves and have indicated a few of the lines along which legislative action might be justified. In general, however, I conclude that union democracy, to the extent it is compatible with union effectiveness, can attain desired levels only if the members are willing to exert the energy and interest which good citizenship of any kind requires.

The service of the se

നെ പ്രവാധ വരു ഉടി നെ താന് വരു വരു വരു വരുന്ന വരുടെ വരു വരുന്ന് നെ ഉത്തെ പ്രധാരം നിന്നും ഇത്തെ വിരാവ്യാരാവ്യാരാവ്യാരായ വരു വരുന്നും വരു വരു വരു വരുന്നും വരുന്നും വരുന്നും വരുന്നും വരു പ്രധാര്യം വരുന്നും വരുന്നു

A THE REPORT OF THE REPORT OF

At the second of the second of

The other major question under current debate is the so-called "right to work" issue. Basically the issue is whether employers and unions should be prohibited by law from negotiating any agreement which requires union membership as a condition of continuing employment. The advocates of such a prohibition argue that it is undemocratic to compel a man to become a union member against his will and that the only test of employment should be ability to do the work. Taken at its face value, this argument has considerable appeal. It is to be noted, however, that many of its loudest supporters have long been stern opponents of strong independent unionism and doubt has been raised as to their true motives.

For those sincerely concerned with the freedom of choice of the individual worker, two main objections to the proposed legislation have been offered. The first is based on the fundamental principle of American political life that majority decision shall prevail and that all shall abide by the laws established by the majority. Regardless of what a citizen may think about the tax laws, for example, he is expected to pay the taxes provided in them. Similarly, it may be argued, industrial citizenship calls for all employees who benefit from the system of collective bargaining to help finance and support it.

The other main argument relates to the question of union responsibility—a topic which employers themselves often emphasize. The general public is perhaps too little aware of the importance which responsible union leaders attach to contractual standards of work. Contract violations approved, openly or sub-rosa, by the leadership do of course occur. But these are the exceptions. The union shop is a major instrument for the exercise of union discipline and responsibility. Without it, the union often has no peaceable means of safeguarding its standards. This form of union discipline has already been weakened by the Taft-Hartley law which forbids a union to compel an employer

for the contract of the contra

As In the Property of the second of the seco

e salagae e sur l'un reconstruit per l'un salagae e sur l'un salagae e sur l'un salagae e sur l'un salagae e s reconstruit per l'un salagae e sur l'un salagae e sur l'un salagae e sur l'un salagae e sur l'un salagae e su

to discipline or discharge an employee except for failure to pay the regular dues and initiation fees. The "right to work" laws weaken the union position further.

There is no doubt that the power to compel union membership, like any power, can be abused. No man should be subject to a loss of job or other penalty because of a difference of opinion with union officers or violation of an arbitrary rule. Where the violation represents a genuine threat to the existence of the union or to its working standards, the violator must be assured of a fair trial by his peers and have the right of appeal to the national officers, and, ultimately, to some outside tribunal—either a court or some body of disinterested citizens such as the appeal boards recently established by the United Auto Workers and the Upholsterers unions.

Under present conditions, passage of "right to work" laws inevitably means a weakening of unionism and collective bargaining and, in the long run, a revival of labor strife. This is the kind of issue on which the general public must make an intelligent decision.

en la completa de la completa del completa de la completa del completa de la completa del la completa de la completa del la completa de la completa del la completa de la completa de la completa del la completa del

THE THE STATE OF SECURISHES AND ADMINISTRATION OF SECURISH SECURIS









UNIVERSITY OF ILLINOIS-URBANA

331.1 IL65IN COO2 V. 6-Z2. (8) Lecture series. W/o No. 4, 15. 7) 1949-1961

3 0112 087782436