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CHAPTER X

The Next Years

IN THE two years following June 16, 1933, when the National Industrial Recovery Act was signed and the Recovery Administration set up, labor unions gained 900,000 members. The increase was much greater in the first than in the second year. During 1933-34, 635,000 members were added. During 1934-35,¹ for

¹ This increase is considerably less than the increase of 437,300 dues-paying members from 1934 to 1935 as reported by the Executive Council of the American Federation of Labor (*Report* to 55th Annual Convention, October 1935, p. 7). The difference is to be explained by the lag between the increase in the membership upon which dues are paid to the A. F. of L. by certain unions and the increase in the actual membership of these unions, by virtue of which most of the increase in affiliated membership from 1934 to 1935, reported by the Federation, is given in the tables of this study as occurring between 1933 and 1934. For example, the United Mine Workers paid dues to the A. F. of L. on the basis of a constant membership between 1933 and 1934 whereas the actual membership given in this study (see Appendix, Table I) increased nearly 200,000. In 1935 the United Mine Workers paid dues to the A. F. of L. on the basis of an increase in membership of 100,000 whereas the actual membership increased only 16,400. Lags of this kind account for the difference of only 15,000 between the membership of affiliated unions as reported by the Executive Council of the A. F. of L. for the year 1935 and the actual membership for 1934 as reported in this study. A tabulation comparing the reported and the actual total membership of affiliated unions for the years 1932-35 is presented below. The actual membership of affiliated and independent unions in 1934 and 1935, by groups, is given in the Appendix, Table XI.

ACTUAL AND REPORTED MEMBERSHIP OF AFFILIATED UNIONS

YEAR	ACTUAL	CHANGE FROM PRECEDING YEAR	REPORTED	CHANGE FROM PRECEDING YEAR
1932	2,497,000	2,532,300
1933	2,317,500	-179,500	2,126,800	-405,500
1934	3,030,000	+712,500	2,608,000	+481,200
1935	3,317,100	+287,100	3,045,300	+437,300

which preliminary figures are available, unions affiliated with the American Federation of Labor gained only 287,000, independent unions lost 7,000, making a net gain for all unions of 280,000 members.

Whether this decided slackening in the rate of increase is only a pause in the advance or foreshadows an early termination of the present upward trend depends mainly on the ability of the labor movement to establish itself in the traditionally unorganized industries. Considerable as the gain of nearly 1,000,000 members in two years is, it is restricted largely to industries, such as coal and clothing in which unionism has for a long period of time been accepted in substantial parts of the industry by both employers and working men. Meanwhile the non-union manufacturing industries of steel, automobiles, rubber and textiles, the public utilities other than railroads, the distributive trades and the services remain, with relatively minor exceptions, almost entirely unorganized. So far as these industries are concerned some observers believe that New Deal policies have reversed traditional trends and laid the foundation for successful labor organization. Though much in recent events would support the view that governmental policy may play a determining role in industrial relations, the history of organized labor in the United States suggests that the fortunes of the labor movement during the next years will continue to reflect, in addition to developments in governmental labor and economic policy, the attitude of employers, the state of mind of employees, the condition of business, and the internal relations of the labor movement. Any one of these elements of the situation may on occasion prove to be the most im-

portant, but reasonable expectations as to the future of trade unionism must rest on an appraisal of all.

1. Labor Policy of the Government

The recent labor policy of the Federal government has already passed through several phases. In the first phase, lasting for the duration of the NRA, trade unionism received a powerful impetus from the application of Section 7 (a) of the Recovery Act and the participation by many union officials in the Recovery Administration.

The Act and the machinery of administration were suspended soon after the decision of the United States Supreme Court on May 27, 1935. By the end of the year most of the skeleton administration, retained in anticipation of possible new legislation and occupied with assessing the value and meaning of the old, had gone. Efforts to establish voluntary codes of fair competition, among other purposes for the regulation of working conditions, proved unsuccessful. While organized labor and some officials in the administration appeared eager to revive the NRA, there was little evidence that immediate steps were contemplated. The distaste for monopolistic practices which experience with the NRA aroused in Congress and the growing opposition of business to the operations of the Recovery Act made the enactment of similar legislation in the near future seem improbable.

Organized labor, however, continued its pressure for new legislation. Much as the unions had criticized the shortcomings of the NRA, they strongly approved the regulation of both industrial practices and labor relations contemplated by the Recovery Act. Particularly in industries in which unions believed they had suffered from the effects of unregulated competition and the di-

version of business and plant from organized to unorganized localities were they insistent on the restoration of governmental control. They believed that organized labor was making its greatest gains in such industries as coal and railroads where governmental intervention has been most far-reaching and where regulatory measures have gone far beyond the mere guarantee of the right to organize and to bargain collectively.

