CAMOUFLAGE

THE MYTH OF "LABOR MONOPOLY"

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Labor monopoly

[AFL-CIO. Industrial union department.

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[Washington, 1960]

FOREWORD

Although most Americans approve of the idea of unions, there is a minority that seeks to destroy them. This minority has sought to picture our unions as dangerous monopolies intent upon crushing the American people.

The intent of this propaganda is to weaken collective bargaining by destroying our unions as we know them today. To accomplish this, they would put unions under antitrust laws and equate them with profit-making corporations that deal in commodities.

Only national unions can hope to achieve reasonable equality in dealing with the huge corporations of our day. Yet the aim of those who would seek to put unions under antitrust law is to break our unions into bits and pieces.

National labor policy has long recognized that without the right to organize into unions of their own choosing, workers will be treated as commodities in the marketplace. Without collective bargaining, there would soon be vicious wage competition that would drag down the living standards of all Americans.

Those who so glibly talk about "big labor" generally appear to be content to ignore the real monopoly danger in America which has come with the development of the modern corporation. This trend toward bigness in business, in fact, makes it imperative that we have strong unions within our economy to represent the interests of the average citizen.

This pamphlet looks into the background of the labor monopoly propaganda and tells what is behind it. It is hoped that the material presented will help to create understanding of the nature of this vicious attack upon our system of free collective bargaining.

JAMES B. CAREY
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The right of free voluntary association is basic to democracy.

Powerful forces in our business community and in the leadership of the nation's political life are sniping at this right in an attempt to cripple or destroy our labor unions. They are being joined by some who wear scholars' robes, providing an intellectual cover for today's attack.

These forces would deny to working people the right to determine for themselves the kind of unions that can best represent them in negotiating for improved wages and working conditions.

The attack upon the right of workers to shape their own organizations masquerades under the cloak of antitrust. Stripped of their costume, the attackers seek the elimination of effective labor organizations and the destruction of collective bargaining.

Under the guise of protecting the nation from alleged monopoly, antilabor forces are seeking to extend the antitrust laws to labor unions. Such extension would outlaw national unions as combinations in restraint of trade and break them up into small units with little survival power or bargaining strength.

If the antilabor forces are successful, antitrust laws will be used to deny workers the right to join together in national unions—at least in unions as we know them today. Such legislation will destroy today's national labor policy which holds that the nation benefits when workers are free to join unions of their own choosing.

The propagandists who are trying to pin the monopoly label on labor organizations appear to be unconcerned with bigness and monopolistic practices in business. They have raised the cry of labor monopoly to divert public attention from the real monopoly issue. These propagandists imply that:

- When workers combine to raise wages, they are guilty of monopoly practices and are hurting the country;
- Wages are too high and working conditions too good;
- Efforts to improve workers' living standards are morally reprehensible and economically unsound;
- Management knows best and therefore must have the right to determine unilaterally the wages and working conditions of employees;
- Although there should be no curbs on industry's right to set prices, wages and working conditions must be contained if inflation is to be curbed;
- National unions endanger America and must be broken up regardless of the size or character of the industry in which the unions hold contracts.

Adam Smith, father of classic economics, noted in his *Wealth of Nations:* "Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise wages above their actual rate. . . ." Generally speaking, this is as true now as in Adam Smith's day. Wage information is readily swapped by employers, although other aspects of the business are kept secret.

Today's attacks upon the right of workers to join together in national unions are ill conceived. They are, in effect, attacks upon the right of working people to shape the kinds of voluntary organizations best able to meet their needs and, as such, are irresponsible and destructive of democracy. Such attempts to regulate labor organizations could ultimately lead to limitations upon the right to voluntary national organizations in other fields.

Fair-minded men have long recognized that our unions and collective bargaining concepts have become an essential part of the nation's economy. Those who seek to weaken or cripple our unions would be well advised to heed this warning of Professor George Hildebrand of the Institute of Industrial Relations, University of California, presented before the Joint Economic Committee of the Congress:

"The system of industrial relations we have slowly and painfully developed in this country has generally worked well because it is suited to our pluralistic social order. It has proved to be both elastic and constructive, hence a successful adaptation to our economic environment. I, therefore, voice a conservative plea for caution in urging that we do not enter lightly upon drastic proposals to alter. It is the radical who voices these proposals, although he may act from conservative premises. Before adopting such ideas, it is well to remember that in Europe the alternative to weak unions and collective bargaining is a strong Socialist movement."

