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UNION RESPONSE TO TECHNOLOGICAL CHANGE

William E. Hart

by

B.S. in Chemistry, Tuskegee Institute, 1954

An independent study submitted to the Faculty of the AFIT Minuteman School and The University of North Dakota in partial fulfillment of the requirements for the Degree of Master of Science

331.89 H 326

AFIT Minuteman School, Minot Air Force Base, North Dakota

May 1967

This research paper submitted by William E. Hart in partial fulfillment of the requirements for the Degree of Master of Science in Chemistry at the University of North Dakota is hereby approved by the Committee under whom the work has been done.

(Chairman)

Dean of the Graduate School

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ABSTRACT

Basic to the development of featherbedding are the fear of displacement and resistance to the use of the machine. Featherbedding grew out of an environment of violence in which destruction of machinery was frequent, and represents a more civilized (sic) manner by which workers can protect their employment opportunities. Since the plight of workers affected by technological change concerns many groups of workers in the economy, different attitudes toward displacement and technological change are examined in this study.

Clearly apparent is the fact that featherbedding is part of the larger problem of technological displacement. As industrial and governmental techniques and programs reduce the fears which workers have of new machinery, featherbedding will also decline. Although it may be true that craft unionism must bear some of the blame for make-work practices and attitudes, generally the best method of ridding industry of this practice is to tackle the overall problem of displacement by promoting practices that increase job security.

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INTRODUCTION

"Featherbedding"¹ or work restriction is a subject receiving much attention; yet it is little understood--formal analysis being limited to very recent times. It is often the most volatile issue in labor-management disputes. Management is almost certain to attempt to obtain public support and to put pressure upon the unions by claiming that the bargaining demands of management are designed only to put an end to featherbedding. This is a claim of virtue against sin and is usually successful in influencing public opinion. The significance of public opinion in the settlement of labor-management disputes is subject, however, to considerable argument.

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It is not necessary to have all members of a union unemployed before the union is confronted with the question of its extinction as a viable institution.² Therefore, the efforts of unions to "make-work" by various methods, direct and indirect, may be attributed primarily to the insecurity of employment in modern industry.

The wage earner lives in a world where the demand for labor is

Weinstein, Paul A., Featherbedding and Technological Change, D. C. Heath Co., 1965, p. v.

¹The word "featherbedding" refers to practices or work rules which set unreasonable limits to the amount of work employees may do in a given time. It also includes payments for unneeded workers, unnecessary tasks, work not performed or jobs duplicating those already done. More specifically and appropriately it means resistance by labor to the introduction of better techniques of production and more efficient types of machinery. The word, therefore, connotes contemptible behavior because it is associated with economic waste of resources and an unacceptable norm of conduct. It is used interchangeably with "make-work" and "restrictive output".

constantly changing in quantity, kind and location. In a dynamic economy--one in which changes in technology and in the demand for various kinds of goods and services create a changing demand for labor in each industry, occupation, or locality--a substantial degree of job mobility is needed to achieve full utilization of the labor force and to enable the economy to operate at full capacity.³ On the other hand, the individual employer or employee is often more interested in job security and stability. The employer prefers stability because it means the costs of hiring and training new workers are kept down. To the employee, stability means relative freedom from job losses or layoffs and protection of his invested equity in fringe benefits.

A survey of job attachment in January 1966 provides information on one aspect of mobility--the length of time that workers had been continuously employed on the job they held at the time of the survey. Data indicate that employees stayed with the same job or employer an average of 4.2 years.⁴ However, seasonal fluctuations in demand may cause even regular employees to lose many days of work and to enjoy less than full time employment. Considerable unemployment is caused, even in good times, by technological innovations, changes in demand, and geographical shifts in industry.

Since employment is uncertain and fluctuating, and much of it of short duration, it is not surprising that wage earners, both organized and unorganized, seek to stabilize and extend their periods of employment by controlling the pace of work. Unions also seek to improve

³"Job Mobility in 1961," Monthly Labor Review, August, 1963, pp. 897-906.

⁴"Job Tenure of Workers, January 1966", <u>Monthly Labor Review</u>, January 1967, p. 31.

the employment picture by various make-work rules and policies.

Employers, well aware of the workers' fear of unemployment, have often tried to foster this fear for such selfish purposes as to step up the speed of work or to maintain discipline. The efforts of management to use fear of unemployment, however, serve only to strengthen union attempts to make work. It is not merely to increase or to protect immediate employment opportunities that unions use make-work rules, but to prolong future employment.

From the standpoint of the community, make-work rules are a wasteful way of dealing with unemployment caused by seasonal work, technological change, and market shifts. In view of the large number of important technological changes in the last several generations, it is surprising that unions have not been concerned far more than has been the case with the problems resulting therefrom. The reason appears to be that many of the changes occurred at a time of rapid expansion of the economy, which in turn served to minimize displacement caused by any one change, since the displaced worker could readily find employment elsewhere.

This study will attempt to explore the reasons why unions, workers, management, and the public take the attitudes they do toward technological advancement.

HISTORY OF "FEATHERBEDDING"

Throughout time the public has often regarded inventors as criminals and madmen rather than benefactors of mankind. In 1579 the hapless inventor of a weaving machine was ordered strangled by the Council of Danzig, on the ground that his device would reduce many workers to beggary. John Fitch, inventor of the steamboat, indicated that he was treated "like a slave" when he appealed to various groups for financial support. John Kay, inventor of the flying shuttle in 1733, was forced to leave England; workers entered Hargraves' home in 1768 and destroyed his spinning jennies; and Crompton, who invented the spinning mule in 1799, was forced into hiding as a reward for his work.⁵ Resistance to technological change has never been confined to any one class or group. Governments, religious groups, farmers, and workers have at one time or another prevented or impeded introduction of new innovations.

> The acceptance or rejection of technological innovations depends to a large measure on whether they are introduced at a time when an economy is static, contracting, or expanding; whether they appear in a setting of social stratification, of anarchic competition and class struggle, or in a planned industrial order.

These are factors to remember when speaking about problems of featherbedding, because featherbedding is a form of resistance to technolog-

⁹Stern, "Resistance to the Adoption of Technical Innovations in Technological Trends and National Policy 39, 55" (National Resources Committee 1937) quoted in Weinstein, p. 12.

Ibid.

ical change.