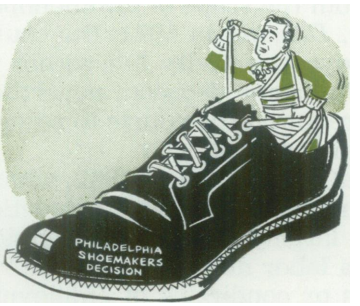
SOME HISTORICAL BACKGROUND

In 1806, the employing shoemakers of Philadelphia entered court suit charging their journeymen with engaging in a conspiracy against them by organizing into a labor union.

The trial judge, openly sympathetic to the employers, charged the jury to hold the workers guilty of conspiracy and characterized their strike as "pregnant with public mischief and private injury."

"A combination of workmen to raise their wages may be considered in a twofold point of view; one is to benefit themselves . . . the other is to injure those who do not join their society. The rule of law condemns both . . .," the judge declared in adjudging the shoeworkers' union a conspiracy.

The Philadelphia shoemakers were found guilty of criminal conspiracy for exercising their democratic right of free voluntary association. After them, Pittsburgh shoemakers were found guilty. Although in *Commonwealth v. Hunt* in Massachusetts in 1842, unions were found to be legal, the decision, as historian John R. Commons pointed out, remained an "isolated case."



With the upsurge of labor organization in the '80's, new aspects of the conspiracy doctrine arose in the area of labor organization. "Early conspiracy," Commons noted, "had been thought of as a criminal conspiracy, now it was primarily a civil wrong. The emphasis had been upon danger to the public, now it was destruction of the employers' business."

The period following the Civil War saw the development of huge trusts in key areas of the economy. In response to public clamor, the Sherman Antitrust Act was enacted in 1890. Conceived as a weapon against trustification of industry, the new law was soon used to find acts of unions conspiracies in restraint of trade.

"When Congress passed this act in 1890, few people thought it had application to labor unions. In 1893-94, however, this act was successfully invoked in several labor controversies," historian Commons wrote in his monumental account of the American labor movement.

The first labor case to reach the Supreme Court under the Sherman Act had its roots in the strike of the hatters' union against D. E. Loewe & Co., in Danbury, Conn., in 1902. In support of its effort to organize, the hatters' union directed a boycott against the company.

Claiming huge losses, the company filed suit for triple damages under the Sherman Act. A judgment of half a million dollars was awarded by the courts. This was a fantastic sum for a union to produce in those times. To satisfy part of the judgment, the court ordered the homes of the strikers sold.

Seeking to clarify the antitrust law, Congress passed the Clayton Act in 1914. This act, among other things, specifically declared that unions were "lawfully" free to pursue their "legitimate objects" without being subjected to antitrust laws.

As subsequent court decisions were to show, this did not remove unions from the scope of antimonopoly laws. In the case of *Duplex v. Deering* in 1921, the court held that certain secondary boycott activity fell within the scope of the Sherman Act. The same decision, nevertheless, noted that the Clayton Act required the courts to recognize that unions are not illegal combinations.

The Norris-LaGuardia Act of 1932, which took from the federal courts jurisdiction to issue injunctions growing out of labor disputes, largely nullified the decision in the Duplex case by defining a labor dispute to include "any controversy concerning terms or conditions of employment."

In the Apex Hosiery case in 1937, the Supreme Court found that it was "plain" that the union "did not have as its purpose restraint upon competition in the market for petitioner's product." From this decision there emerged a clear distinction between activities aimed at furthering legitimate union objectives and those aimed at suppressing commercial competition.

Legislative and legal history make it clear that antimonopoly laws were not intended to hamper legitimate union activities although Congress obviously has the right to determine their scope. This history also makes it clear that unions are considered as operating in an area different from that of commercial competition.

Those seeking to subject our modern unions to antimonopoly laws would reverse this history. Their objective is to destroy unions as we know them today by subjecting them to antitrust legislation intended to prevent industrial monopoly.

They would have national unions regarded as a plot or conspiracy against the public interest that must be curbed by law. Their view has its roots in the old conspiracy doctrine which has been rejected by the nation.

LABOR NOT A COMMODITY

The labor monopoly doctrine looks upon labor as a commodity to be bought or sold in the marketplace. It would deny the right to bargain collectively and force worker to bid against worker for whatever jobs are available. Because the worker and his labor cannot be physically separated, a thorough application of the doctrine would result in wage slavery, if not in outright chattel slavery.

In the world envisioned by Karl Marx, labor is indeed a commodity and the worker is a propertyless proletarian without rights or status. Those advocating antitrust laws for labor go along with Marx whether they know it or not. Should our unions be destroyed or rendered ineffective, workers will be forced to accept whatever conditions are offered by the huge corporations that control so much of industrial employment.

Before our present system of collective bargaining was established, there was truth in the charge that the American worker was without rights or a voice in establishing his wages and working conditions. The surest way to restore yesterday's world is to destroy the union through which workers have gained a measure of economic and social status.

Like it or not, there is no way to separate the worker from his labor, and the one cannot be sold without selling the other. To force workers to engage in cutthroat wage competition would result inevitably in the debasement of all humanity.

Labor is obviously not a commodity in the sense of an article in trade. The latter is an inanimate object, separate from both buyer and seller. Being physically separated from the body of the producer, it is not dependent upon fulfillment of the producer's physical or social needs. Labor, once expended or left unused is not replaceable. Almost always, articles in commerce can be replaced once they are used up.

Products have a mobility that workers lack. It is easy to ship articles to markets where the demand is great. It is an entirely different matter for a worker to determine where jobs in his occupation exist and then to sell his home and uproot his family in order to seek such a job. Even where a worker is willing to take such a step, he usually lacks the necessary financial resources.

The corporation is often in a position to withhold its products until it gets its price. The individual worker, however, must sell his labor as he is able, since he is usually dependent upon immediate work for a livelihood. By subjecting labor to the tender mercies of the market, the person of the worker is literally put up for auction.

Despite the record prosperity of recent years, there have been more workers than jobs in the United States—a condition that has existed throughout the nation's history. Without national unions in the highly integrated U. S. economy, job competition would be so acute that wages would be chronically depressed.

It was because of such considerations that the Clayton Act excluded from the scope of the antitrust laws such union activities as collective bargaining and the right to take collective action in defense of wages. Section VI of the Act states that labor shall not be considered by law to be a commodity in commerce. Section VI has remained unchanged since its passage. It is this section with which the labor monopoly propagandists would tamper. It states:

"The labor of a human being is not a commodity or article in commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for purposes of self-help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

The Wagner Act strengthened this by noting the inequality of bargaining power between individual workers and employers. It clearly differentiated between monopolies aimed at raising prices and unions having higher wages as their objective. The Taft-Hartley Act left the original language of the Wagner Act unchanged in this respect and it is part of today's national labor policy.

WAGE COMPETITION AND UNIONS

With the passage of the Fair Labor Standards Act over two decades ago, America decided that unbridled wage competition is bad for the nation and the economy. Congress put a floor under wages because the nation had learned during the depression that nobody gains when worker is forced to compete with worker so that wages are constantly depressed.

Without unions and the contracts they negotiate with the employers, wage competition would soon be restored on a massive scale and today's minimum wage would tend to become the prevailing rate.

In periods of economic slack, employers have traditionally turned to wage reduction as their first cost-cutting measure. Wage competition has been looked upon as the way out of recession. The theory has been that with wage cuts, prices would go down and at some point in the cycle an upward readjustment would take place. The worker, of course, has always been the unfortunate victim required to bear the brunt of the downswing.

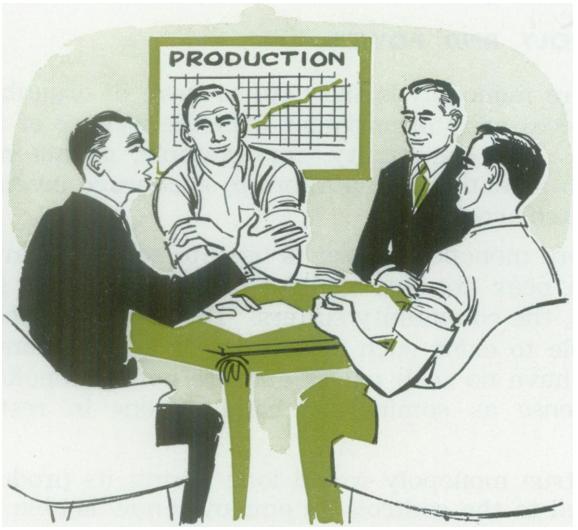
More often than not, the theory did not work out satisfactorily. With wage cuts, layoffs mounted and a downward spiral into depression too often resulted.

In part, depression has been avoided in the post-World War II period because union contracts have served to check wage cuts and wage competition during recessionary periods. Because of union contracts, employers have been unable to cut wages as their immediate answer to a slower business tempo and purchasing power has been buoyed upward. In the 1958 recession, union contracts were an important stabilizing influence. At that time, even conservative economists grudgingly admitted that union wage guarantees played an important part in checking the recession.