Fewer than 150 years ago the textile workers of England were wrecking revolutionary machines which to them signified nothing but poverty and degradation.⁷ Being unorganized and having no practical method of securing a hearing of their grievances, they took out their frustration in this futile and primitive fashion. It was not the invention of machinery which produced the crisis, but rather the condition governing exploitation of the machine by the owners. J. L. and B. Hammond observed that:

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If the introduction of machinery had taken place under a system that allowed the workers to control it, that system could have increased leisure and made the life of the people happier: it would in fact have done what the philosophers claimed for it. But machinery was introduced under a system that placed the workers at the disposal of the owners of capital, who valued machinery as a means, not to a large and richer life for the workers, but greater and quicker profits for their enterprise.⁰

The harsh experience of the English was not repeated on the American scene with the introduction of technological innovation, primarily because of the flexible and expanding economy of the United States. Those who were dissatisfied with their lot had only to look to the new frontier of the "Wild West". Even though the introduction of new machinery did not take place under the control of the workers, the system did allow the workers to share more in the economic and social benefits of the new technology here than anywhere else in the world. Only recently has the opposition to technological change been signif-

J. L. and B. Hammond, The Skilled Labourer, 1760-1832, 1 (1919) as quoted in Summer H. Slichter, <u>Union Policies and Industrial Manage</u> ment, The Brookings Institution, <u>Washington</u>, D.C. (1941).

Ibid.

icant enoughoto arouse public concern and, even now, in only a few trades and industries.

Opposition has taken the form of "taxing" the use of new machines and techniques rather than preventing its introduction. There is, however, evidence that through the control of certain basic patents and other means of economic pressures, American industry has prevented or delayed the introduction of new machines or processes.⁹ This, however, is a result of business conditions or cycles rather than a continuing basic philosophy of businessmen.

The factors which motivate the decisions of businessmen and organized workers to resist technological changes at certain times and under certain conditions are neither understood nor condoned by the public. In America, industrial progress is measured in quantitative terms, i.e., units of output, amount of service available. Anyone, whether businessman, or organized, or unorganized worker, who attempts to curtail or limit the amount of production is considered an enemy of progress. Since the opposition of workers to technological changes necessarily assumes forms which are more patent and crude than those of businessmen, it is only natural that criticism is focused on the workers. "Featherbedding" has now assumed the connotation of mal-practice, foul play, and many other names for bad conduct, and some writers believe this is mainly because of the historical antipathy to unions in this country.¹⁰

Few words in the lexicon of labor are so charged with emotional

9_{Weinstein}, p. 13.

¹⁰Weinstein, p. 14.

content as the so called practice of "featherbedding". Everybody is against it, including management, the public, the President, and even organized labor. No one denies that waste is evil. But just what constitutes featherbedding?

Everyone is familiar with the charge that the trade-union organizations have been agencies of propaganda for restriction of output. The bricklayers' union, for example, limits the number of bricks to be laid each day, and members get more money for laying fewer bricks than formerly.¹¹ Another charge is that made against the plumbers. "The plumber's getting two dollars an hour for sleeping under the bathtub", is a facetious way of expressing a general conviction regarding the plumber's restriction of output. Just why bricklayers' and plumbers' unions are used as stock examples of restriction of output is not known; but indications' are that most people identify restriction of output with the trade unions. Many writers and authorities on unionism and industrial relations identify restrictions of output as a policy of organized labor only, and not of unorganized labor. This is far from the truth.

This common habit of associating unions and restriction appears to have produced a sort of deadening effect to the aches and pains caused by the restrictive practices of non-union workers. The popular indifference to such practices may also be the result of that type of thinking which associates everything evil in industry with unionism and everything good with non-unionism.

> 11 Summer H. Slichter, Union Policies and Industrial Management, The Brookings Institute, Washington D.C. 1941, p. 192.

Restriction of output has many names. We find such terms as "ca! Canny and dorg" (used in Scotland); "conscientious withdrawl of efficiency," "go easy," "scamping," "skulking" (used in England); "gold bricking" (in Western United States); "government work," "doing oneself on company time," "holding back" (in the United States); "sabotage" (in France); "rattening," "striking on the job," "soldiering" (accurate but uncomplimentary), "shirking," "slacking" (in England and the United States).¹²

Featherbedding is not new. Some of today's practices originated in the last quarter of the 19th century. But now there is a new dimension to the problem. The situation of workers displaced by new technology has been aggravated by a sluggish economy. The union leader's problem, however is not related to prevailing economic conditions, but to his own entrenched position.

Although featherbedding is usually discussed in connection with trade unionism, unorganized workers are just as prone to engage in restriction of output. Workers in industrial society, regardless of whether or not they are organized, oppose the introduction of new industrial machinery because it arouses the fear of unemployment.¹³ The reaction has varied, however, depending on the state of unionization. Non-union workers have been more inclined to reach tacit understandings and bring social pressures on the members of the work group. These actions are more difficult to isolate and identify than formal rules and contractual provisions.

12 Mathewson, Stanley B., "Restriction of Output Among Unorganized Workers, "<u>Featherbedding and Technological Change</u>, p. 4.

13 Weinstein, p. 4.

The case which follows indicates how potent a factor for

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restriction the pressure of the group may be.

An enthusiastic boy had gone to work in the automatic screw machine department of a large manufacturing plant. He had been at work only a few days on the simple job of knocking burrs off small parts with an emery wheel. One of the older burr-grinders approached him and said,

"Take it easy, buddy, there's no hurry. Slow up a bit."

"What's that?" the boy demanded. "I'm paid piece work."

"Well, don't work so damn fast. Take my advice; it's healthier."

Later the boy explained, "I didn't understand at the time and I didn't slow up. It was some time before I learned what prompted this fellow to attempt to interfere with my rate of production.14

14. Weinstein, p. 5.

UNION RESPONSES TO TECHNOLOGICAL CHANGE

Make-work or featherbedding has been caused for the most part by the genius of man. In today's world the technological changes that affect the work force most seem to be the modern trends toward automation. "Automation" is defined as a mechanical figure or contrivance constructed to act as if spontaneously, without the aid of man.

It would be exceedingly naive to argue that automation does not abolish jebs. There is no doubt that it does. In a 1955 inquiry by a trade periodical, <u>The American Machinist</u>, 1,574 firms gave their answer to the impact on the work force. Of the 22% who indicated some degree of automation in their plants, one-fourth of the firms indicated an increase in employment by 21%, while another one-quarter stated that their work force was reduced by 16%.¹⁵ In the Ford-Cleveland Plant, one man runs a transfer machine performing more than 500 machining operations, whereas conventional methods required 35-70 men;¹⁶ and, in one automated radio plant, two workers can turn out 1,000 radio sets per day where formerly 200 men were required.