Without doubt, America needs competition among her business enterprises. Business competition is the best assurance of both a fair price and good quality. Unfortunately, such competition is becoming increasingly scarce in this day of business monopoly.

The real question is not the desirability of competition but the basis upon which it takes place. Competition based upon intelligent management, efficiency, advanced technology and research is all to the good.

Competition based upon wage levels is entirely a different matter. Where labor is cheap, the tendency has always been to substitute human muscle and sweat for machines.



In several major U. S. industries, price competition has almost disappeared and collective bargaining has become the spur to efficiency and technological progress.

The Senate Antitrust Subcommittee has found that while there is style competition in autos, there is no price competition. Here, too, price is determined according to an arbitrary formula having little to do with supply and demand.

"The pricing formula of GM [General Motors] appears to be a managed or administered pricing system with monopoly implications in which prices are arbitrarily set by management without regard to the natural competitive forces of supply and demand," this Senate body reported in 1958.

Without price competition, there would be little reason for improved efficiency in our major industries were it not for labor's drive for improved living standards. Higher wages have not led to higher unit labor costs but have been more than offset by improved technology and methods.

The *Wall Street Journal* has reported that in the period between 1948 and last fall, the number of production workers declined by half a million from 12.7 to 12.2 million. In the same period, according to this publication, physical production increased by 52 percent.

This hardly sounds like a restrictive monopoly on the part of the unions. It is, at least partly, a reflection of the huge rise in productivity that has taken place under the impact of the existing labor-management relationship.

MONOPOLY AND POWER

Where monopoly is the natural form of organization, it is not necessarily inconsistent with the welfare of the community. The community, for example, grants monopoly rights to inventors and authors to encourage invention and the written arts.

Where monopoly power is used to set prices arbitrarily through near absolute control of the supply of goods or services, the community suffers. Business monopolies have been able to exert such power and to destroy competition. Unions have no such power and are not monopolies in the same sense as commercial combinations in restraint of trade.

No true monopoly would long permit its product to be subjected to the controls an employer now is able to assert over the workforce despite the best union contracts. If unions exercised monopoly power over the labor supply, no employer would be able to close down or relocate his plants without union permission. Reality refutes the claim of labor monopoly, since the employer is free to close or move his plants at will.

Within the plant, the employer has the exclusive right to determine the nature of the work, direction of workflow, and direction of the workforce—subject only to limitations agreed upon in bargaining on such matters as speedup and seniority arrangements in scheduling.

No union can order workers to cease production simply because the employer persists in turning out shoddy goods. If a shoddy product results in a decline in sales and in a consequent loss of jobs, there's nothing the union can do about it. If labor were truly a monopoly, it would be able to protect its members' jobs in such a situation.

No matter what the nature of bargaining in an industry, unions have little or no control over the labor market. Under today's conditions, the employer may hire freely—even where the union shop prevails. At most, the union may require whoever is hired to tender dues.

The first condition for union monopoly would be tight control over the labor supply—a job monopoly. Since the employer is free to hire as many workers as he pleases in the labor market, no such union monopoly exists. The only limitation upon the employer is that he shall pay those he hires the rates called for in the union contract.

The Taft-Hartley Act specifically bans union control over hiring and the labor supply. While talk of labor monopoly makes good propaganda to frighten the timid, examination reveals its absurdity.

The cry of labor monopoly becomes loudest when there is an effective strike, especially one of greater than local significance. The purpose of those who would subject labor to antimonopoly laws is to weaken labor's ability to wage an effective strike and thereby cripple collective bargaining. This would be contrary to national labor policy which recognizes that only through effective collective bargaining can there be any real measure of equality between worker and employer.

STRAW MEN AND SCARECROWS

The propagandists would have the nation believe that today organized labor has obtained a monopoly over its members which—to quote a leading publication devoted to the interests of the business community—"results from the right of a union to sign a contract with management under which newly hired people must join the union—usually within 30 days."

Admitting that the union shop is perfectly legal, the publication advocates that it be outlawed on the ground that it gives organized labor monopoly power.

This argument is as hollow as most of the propaganda directed against the union shop. Where there is no union shop, the argument of union monopoly is raised just as loudly if the union concerned is able to wage an effective strike. As one university professor has so aptly pointed out, those who wage such anti-union propaganda would agree that "the only permissible strike is the unsuccessful strike."

The union shop is no grant of union monopoly. At most it is simply one more rule of the workplace, in this case determined jointly by labor and management through collective bargaining rather than by the employer alone. It no more represents monopoly control than an employer rule requiring workers to appear at their jobs at a stated time.