Production in the electrical machinery industry is 25% higher than it was 10 years ago, with 80,000 fewer employees; and the automobile industry can produce 10 million new cars with a work force of

15_{Fredrick Pollock, Automation, (New York: Frederick Praeger, 1957), p. 209.} 16_{Report of the Director General, Part I: Automation and Other Technological Developments, (International Labor Office, 1957), pp. 9-32.}

200,000 fewer than in 1953.¹⁷

It has often been stated that "one man's red tape is another man's due process." It may be similarly asserted that "what is featherbedding to an employer is protection of the property right in a job to the worker and his union." Many of the work rules that emerge from collective bargaining generally define what employers refer to as "featherbedding".

The conflict between the worker and emerging new forms of technology is as old as the Industrial Revolution.

The union embodies the development of a new set of property rights generated within the womb of an older set of property concepts. The older set must either repress the developing concepts or adapt to them by a process of accomodation. Collective bargaining is essentially an experimental procedure to reconcile these conflicting property concepts in an evolving social system.

The interpretation of this conflict as a clash of different property rights permits a rational view of work rules and alleged featherbedding. The concept of aworker's property right in his job originated as an intellectual formulation in the work of John R. Commons. It received its classic expression from his student, Selig R. Perlman. He wrote, "The safest way to assure group control over opportunity. . . was for the union. . .to become the virtual owner and administrator of the jobs."¹⁸

¹⁷Russel C. McCarthy, "Automation and Unemployment: A Second Look," <u>Management Review</u>, May, 1962, p. 37. 18

¹⁸Selig R. Perlman, <u>A Theory of Labor Movement</u>, (New York: Augustus Kelley, 1949), p. 199.

John R.Commons considered rules to be the very basis of our economic theory. Commons used the concept of a working rule in a much broader sense that it is used in the field of industrial relations today. He formulated it as' a guiding concept in explaining the behavior of all economic institutions including the corporation itself. He describes the working rule in the following language:

> It (the working rule) tells what the individual must or must not do (compulsion or duty), what they may do without interference from other individuals (permission or liberty), what they can do with the aid of collective power (capacity or right) and what they cannot expect the collective power to do in their behalf....Working rules have had a profound effect upon the concept of private property, changing concept from a principle of exclusive holding of physical objects for the owner's private use into a principle of control of limited resources needed by others for their use and therefore into a concept of intangible and incorporeal property arising solely out of rules of law controling transactions.¹⁹

John R. Commons concludes that the deprivation of a worker of his job is the equivalent of the abolition of a property right for which he is entitled to compensation on the basis of capitalizing the earning powers of which he is thereby deprived.

Opposition to technological change is such a natural reaction of those who are immediately injured by the change that considerable foresight and a careful weighing of consequences are necessary in order to induce a union to refrain from adopting the obvious and natural attitude of opposition. And yet it is important to observe that if an attitude or policy of obstruction is not adopted and if the supply of

¹⁹John R. Commons, <u>Legal Foundation of Capitalism</u>, (Madison: University of Wisconsin Press, 1957).

labor is permitted to adjust itself gradually to the change, the oppostition will pass away. The structual ironworkers originally opposed the pneumatic hammer; now the ironworkers would not think of opposing it--in fact, most do not know how to pound rivets by hand.

Opposition to technological change is more likely to be practiced by craft unions than by industrial unions. When unions include only members of a single occupation, a machine or process which displaces men or reduces the required skill injures every member of the union. When the union includes all occupational skills in the industry, however, too few members are affected by most technological changes to permit the union to make a major issue of the change. Whether industrial or craft, unions are composed of men who have a limited time to live and who are primarily interested, therefore, not in perpetuating their organization, but in obtaining within their lifetime a return on the money they pay as monthly dues. If, by insisting upon policies that eventually destroy the union, they can protect their jobs from destruction for a few years, they may prefer to sacrifice the union in order to prolong their job.

This attitude of unionized workers toward technological progress, which has led to the imposition of restrictive practices, stems from various factors. These include the attitude and behavior of managment, the satisfaction of employees with working conditions, the size and type of union, and the history of the union and its relations with other labor organizations.²⁰ Most important of all, workers are influenced by employment conditions in the labor market. Nevertheless, there has

²⁰Slichter, p. 242.

been a gradual realization by workers that a proper distribution of the costs and gains of new technology is the key to improvement of conditions, and as a result resistance to technological progress has decreased. Gains are represented by advances in the standard of living and more leisure time; costs include the loss of skills and experience, the need for some displaced workers to find new jobs and shift their place of residence, and the inability of other employees to adjust.

Evolution in the attitude and behavior of workers toward the introduction of new machines has depended in great part on surrounding circumstances. The most serious cases of resistance to machinery and the clearest demonstration of destructive human impulses and mob violence have occurred at those times and places in which workers affected by the installation were faced by a variety of restrictions limiting their ability to change trades or move to other locales. More recently, the greater impact of severe economic depressions, the accumulation of rights and privileges under the systems of seniority, and the existence of vested interests in pension funds have made it far less attractive for workers to seek new jobs or change the place of residence. Resistance to technological advance, although expressed in much milder forms than formerly, has again become an important industrial issue.

The question of trade union limitations on output became important in the United States near the beginning of the Twentieth Century. At first, discussion did not revolve around the impact of technology on the attitudes and activities of workers. The main concern was whether the amount of work assigned was overly burdensome and unduly sapped the physical vitality and stamina of workers, thereby making them useless to industry in relatively short periods of time. Generally, it was not contended that union leaders exerted pressure on workers to

reduce the normal amount of work performed during working hours. Rather, the labor movement was interested in achieving a reduction in the daily hours of work, an objective more widely acceptable outside the wage-earning class. At times employers agreed to permit their workers to produce less in lieu of giving them an increase in wages; occasionally and possibly for brief intervals strong locals reduced work loads of their members below reasonable limits. There are instances where unions, such as stone mounters, flint glass workers, and iron and steel workers, have tried to avoid a cut in the piece rate paid to their members by limiting the amount of wages which workers were allowed to earn in a day.²¹

Trade unions generally favored policies limiting output only to resist the speed-up. It sometimes happened that employers hired several able workmen who were induced by financial arrangements to set a work pace above the normal capabilities of most workers in order to drive those on the job to greater exertion. But as the practice of the speed-up was gradually abandoned by employers, limitation of output as a union counter measure became less important.