The law, in any event, specifically states that no worker need join a union to obtain or hold employment, although he may be required to tender dues. Further, it specifically provides a method under which workers may vote out the union shop.

The Taft-Hartley Act provides that workers in a given bargaining unit may vote out the union shop through the device of a government-supervised secret ballot election following presentation to the National Labor Relations Board of a petition signed by 30 percent of their number.

The union itself may be voted out of existence in a given bargaining unit and holds its bargaining rights only because the members want it to represent them. Should the workers wish to oust the union they may petition the National Labor Relations Board for its decertification upon the expiration of a contract. They may then vote as they please in an NLRB secret ballot election. This hardly spells monopolistic control by a labor organization.

The propagandists also seek to make it appear that a handful of "labor bosses" virtually holds union members in thrall. Yet union leaders must stand for election—elections as democratic in their conduct as municipal, state, and national elections.

Unions generally have established constitutional procedures to insure that strike action shall be taken only in accordance with the will of the members. Almost all unions have provision for membership or rank-and-file committee ratification before a new contract may go into effect.

Experience with the Taft-Hartley emergency procedures proves that workers support their unions and do not strike because some "labor boss" issues an arbitrary order. These procedures require the government to take a secret ballot upon the employer's "last offer" before renewing a strike 80 days after it is enjoined from striking.

In every case where settlement has not been reached during the period of the injunction, union members have voted overwhelmingly to support their negotiators, making a mockery of the charge that "union bosses" exercise dictatorial control over members who must respond to their wishes or face dire—but undefined—consequences.

Even more absurd is the charge that "union bosses" exercise dictatorial control over employers. Almost always, the employer is far better able to stand a test of strength than the union and its members and it is in the union's interest to resolve differences peacefully and with fairness to all. The union has a tremendous stake in the health and continuance of the enterprise, since upon them depend its members' jobs and welfare. Union collective bargaining demands are invariably influenced by such considerations.

If unions had monopoly power over an employer or enterprise, they would have few problems of lost strikes and would little need to be concerned with employer strength in any specific bargaining situation. As a monopoly, the union would be able to control the labor force in the most absolute terms and disputes would be settled to the union's satisfaction without question. The whole history of the labor movement, including current developments, attests to the nonsense of any such concept.

The business monopoly operates in an entirely different environment and under far different circumstances than a union. By and large, consumers are unorganized and in no position to bargain with corporate monopoly. The business monopoly therefore is in a position to set its prices at those levels it finds will maximize its profits. The consumer is not consulted nor is he accorded an opportunity to enter into any bargain. The sole limitation is the consumer's pocketbook, and if the product is vital enough, even this may not count.

The collective bargaining situation is altogether different. The union is in no position to exercise controls of the kind that the business monopoly is in a position to impose on the consumer. On the contrary, the union must deal with a highly organized counterforce in the form of the employer. Often, this force represents an employers' association organized chiefly for bargaining purposes. In modern industry, the employer is often a huge corporation with resources of millions or even billions of dollars at its command.

To say that a union can impose monopoly practices in such a situation is to deny the nature of monopoly. The bargaining situation places limitations upon the union that are entirely lacking in the pricing decisions of the business or industrial monopoly which, by virtue of its scope, can dictate to both its customers and its suppliers.

While the Clayton Act exempts organized labor from its provisions where organizing and bargaining activities are concerned, it grants labor no immunities in price-fixing activities. If any union should enter into collusion with employers to fix prices in a given market—whether in return for a wage bargain or otherwise—it is as subject to antitrust provisions as any others who conspire to set prices in restraint of trade.

A few years ago, a study of the nation's antitrust laws was made by a committee of the U. S. Department of Justice. This committee noted that the nation's labor policy asserts that "full freedom of association [and] self-organization" is essential to the "elimination of substantial obstructions to the free flow of commerce."

The study further found that "union activities aimed at directly fixing the kind or amount of products which may be used, produced, or sold, or the number of firms which may engage in their production or distribution are contrary to antitrust policy.

"To the best of our knowledge," this committee said, "no national union flatly claims the right to engage in such activities."

The Taft-Hartley Act severely limited labor's right to induce workers to refuse to handle goods made under unfair conditions. This so-called "secondary boycott" activity was virtually outlawed by the Landrum-Griffin Act of 1959, which made it illegal for unions even to negotiate "hot cargo" clauses with employers.