Some union opposition to new machinery resulted from unhappy experiences. Technological advance made it easier for employers to institute the speed-up, destroyed skills, reduced the demand for labor in establishments using new devices, and sometime made possible the employment of women and children. But even at the beginning of the Twentieth Century, attempts by unions to prevent the use of machines at wages at least as high as those formerly prevailing. The typograph-

John Mortin, "Do Trade Unions Limit Output?" Political Science Quarterly, September, 1907, p. 371.

ers succeeded in this objective. Machinists, pressmen, and lithographers, for example, fixed the number of machines each man could operate.²²

But the baker's union, predominantly craft in nature, which had incomplete control of the labor market, did not show hostility to technological advance. This union did, however, generally press for shorter hours in the mechanized sector of the industry. As machines replaced hard labor, the organization assumed more of the characteristics of an industrial union. The advantages which workers receive from mechanization have been recognized by the union leadership. In 1955, the president of the baker's union said: "We have 170,000 members in the union...but I doubt if 16,000 of them are bakers....But machines, while eliminating bakers, require great numbers of men to assemble the packaging materials, store and move the products. We've exchanged bakers for bakery workers."²³

In one sector of the labor market, however, where control was complete, (control of all employees in a particular competitive area), the baker's unions resisted technology and practiced featherbedding. In 1922, the New York State Joint Legislative Committee on Housing (the Lockwood Committee) conducted an investigation of the Jewish baker's union in New York City. It disclosed, among other things, that: union policy required that the hours of work were to be reduced if machinery is used in a bakery; employers were to limit the amount of bread baked each day; and during specified periods employers "must keep

²²Robert D. Leiter, Featherbedding and Job Security, Twayne Publishers, Inc. New York 1964, p. 57.

²³Fortune, May 1955, p. 59.

and pay such number of men as the union determines even if he has no work for so many;" and bakery machinery was to be operated by Journeymen workers only. The committee found that these rules drove employers out of business because they were unable to compete with the city's non-Jewish bakers who were not burdened by similar requirements.²⁴

There are instances in which unions whose members are affected by technological change are not always capable of acting effectively. This occurs, for example, when new developments or growth in one industry influences employment opportunities in another. Generally, however, union attitude toward technological change takes the form of acceptance and encouragement, adjustments and control, or opposition and competition.

Acceptance and Encouragement

A militant employer association and a militant labor union in the West Coast shipping industry have evolved a novel solution for the troublesome problem of restrictive working rules that may be far reaching in its ultimate effects. The employer--the Pacific Maritime Association (PMA)--regained a high degree of freedom to manage its operations efficiently, and established its right to introduce labor saving machinery. The union--the International Longshoremen's and Warehousemen's Union (ILWU)--gained sizable payments running into the millions of dollars, as its "share of the machine" and the assurance of security and a "better deal" for its longshore members.²⁵

²⁴New York State Joint Legislative Committee on Housing, Final Report (Legislative Documents No. 48) 1923, pp. 37-46 as quoted Leiter, P. 57.

25 Kossaris, Max D., "Working Rules in West Coast Longshoring," Monthly Labor Review, January, 1961, p. 1.

In the process of moving goods, longshoremen ordinarily engage in duties which bridge the gap between the functions of seamen and teamsters. The work consists of moving cargo between the dock and the hatch of ships engaged in foreign intercoastal, and coastal trade. This work is performed mainly by gangs of men, although some persons not attached to a gang, such as clerks, checkers, carpenters, and extra laborers, also are utilized. Since most of the costs of operating a vessel, other than fuel, continué to accumulate during the period in which the vessel is docked, profits tend to be larger if turn arounds are more rapid. Fluctuations in the demand for longshore labor vary widely from day to day because arrival and departure of ships and amounts and kinds of cargo to be loaded or unloaded are irregular. Some casual employment, therefore, has been a regular feature of the industry.

The period following the general strike of 1934, was one of exploitation and abuse of longshoremen by their employers. The bitterness which had characterized the industry carried over into the subsequent employer-union relationship. The employers did their best to break the union, and the union retaliated just as militantly. These years were probably the stormiest in U.S. labor history. Between 1934 and 1948, the West Coast had over 20 major port strikes, more than 300 days of coastwide strikes, about 1,300 local "job action" strikes, and about 250 arbitration awards.²⁶

One of the issues settled in the 1934 strike was the hiring

²⁶Betty V.H. Schneider and Abraham Siegel, <u>Industrial Relations</u> in the Pacific Coast Longshore Industry (Berkeley, University of California, Institute of Industrial Relations, 1956), pp. 2-3.

hall procedure. No longshoreman may work steadily for one employer. He reports to the hiring hall, where a union-elected dispatcher fills employer requests by sending a gang to load or unload a ship.

The 15,000 Class A fully registered longshoremen (and clerks) who are ILWU members are considered the industry's basic labor force and have first choice at available jobs.²⁷ There are two other classes of longshoremen: Class B and Casuals. While there are nearly as many Class B and Casual workers as there are Class A men, the two groups account for only a small fraction of the manhours worked (about 14 percent in 1959) and not considered part of regular labor force.²⁸

Two significant facts evolved in the industry during the period of active warfare between 1934-1948. One-that the union has complete control over the longshore labor force on the West Coast. The longshoreman must look to the union for his job and thus his complete loyalty is to the union. The second irksome situation is the double handling rule which prevails in most ports. Under this rule, cargo must touch the "skin of the dock" before someone other than a longshoreman may handle it. Thus the cargo cannot be unloaded directly into a truck, train, or other means of conveyance.

Employers have repeatedly protested what they term "the progressive and substantial deterioration of longshore productivity", but to no avail. They either abided by the rules or their ships were not worked.

²⁷Betty V. H. Schneider, "The Maritime Industry," <u>Monthly</u> <u>Labor Review</u>, May 1959, p. 552.

28 Kossoris, p. 2

Subsequent to the ninety-five day strike of 1948, new management leadership helped to usher in an era of relative peace. Each side was well disposed to reduce its financial losses.

Realization by the union that the volume of work available to longshoremen was declining and that operating procedures were being modernized by employers led to a reappraisal of its attitude and policies. High labor costs on the docks were responsible at least in part for the shift in freight transport from coastal and intercoastal water shipments to trucks and railroads. In 1957 the union announced that it was prepared to forego the advantages of its restrictive rules and prohibitions to technological change in order to make the industry more competitive and profitable on the condition that employers permit longshoremen to share in the gains. A union committee reported: "Our present policy can be described as one of intermittent guerrilla warfare directed against all changes which we anticipate will reduce the need for men."²⁹ Modification of the policy, the union felt, would be more beneficial to the membership.³⁰ Harry R. Bridges, the president of the union, said to the representative of the employers:

> A union leader has a right to fight for featherbedding until an employer sits down and works out a scheme for taking care of the men. Try to change the work rules and we'll call a strike. We'll hold out for three months-four, if necessary. We'll cost you maybe 70 million dollars. Why don't you take half of that and put it in a fund to protect the men's jobs as you mechanize? Why don't you share the savings?³¹

²⁹ The New York Times, May 27, 1963, p. 15:2.

³⁰Lincoln Fairley, "The ILWU-PMA Mechanization and Modernization agreement," Labor Law Journal, July, 1961, p. 669.

³¹Lester Velie, "That Empty Chair by the Featherbed," <u>The</u> <u>Reader's Digest</u>, April, 1963, p. 100.

The problems were explored with the employer's association that year and in 1958. The labor contract negotiated in 1959 provided that for the contract year of 1959-1960 employers were free to mechanize without fear of restraint from the union, although they could make no changes in work practices. During this period a method was devised to measure manhours saved under new techniques to provide a basis for future sharing of the gains. Meanwhile the employers agreed to pay \$1,500,000 into a fund to provide a guaranteed annual wage and early retirement.³² Since this agreement a more substantive contract has emerged based on the "buy-out" principle instead of "gains-share".

The employers were most anxious to get the 1960 agreement because the West Coast longshoremen were very much against reducing the size of the regular work force. The agreement went far in principle, but not far enough in fact. Principally, the union agreed in this contract to eliminate casual workers and those who leave the work force. But in the main, it kept the basic group at work, regardless of methods or improvements.

In effect, the West Coast agreement provides a "permanent bonus to employees to refrain from opposing technological progress."³³ Involved in this provision is what amounts to a dismissal compensation concept, providing payments for employees to seek work elsewhere.

The fund could have had bad effects in practice. The maintenance of the existing labor force, except for attrition, will undoubtedly raise the average age of the employees, thus reducing efficiency

32_{Kossoris}, p. 5.

³³G. F. Bloom and H.R. Northrup, <u>Economics of Labor Relations</u>, (Homewood, Illinois: Irwin, Inc., 1961) p. 259

in an industry that requires much physical effort. Over-manning will probably also continue.

Though the agreement has some undesirable features, it nevertheless, is still a giant step'toward solving the problem and changing the attitudes of unions toward technological change. Neither the employer group nor the union has a good measure of what the modernization program will mean in terms of man-hours saved. No one knows how fast nor how far the program will move. Estimates of the reduction of man-hour requirements have gone as high as 35% by the end of the agreement's life.³⁴

Significantly, the ILWU achieved all of the changes through peaceful negotiations at the bargaining table.

Adjustment and Control

For more than eighty years, the practice of prohibiting the use of borrowed type without reproduction has been an accepted part of the labor-management relationship in the printing and publishing industry. All acceptable relationships between employers and the International Typographical Union (ITU) have grown out of long years of experience, and have been considered from most angles at the bargaining table. Common problems and controversial matters have been negotiated in an air of mutual concern, seeking a fair solution; these often have involved trial-anderror projects, concessions made to equalize benefits gained and adoption and adaption of new ideas to meet changing conditions as often as deemed necessary or advisable by agreement of both parties.35

34 Kossoris, p. 7.

³⁵Excerpts from a speech presented by Woodruff Randolph, President of the International Typographical Union before the House Committee on Education and Labor and the Senate Committee on Labor and Public Welfare, during hearings on amendments to the <u>Taft-Hartley Act</u>, 83rd Congress.

The possibilities of transferring matter which had been used from one office to another and thereby reducing the outlay for composition must always have been apparent to the publishers of newspapers. The local unions, doubtless, had cases of this kind to deal with at a very early time, yet the subject did not attract much attention until after the Civil War. The 1869 session of ITU rejected a resolution directing local unions to oppose the borrowing of matter. 36 This action was not the result of any opposition to the principle involved, but rather of the reluctance of the International, at that period in its history, to interfere in local questions. There is ample ground for believing that at the time local unions very generally opposed the borrowing of matter; and three years later, in 1872, a committee of the International expressly declared its opinion that the transfer of matter was "detrimental to both proprietor and printer and should not be allowed."37 In 1873 The International adopted a resolution "discountenancing the practice prevailing in several cities of loaning and borrowing matter between morning and evening newspaper". 38 As the rule has been enforced since that time, the exchange of matter is prohibited unless the newspapers are printed in the same office and owned by the same person.

About 1870 the use by newspapers in the smaller towns of what are known as "patent outsides" became common. These were sheets printed

³⁶Woodruff Randolph, "Reproduction in the Printing and Publishing Industry," Labor Law Journal, May, 1953, pp. 307-308.

³⁷George E. Barnett, "The Printers", American Economic Association Quarterly, Third Series, X, No. 3 (October, 1909), p. 435.

38 Ibid.

on one side and furnished by a single printing office to a number of newspaper publishers. The central office printed thousands of these sheets from the same type, and sold them in small lots to its customers. The local publishers printed the other side of the sheets in their own offices. The newspapers which used "outsides" were almost exclusively weeklies published in towns too small to have local typographical unions. The union, therefore, never showed a keen interest in the subject, although it was occasionally considered.

During the earlier years of ITU, reproduction was not practiced. The loaning and borrowing of type was prohibited by mutual agreement. The law and the agreement dealt only with type and type setting. Before the turn of the century, new machines were invented, new methods were brought into use, and new problems confronted both proprietors and printers in their collective bargaining. Hand-set type was being replaced with composition from Monotype and Linotype machines. Sterotype and electrotype plates, photo-engravings and papier mache matrices were widely used.

During this period of rapid expansion and changes within the printing and publishing industry, collective bargaining as to the exact terms and specific policies to be followed in each local jurisdiction became more important and minimum standards as expressed by ITU general laws were stated in greater detail.

When unions seek control over the jobs created by a new laborsaving machine or device, they are usually interested primarily in obtaining these jobs for the men displaced by the new technique. Their success in achieving this purpose depends in the main upon five conditions: (1) the usefulness of skill and experience acquired under the old

technique to holders of jobs under the new, (2) the bargaining position of the union, (3) the willingness of the union to make concessions to obtain control of new jobs, (4) the relations between the union and the employers, and (5) the willingness of the displaced men to learn the new techniques promptly and to do their best at it.³⁹ The success of the ITU in controlling the linotype--the classic instance of the successful pursuit of the policy of control--is largely explained by the fact that employers early discovered that the compositors knowledge and training made him a more satisfactory operator than workers who lacked experience in setting newspaper matter.