Landrum-Griffin, in fact, went even further. In addition to making secondary boycotts illegal—except in a very few circumstances—it severely limited organizational picketing and even prohibited the right to advertise through picket signs that goods on sale within a store are made by strike-breakers.

Today, labor has little else than its rights to strike, to speak freely, to organize, and to bargain for its fair share of the nation's growing abundance. These remaining rights are the real targets of the labor monopoly propagandists.

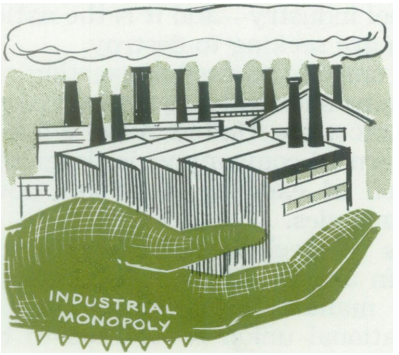
THE PROPOSED "CURES"

The propagandists assert that "labor monopoly" is symbolized in industry-wide bargaining. This is the kind of bargaining that has taken place in the steel industry by agreement between the corporations and the United Steelworkers of America.

The steel industry is dominated by a handful of giants. U. S. Steel alone accounts for more than 35 percent of the nation's entire steel output. The price of steel is set largely by U. S. Steel—or, on occasion, Bethlehem or Republic, these firms making up the big three of the industry.

There is nothing competitive in the pricing policies of the steel industry. The price set by U. S. Steel—or by one of the others of the big three—is the price of steel for buyers no matter which firm produces it.

U. S. Steel has plants in various parts of the country and produces for a national market. The same is true for the others of the big three and virtually all other companies in the industry. Industry-wide bargaining is a natural outgrowth of these conditions, since it provides equal working conditions for workers within a national industry.



Experts in the field of labor-management relations have pointed out that market-wide wage setting—whether arrived at by a single set of collective bargaining negotiations or by more localized negotiations which tend to set a pattern—has little relation to legislation establishing the rights of unions. These experts have noted that such wage setting is the result of product interrelations and that legislation can neither create nor eliminate present patterns.

George Seltzer of the University of Minnesota, who made an exhaustive study of wage changes in the steel industry in the pre-union years between 1913 and 1932, found "general agreement in the timing and amount of wage changes throughout the industry and substantial identity in the common labor rates in the Pittsburgh, Youngstown, and Chicago districts."

During these years before effective union organization, according to Seltzer, "The United States Steel Corporation took the lead in all of the 14 general wage changes during this period; no other basic steel firm assumed the lead more than once."

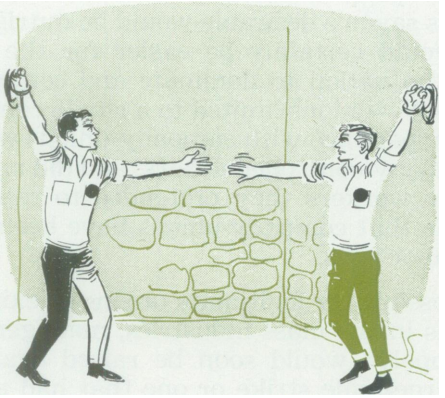
Dr. George Taylor, nationally known arbitrator, has found: "The economics, geography, and traditions of the steel industry have exerted strong pressures toward uniformity and interrelation of movement as respects the terms of employment."

In other words, the national character of the steel industry has created present bargaining arrangements. The real question isn't whether there shall be national wage patterns or working conditions, but whether these shall be set through effective bargaining or by unilateral imposition of corporate will.

It is quite obvious that only a national union can bargain effectively with an industry having the character and scope of the steel industry—and it is the national union that the antitrusters are seeking to destroy.

In steel, the union is accused of exerting monopoly power because it bargains nationally, as a result of agreement with industry. In autos, the United Auto Workers has always followed a pattern of company-wide bargaining. Here, the union is accused of exerting monopoly power by "whipsawing" the companies.

In autos, as in steel, management is not made up of helpless babes in arms. General Motors is the richest and most powerful manufacturing corporation in the world. Obviously, a national union is required to bargain with it on terms approaching equality.



Like the steel industry, the auto industry produces for a national market. This is the same market in which wages and conditions are set and the real question here, too, is the ability of the union to bargain. Any union not national in scope would be at a serious disadvantage.

The National Association of Manufacturers has indicated the true intentions of those who claim that labor is a monopoly. It is interested not in breaking up industry-wide bargaining alone, but industry-wide unions as well.