Even where men experienced at the old technique make the most satisfactory workmen on the new, the bargaining power of the union may be important in gaining for the displaced employees an opportunity to show what they can do. At the time new techniques are introduced, employers may not know whether experience at the old process is valuable at the new. Certainly the Typographical Union was greatly helped in preventing employers from embarking on attempts to train specialists for the linotype by the fact that many jobs such as the setting of advertisements, were not affected by the machine. No less important was the fact that many jobs such as the setting of advertisements, were not affected by the machine. No less important was the fact that linotypes were first introduced in newspaper offices where the union was the strongest.⁴⁰

Strikes are costly to newspapers because the failure of a paper

39 Slichter, p. 246.

40 G.E. Barnett, "Chapters on Machinery and Labor," p. 19, as quoted in Slichter, p. 248.

to appear inflicts on it an irretrievable loss of advertising revenue. And if the paper is produced by strikebreakers, many advertisers refuse to patronize it for fear of incurring the enmity of the strikers and their sympathizers. Newspapers too, are highly vulnerable to boycotts. Since the circulation depends upon popularity, newspapers are reluctant to offend the wage earners of the community by becoming involved in serious labor trouble. Finally, the expense of setting the type for a Large edition of a newspaper is too small a part of the cost of production to warrant an expensive battle.¹¹ These factors, by strengthening the bargaining power of The Typographical Union, helped to forestall the move of management to train specialists for the linotype. The union embarked upon a training program of its own.

Elmer Brown, ITU President, in a speech to the American Newspaper Publishers Association Convention in April 1965, states:

> The union printers, after quickly recovering from their first shock, determined that their future lay in mastering the new machines, not fighting them. The lesson learned by both labor and management in the replacing of hand-set composition with the machine method should serve as a parallel to the era of automation and the computer. • . We are making every effort to train our members to operate new electronic devices which you are introducing in your newspapers. . . . In addition to training our representatives and staff members to better understand your problems, we have embarked on a program which, we hope, will provide you with a ready source of competent, trained personnel whenever you decide to introduce new innovations in your composing rooms. . . Regardless of what you may think, we are grown-up boys now and we realize fully that if you don't prosper, then neither will we.

Il Slichter, p. 249.

The ITU has consistently opposed the four devices ("Borrowing Matter," "Patent Outsides," "Plate Matter," "Exchange of Matrices") for the reuse or duplication of matter. Where the use of plates or the exchange of matter has been permitted, it has been because conditions were too strong for the union to overcome. The underlying motive in the opposition to such labor saving devices has been the desire to prevent the displacement of labor; but the attitude of opposition had its inception in certain peculiarities of the system of piece payment long in vogue in the newspaper business. It is to be expected that as time lapses such survivals in attitude will lose their force. The prohibition against the various forms of the reuse and duplication of matter will then rest, if still enforced, purely on the desire to increase the amount of employment.

In general the ITU accepts the inevitable advancement in technology and channels its energy toward continued control of the industry through established training programs for its members to meet head-on the challenge of the future.

Opposition and Competition

Lumbering along a street in Washington, an old railroad fireman named H. B. Gilbert recalled his private meeting with the President of the United States earlier that day. Gilbert turned to his companion, "You know," he said, ""today's events make me prouder than ever that I am an American. Where else in the world could an old country boy like me say 'No,' to the President and then walk out of his office?"

As president of the Brotherhood of Locomotive Firemen and

¹¹²Time Magazine, July 26, 1963, p. 13.

Enginemen, Gilbert has been simply a preserver of past union gains. In a speech to the Brotherhood convention, July 1963, he characteristically called upon the members to confront the crisis of '63 with the "spirit of '73". He meant not 1973, but 1873.⁴³ That was the year the Brotherhood was founded. An Erie Railroad fireman was killed in a train wreck, and a railroading friend named Joshua Leach set about taking up a collection for the widow and children. From this beginning he formed a fireman's life insurance association with eleven members who called themselves the "Deer Park Lodge No. 1." From this beginning grew the Brotherhood of Locomotive Firemen and Enginemen.

In 1877, members of the young union took part in the United States' first nationwide strike, which erupted when depression-hit railroads imposed wage cuts. Railroad workers struck in Baltimore, Philadelphia, Pittsburgh, Reading, Louisville, and Chicago. Strikers destroyed locomotives, fought with anti-strike citizens, but finally gave up after battling state and Federal troops. Chastened by bloodshed and defeat, the Firemen two years later adopted a resolution declaring that the union would "ignore strikes and hereafter settle our grievances with our employers by arbitration."¹⁴⁴

The long history of railroading in the United States has seen only one partly successful attempt to gather all railroad workers into a single industrial union. That was The American Railway Union (ARU) founded in 1893 by fiery Socialist Eugene Debs. The membership rose to

I3 Ibid. lili Ibid. p. 14.

about 150,000 and was a boisterous but confident organization. On May 11, 1894, Debs called out the workers in Chicago's Pullman shops, and the result was one of the bloodiest strikes in United States history. 45

Both the Brotherhood and the railroads reached their peak in the decade before 1920. Since then the companies have been afflicted with competition from the trucking industry and the rail unions with creeping obsolescence. The BofLF&E had 126,000 members in 1920, but only 78,000 today. If it were not for the "work rules" that railroads want to get rid of, union membership would be even smaller.⁴⁶

Although the various branches of the transportation industry have experienced considerably different bargaining relationships, almost all of them have been subject to many make-work practices. The most publicized and bitterest featherbedding dispute has occurred on the railroads, where employers have coordinated their efforts fully and effectively. Elsewhere labor and management have not met in similar head-on struggles.

One of the major problems faced by the whole transportation industry in the 1960's is caused by the lack of union responsibility for holding operating costs down. Labor organizations have not been sufficiently concerned to maximize labor productivity and have resisted service adjustments based on user demand and changing technology.⁴⁷

45<u>Ibid</u>.

⁴⁷Kent T. Healy, "The Problem-Rational and Effective Allocation of Resources, " <u>The Annals of the American Academy of Political and</u> <u>Social Science</u>, January 1963, p. 44.

The tendency to impose inflexible and complicated work rules restricting output and operations and reducing the carriers' ability to render efficient service generally permeates transportation labor unions.⁴⁸

The rules and practices under which operating railroad workers in the United States are assigned their tasks and paid for their service have been developed during a period extending over 100 years. Lack of immediate supervision called for detailed rules. Since 1875, when the first simple railroad contract was put in written form, the rules have grown in scope and extensiveness and are now incorporated in elaborate and complex collective agreements. The different practices did not all come about from collective bargaining. Many originated in decisions of courts, executive agencies, and arbitration bodies. Others resulted from federal and state legislation. A general examination and evaluation of wages and hours in the railroad industry, which shed much light on operations, was made at the direction of Congress in connection with the Adamson Eight Hour Act of 1916.49 Prevalent rules and practices were codified by the United States Railroad Administration during and immediately after World War I. Since then, changes have taken place within the framework which was thus established.