At its 74th Congress of Industry in New York in December 1959, NAM Executive Vice-President Charles R. Sligh, Jr., made it clear that the target of the labor monopoly propagandists is the national unions. Commenting upon the steel negotiations then in progress, Sligh said:

"We do not mean that each company should bargain with David J. McDonald, president of the Steelworkers' union. We mean that the employees of each individual company should choose their own bargaining representatives and these should talk with the chosen officials of their own company."

Sligh told reporters that this would "leave Mr. McDonald out of it." It was clear from his comments that he meant that unions should be limited to a single company at most, and that these one-company organizations would be in restraint of trade if they maintained effective relationships with one another.

Through their boards of directors, U. S. corporations maintain a close community of interests. Often the same individual is a director in five, 10, or 15 different firms and, as a result, the upper reaches of the dominant industrial, commercial, and financial companies are intricately interwoven.

The one-company unions that the NAM and some leaders of big business say are desirable would be outright company-unions. It would certainly be easier for the big business combines of the nation to dominate and control—or to defeat and destroy—unions limited to a single concern. America once had experience with company-unions which were ineffective, company-controlled affairs, and did nothing for the welfare of the workers they pretended to represent. It is for this reason that company-unions have been outlawed by the nation's labor laws.

Were it possible for legitimate unions to exist on a single company basis in the mass industries, management's phony cry of "monopoly" would soon be raised again, especially during any large-scale strike or one that had an immediate effect on the public.

A strike of U. S. Steel, General Motors, or General Electric employees is bound to have a major economic impact upon the nation, especially on those communities where the corporation has one or more plants. Strikes against such nationwide corporations by unions composed only of their own employees would soon bring the same old charge of monopoly power.

Limitation of unions to a single company would bring chaos to industries where smaller enterprises are the rule. In these industries, wage competition on a cutthroat scale would soon follow abolition of the national union and this development would be followed by large-scale bankruptcies. Today, in such industries, the national union acts as a stabilizing force by establishing the same basic wage structure throughout the industry and by enforcing common working conditions. Largely through employer choice, bargaining takes place in such industries with national, regional, or citywide employer associations.

Those who preach labor monopoly have one sure "cure" —the limitation of unions and bargaining rights to the single plant or small locality. This would first create chaotic employer-labor relations. Local unions limited entirely to their own small resources would be forced to bargain within the context of the unified employer policy of national companies. These local unions would be played off, one against the other, to the detriment of all. Those who struck would be left on their own, with the employer shifting work to other plants. In time, employer control would be asserted both directly and indirectly. The survival power of legitimate, isolated, one-plant unions against today's huge

corporations would be minimal. Such a policy would almost inevitably lead to the end of the free labor movement.

Many industries are only partially organized. In such industries, local organization could often not survive without the financial and direct staff assistance of the national unions. The national and international unions provide their local unions with economic, political, and legislative information essential to the welfare of the members. Such information is available to the local unions because the national unions exist.

This is also true of the many other services provided by the national unions. The pooling of resources represented by nationwide organization makes far greater organizing efforts possible. Except for the national union, employers seeking to rid themselves of union organization would need only move away. It would be impossible even to take grievances to the top level of management, since labor organization would end at the plant level. While the employer would have the resources to employ technicians of all kinds to provide him with essential services, local unions would for the most part be helpless.

Despite labor monopoly propaganda, the huge corporations of today have far the best of it in the present collective bargaining arrangement—resources, the ability to withstand strikes without human suffering, and a friendly press. Without national unions and the staff and information services they provide, these corporations would be in a position to run roughshod over their employees as they did in a past that must never be permitted to return.

EXCLUSIVE BARGAINING RIGHTS

Another proposed "cure" for alleged labor monopoly is the elimination of exclusive bargaining rights. Federal labor law requires a union to represent all workers in its bargaining unit whether they are its members or not. This provision was deliberately written into the Wagner Act and as deliberately carried over into the Taft-Hartley Act to prevent industrial chaos.

The proposed "cure" would permit two, three, or more unions to hold bargaining rights in any single company or plant. If these unions were to unite for bargaining purposes they would then be said to constitute a monopoly.

The argument runs that given this situation, workers would be free to join the union of their choice, local or national. Allegedly, this would mark no interference with the right of free association or the right to bargain collectively. There would simply be majority and minority unions, sometimes no majority at all, and in no case would there be such a thing as exclusive bargaining rights.

Supposedly, this would end the right of any union to act "monopolistically." It would also place unions in a position where they would be in constant struggle with each other and where the employer could play off one against the other to the detriment of all. Under this arrangement, any small group could form a splinter union at any time and enter into a "bargaining" arrangement with the employer.