The railroad industry was one of the first to be thoroughly organized by unions, and employees achieved relatively good working conditions long before workers in other sectors of the economy were able to obtain them. But the gains of railroad workers have lagged since World War II. During the past twenty years other labor organizations have been able to negotiate great improvements in fringe

48 Marvin L. Fair and Ernest W. Williams, Jr., Economics of Transportation, 1950, p. 618

49United States Eight-Hour Commission, Report, 1918, as quoted in Leiter, p. 73.

Benefits, while railroads have not been very successful in this area.

Vast economic changes have in many ways adversely affected the position of the railroad industry. Reduced profits for many carriers and losses for others have stimulated the search for techniques to lower costs. It is natural, under such conditions, that much attention has been directed toward labor outlays which amount to more than half the total operating revenues of railroads and have been a greater fraction of total costs, despite the almost consistent decline in employment over the past forty years.⁵⁰ In 1920 railroads were practically unchallenged as carriers of freight and passengers.⁵¹ Since that time competition has intensified. Automobiles, trucks, buses, airplanes, ships, and pipelines have garnered ever larger shares of the passenger and freight business.

Technological developments, competitive pressures, and the severe and prolonged economic depression which began in 1929 all contributed to the continued decline in railroad employment (except for the war years) that started in 1920. Between 1948 and 1960 the number of jobs for operating workers--engineers, firemen, conductors, brakemen, and switchtenders--fell from about 300,000 to 200,000, though the relative decline for nonoperating workers was much greater.⁵²

Featherbedding on the railroads stems from work rules which have become obsolete because they have hardly been altered since they were developed more than forty years ago. "Full crew" laws in almost

50 Leiter, p. 72 51_{Ibid. p. 73} ⁵²Ibid. p. 73

half the states specify the number of brakemen and other crew positions required on freight and passenger trains. Interpretation of contract provisions and work rules by arbitrators and referees have modified the original intent of agreements and forbidden some labor-saving changes.

Although negotiated rules and state laws have provided most of the employment which is in dispute, decisions of the National Railroad Adjustment Board (NRAB), which handles grievances in the railroad industry, are responsible for some of it. Many rigidities in job assignments of road and yard crews have resulted from contract interpretations made by the NRAB. On the basis of seniority rules, for example, the Board adopted the policy of assigning property rights to work. Each piece of work belongs to a class of labor, a member of which must be called upon to perform it, regardless of whether it can be performed more expeditiously and efficiently by others. This has provided work for yard crews even where yards have been abolished.⁵³

In 1956 railroads, acting jointly, announced their intentions of revising the work rules and the wage-base formula that the union had won over the years. The railroads claimed that the old rules and formulas, largely antiquated by technological changes, burdened railroads with additional and unnecessary costs of \$600 million a year.⁵⁴

The most notorious instance of featherbedding by the operating railroad employees has been the requirement that an excessive number of workers should be employed. The formal beginning of this dispute

> ⁵³Slichter, p. 195. ⁵⁴Time, July 26, 1963, Vol. 82, No. 1. p. 13.

came on November 2, 1959, when because of Section 6Q of the <u>Railway</u> <u>Labor Act</u>, the carriers served the organizations with notices of proposed changes in many work and compensation rules, including those bearing on the fireman and crew consist issues. The President of the United States appointed the Presidential Railroad Commission in November 1960, to inquire into the dispute. In March 1963, the Supreme Court decided that the railroads. . . "having exhausted all of the statutory procedures, are relegated to self-help in adjusting this dispute, subject only to the invocation of the provisions. . . .for the creation of an Emergency Board."⁵⁵

This Board (created under provisions of Railway Labor Act on April 3, 1963) devoted its efforts almost entirely to the mediation of the dispute, seeking as it said, "constructive solutions rather than the mere restatement of the previously fixed positions of the parties," and exploring "paths which may develop into avenues of settlements."⁵⁶ This Board recommended with regard to each issue a series of guidelines and procedures which might serve as a framework for further collective bargaining. Both as to the fireman issue and the crew consist issue, the recommended procedure included arbitration as a means of settling unresolved issues.

Both the Presidential Railroad Commission and Emergency Board No. 154 have concluded that in most instances firemen are not required in road freight and yard service. In addition, several emergency boards and one arbiration board, although not dealing with the same issue, have

brotherhood of Locomotive Engineers v. Baltimore and Ohio Railroad, 327 U.S. 284 (1963).

⁵⁶Public Law 88-108, 88th Congress, S. J. Res. 102, enacted August 28, 1963.

ruled adversely on related proposals by the Brotherhood of Locomotive Engineers.⁵⁷ Even today negotiations between the railroads and unions are snarled, threatening the nation with a crippling rail strike. Six shop-craft unions are demanding a 7% pay hike while the railroads are offering a 5% boost. The Government has already involked the Railroad Labor Acts' 60 day grace period (runs to May 3, 1967), to prevent a strike and now is helpless to act beyond presidential persuasion or special authority from Congress or the courts.⁵⁸

The controversy concerning the appropriate number of operating employees to man the railroads, which began in 1959, is now more than six years old. While the carriers are now in a much stronger position, they still face legal battles and collective bargaining struggles before they can completely eliminate "unnecessary" employees and before the prevalent attitudes of the railroad unions change.

Summary

In general, unions have not been able to prevent technological advance by opposition, except temporarily or locally. Indeed, restrictions and high wage demands have sometimes induced change. The tendency has been for unions to adjust to change and seek to control it under policies which assume that high wages and low labor costs should be achieved simultaneously. The fruitlessness of resistance has been amply demonstrated historically. The growth of industrial unionism and the broadening of craft union jurisdiction have influenced union outlook. The labor movement, recognizing the inevitability of change and the

57<u>Ibid.</u> p. 12.

⁵⁸Time, April 14, 1967, Vol. 89 No. 15 p. 35.

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futility of resistance should therefore, curb its impulses.

Attempts by the union to exert control over employment opportunities when technological displacement occurs have been hampered by jurisdictional disputes over work, particularly among craft unions. These controversies have made it difficult for any one union to work out an agreement with employers regarding job control. The situation has been further aggravated in some instances when technological advance has changed the nature of the tasks, because the narrow basis of craft unionism has limited the scope of duties which workers are expected to perform. Furthermore, as a matter of policy employers have sometimes resisted union claims for jurisdiction of new types of work evolving from technological change.

Union efforts to increase the degree of employment security enjoyed by workers have been supported in part by those employers who believe that insecure workers are prone to be less efficient. In trying to control and adapt to technological change, unions have sought to protect employment opportunities, earnings, and the conditions of work of their members. Although these efforts are similar to those which unions make in connection with all collective bargaining negotiations for the improvement of working conditions, the policies dealing with machine displacement have a number of unique characterisitics. Attempts to minimize displacements have involved union concern with factors relating to limitations on work loads, transfer to other jobs, retraining, regulating the rate at which machines are introduced, controlling the number of new entrants to the trade, reduction in hours, and maintenance of earnings. Unions have also tried to attain greater security and job tenure for members through seniority arrangements and

work guarantees. Determination of the work load deals mainly with the intensity of labor and has often been linked by unions to the health of workers and the safety of operations. In actuality, however, it sometimes involved maintenance of employment in the form of featherbedding. The other goals represent more legitimate attempts to alleviate distress brought on by technological advance.

Except for the decade of the 1930's, the leadership of the American labor movement has remained firm against restriction of output and resistance to technological advance. John Mitchell, president of the coal miners' union, wrote at the turn of the Twentieth Century that production difficulties arise from the attitude of employers that workers should be paid as little as possible for the maximum amount of work, and the responding reaction of employees to offer as little work as possible for the highest wage that can be obtained. But he added that policies of American unions generally are not restrictive; he stated: "The slogan of the trade unionist should be, and is, a fair day's work for a fair day's wage."⁵⁹

Samuel Gompers plainly indicated on numerous occasions that the labor movement must not struggle against technological advance. In his autobiography he relates that he learned the futility of opposing technological progress about 1869 when the cigar makers' union lost a hard fought strike against the introduction of molds and bunch-breaking machines in the industry.⁶⁰ In 1919 Gompers wrote: "The working

⁵⁹John Mitchell, <u>Organized Labor</u>, 1903, pp. 254-255. ⁶⁰Samuel Gompers, <u>Seventy Years of Life and Labor</u>, Volume 1, 1925, p. 47.

people of the United States, have never considered, much less adopted, a policy of limitation of output, and in the last twenty years not even has any appreciable group of workers followed any such policy. It is . .foreign to the whole code of ethics of the organized labor movement."⁶¹ Ten years later, William Green, Gompers' successor as president of the American Federation of Labor, said: ". . . . the American labor movement welcomes the installation and extension of the use of machinery in the industry."⁶² In the 1930's, however, the AFL contended that the principal cause of unemployment was technological displacement, and that congressional investigations to study the problem should be held, so that actions to reduce distress might be taken. John L. Lewis and Philip Murray, the first and second presidents of the Congress of Industrial Organization (CIO), nevertheless felt that employers should be free to introduce new machinery. 63 George Meany, current president of the AFL-CIO, has said that the labor movement recognizes the advantages of automation and does not want to stop progress; it wants only to minimize social and economic dislocations.

⁶¹Samuel Gompers, "Who Limits Output?" International Molders Journal, November, 1919, p. 879.

62 The Bridge Men's Magazine, April, 1929, p. 228.

⁶³Proceedings of the Constitutional Convention, Vol. 1, 1940 United Mine Workers of America. p. 287.

⁶⁴Bill Davidson, "Fear of Automation," Look, April 25, 1961, p. 76.

CONCLUSION

The reaction of workers to changes that are potentially job displacers is usually negative. For people who have grown up in an era when workers are always pressing for greater material rewards and encroaching further into managerial prerogatives, it is important to understand that in featherbedding or make-work rules, the worker's position is basically defensive--aimed primarily at maintaining the status quo.

The problem of the displaced is real, in economic as well as psychological terms. The loss of face that accompanies job loss leads to, or is associated with, a psychological deterioration of the family unit, and a consequent lowering of status in the community. These problems are not easily overcome; and for senior workers the geographical or occupational change which may be necessary to combat the displacement is often too great. Therefore, the worker--with his vested interest in his job--the union, management, and the government must share the burdens of technological displacements.

Adjusting to technological change places responsibilities upon all groups affected by the change. In exercising the right to innovate, management also acquired a responsibility of providing information to employees to allay their fears and to provide time for individual adjustments and for fashioning programs to cushion the shock of change for the employees. Unions should cooperate with management in working out such programs, rather than engaging in self-defeating resistance to them. Government has the major responsibility for following policies which promote economic expansion and thus create sufficient jobs for a growing labor force. It must also spur retraining and labor force mobility, so that jobs and workers are brought together quickly. The efforts of labor and management, together with those of government, can provide aid to the individual worker in his adjustment to a changed economic and technological environment. It is the worker's responsibility, however, to respond to change by reaching out for new job opportunities, even if this requires relocation, or retraining and education.

Labor unions have a moral obligation and a practical stake, no less than management does, in easing the impact of technological advance on workers, and in seeking ways to provide a living for those whose jobs are lost to machines. So far many labor unions have not been particularly inclined to shoulder their share of the responsibility in working out long-run solutions to the problems of technological displacement. The moves many unions have made have been with the narrow and selfish objective of "getting ours now" through short-run agreements that protect current workers but toss future workers on their own.

The cost of featherbedding cannot accurately be estimated. The greatest waste probably results from the informal make-work practices prevalent among all workers, unorganized as well as organized. Even if attention is confined to the formal make-work rules of unions, the task is not much easier. Both the principle and practices were consciously accepted by management in return for concessions deemed to be of equal or greater value.

The popular feeling that there is something immoral about featherbedding may appropriately be described as a selective revulsion

to unearned increment, not elsewhere observable in the economy. In essence, however, featherbedding demands are wage demands; in terms of cost make-work practices are no different from paid rest or lunch periods and many other "fringes." This is clearly recognized by employers and workers affected. In the newspaper publishing industry, for example, proposals that the practice of setting "bogus" be abandoned have always been accompanied by offers to increase the hourly wage rate. To this observation the almost invariable response is that it would make far better sense to do just that: abandon the practice and increase the rate for doing productive work. Of course it would, just as it would be much wiser in certain periods for unions to moderate their wage demands and for manufacturers to lower their prices and for banks to raise or lower their interest rates and so on, ad infinitum. The point is that our economy does not operate on the principle that the Government first decides what is the most sensible policy for each group to adopt and then directs that these policies by put into effect. In theory, and very largely in practice, groups make their own decisions and protect and advance their respective interests within a system of bargaining and competition.

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