With several unions claiming representation rights, and some workers refusing to join any organization, employers could be greeted with a plague of picket lines as each union asserted its right to strike. Within each plant, worker would be arrayed against worker and in the ensuing friction, production would inevitably suffer.

The termination of exclusive bargaining rights is proposed seriously in the name of ending "coercion" by majority rule. Yet the very foundation of the democratic society is the principle that the majority shall determine the rules and the minority is protected so long as it has the means available to seek changes in the rules.

The means for the minority to assert itself are protected by law, and by the democratic procedures spelled out in most union constitutions. So long as the means are provided for workers to divest themselves of a union, or to change the rules within the union, majority rule is the best guarantee of orderly progress.

The alternative to majority rule in labor, as in government, is either dictatorship or chaos. Those who seek to end the legal provision for exclusive bargaining rights are asking for chaos as a prelude to destruction of our labor unions.

Congress was eminently right in establishing procedures for orderly elections to determine bargaining agents. It recognized that these procedures are in the best interests of the nation. It recognized also that majority determination was the only way to establish stable labor-management relations within the context of a durable and responsible labor movement.

The proposal to end the exclusive bargaining rights provision could not be taken seriously were it not being advanced in the pages of America's more sophisticated business publications. Proclaimed in these pages as a new approach, the proposal is nothing more than another demand for union busting on a national scale.

NATIONAL EMERGENCY STRIKE

This pamphlet would not be complete without some mention of so-called "national emergency" strikes—these being the situations in which alleged labor monopoly is supposed to be most strongly exerted.

There is no doubt that strikes in a few of our key industries have a wide public impact. But no labor leadership idly engages in any strike, and a so-called "national

emergency" strike takes place only when employers reject the idea of collective bargaining based upon the fact situation. History has shown that where collective bargaining is accepted realistically by both sides, such strikes rarely occur. Even when they do take place or appear imminent, the White House has proved highly effective.

Many proposals have been made with regard to national emergency situations, but never has any high public official close to the labor-management scene proposed antitrust as a real cure. It is not within the purview of this document to discuss the various proposals that have been made. Nevertheless, it would be well to point out that the alleged antitrust cure is one that would kill the patient—in this case the entire collective bargaining procedure.

Application of antitrust to destroy our national labor movement as it presently exists has a clearly defined objective. This objective is the restoration of full employer control in the workplace, the destruction of job rights won through the collective bargaining process, and the end of all democracy in industry.

This view is consistent with the Staff Report on Employment, Growth, and Price Levels prepared for the Joint Economic Committee. This document has reported:

". . . strictly speaking, the application of the antitrust laws to the labor market would strike at the very existence of unionism and collective bargaining itself. The very reason of unions for being is to limit the forces of competition, and the philosophy underlying our entire public policy toward collective bargaining has been that unions . . . are desirable, because the unrestrained forces of a 'free' competitive labor market place the individual worker at a grave disadvantage *vis-a-vis* the employer. . . .

"We believe, therefore, that the antitrust approach to the problem of market power in the labor market is neither feasible or desirable, and would create many more problems than it would solve."

THE REAL DANGER

There is indeed a monopoly danger within the United States, but it comes from the corporate structure of the nation's industry rather than from any labor monopoly.

Fortune magazine regularly compiles a list of the nation's 500 largest industrial corporations. In 1958, these companies alone employed 8.5 million of the nation's 16 million manufacturing employees. They had assets of $154.5 billion and 36 had sales in excess of a billion dollars each.

This top handful of companies accounts for a bigger share of all production every year. This condition is equally true in commerce, financing, insurance, and in most other areas of American economic life. The trend toward bigness is clear. The real danger is that the time will come when no force will be able to stand up to the huge corporations.

Even now the trend continues without letup. Last January, the *New York Times* reported: "The great postwar merger wave continued apace last year. It spread through every type of economic activity—electronics, banking, textiles, metals, railroads, to name a few instances."

The Department of Justice stands like the little Dutch boy at the dike in this situation. In 1959, it entered 10 antimerger suits and it has announced that it may file 15 in the first six months of 1960. Yet in the second week of January 1960 alone, mergers were announced by 10 important corporations.

Organized labor is the major remaining, non-government force able to counter the power of our increasingly monopolistic system of enterprise. This is why reactionary interests are seeking to destroy our unions with the very laws that were written to protect America from business monopoly. In this age of corporate merger, national unions are a necessity for workers and an asset to the nation.

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