Under the influence of these examples of the apparent benefits of state control, the labor movement has had a radical change of heart. It has cast aside traditional opposition to legislation in its desire to win the support of the government. At first averse to fixing minimum wages in the NRA codes of fair competition, organized labor in the later stages of the Recovery Administration fought unremittingly to incorporate complete wage scales in them. It has gone far since June 1933 in its views as to the proper limits of state action. And it has been exerting powerful pressure on the executive and legislative branches of the government not only to strengthen the legal position of trade unions, but also to provide those measures of control over industry which, in its judgment, will afford it effective protection against the harmful consequences of competitive business practice.

The first effects of these activities of the labor movement were the enactment of one law for the regulation of the bituminous coal industry and another for the control of industrial relations throughout American industry. The Bituminous Coal Conservation (Guffey-Snyder) Act,² approved by the President on August 30, 1935, set up a bituminous coal code, provided for the fixing of minimum and maximum prices, authorized the establishment

² Public No. 402, 74th Congress, H.R. 9100.

of marketing agencies, and imposed control over labor relations considerably more thorough-going and drastic than the provisions of Section 7(a) of the National Industrial Recovery Act. The following excerpts from the statement of policy of the Coal Conservation Act describe its general purposes:

"It is . . . recognized . . . that all production of bituminous coal and distribution by the producers thereof bear upon and directly affect its interstate commerce and render regulation of all such production and distribution imperative . . . ; that the excessive facilities for the production of bituminous coal and the overexpansion of the industry have led to practices and methods of production, distribution and marketing . . . that waste such coal resources of the Nation, disorganize the interstate commerce in such coal and portend the destruction of the industry itself . . . that control of such production and regulation of the prices realized by the producers thereof are necessary to promote its interstate commerce . . . and protect the national public interest thereof; . . . and that the right of mine workers to organize and collectively bargain for wages, hours of labor, and conditions of employment, should be guaranteed in order to prevent constant wage cutting and the establishment of disparate labor costs detrimental to fair competition in the interstate marketing of bituminous coal, and in order to avoid those obstructions to its interstate commerce that recur in the industrial disputes over labor relations at the mines."

The specific provisions of this Act, following the principles enunciated in its statement of policy, were aimed at practices that many unions have long held responsible for their weakness and instability. Price-fixing was designed to protect the prevailing national structure of wage rates and thus to limit, if not to prevent, the movement of business from high to low wage areas under the stress of unfavorable competitive conditions. Organized marketing, it was hoped, would contribute to the same end. Measures essentially directed at restricting the output of an industry were designed to reduce 'excessive facilities' of production

and to remove or temper the incentives to price- and wage-cutting. The terms of the Act dealing with labor relations (Part III) asserted the right of employees to "peaceable assemblage for the discussion of the principles of collective bargaining", to "select their own checkweighmen to inspect the weighing or measuring of coal", and to refuse "as a condition of employment to live in company homes or to trade at the store of an employer". The Bituminous Coal Labor Board, created by the Act, was empowered "to determine whether or not an organization of employees has been promoted or is controlled or dominated by an employer in its organization, management, policy, or election of representatives; and for the purpose of determining who are the freely chosen representatives of the employees the Board may order and under its supervision may conduct an election of employees for that purpose."

The most comprehensive substitute for the labor clauses of the National Industrial Recovery Act is the National Labor Relations Act, approved by the President, July 5, 1935. This law does not undertake to regulate wages, hours and working conditions. It is a purely labor relations measure. As such it goes far beyond Section 7(a) of the NRA, whose place it takes in the labor law of the country. Like Section 7(a) its purpose is to further collective bargaining through independent organizations of employees and to discourage employers from interfering with the exercise by employees of their right to organize, to bargain through their freely chosen representatives, and to join or refrain from joining any labor organization. Drafted after the government had had some experience with the difficulties of applying Section 7(a), the National Labor Relations Act differs from its predecessor in enlarging and strengthening the provisions of the law and in the

wide powers of enforcement it bestows on the National Labor Relations Board. In its course through Congress the bill aroused the almost unanimous opposition of employers. Unsuccessful efforts were made to amend the bill by defining and prohibiting unfair practices of trade unions. Its adoption left employers resentful and recalcitrant.

In its first eight months of operation ending May 30, 1936, the National Labor Relations Board and its twenty-one regional offices received charges of unfair labor practices, or petitions for elections to determine employee representation, in 982 cases, involving 204,107 workers.³ Complaints presented to the Board have continued to multiply with great rapidity and the Board appealed to Congress for an additional appropriation required by the expansion of its activities. The larger employers have challenged the authority of the Board and have refused to submit to its decisions. The Board has consequently become involved in extensive litigation in all parts of the country. In several instances the lower Federal courts have issued injunctions restraining the Board from proceeding with its inquiries and findings. In the majority of cases they have refused to issue injunctions, pending decisions of the higher courts. The constitutionality of the Act and the powers of the Board will in all probability be determined by the Supreme Court within the year. Meanwhile the general defiance of the law has seriously impaired the effectiveness of the Labor Relations Board. In the circumstances its contribution to the growth of unionism has not been considerable.

The Bituminous Coal Act contained provisions which, if enforced, would have inevitably resulted in strengthening the posi-

³ *Cases Handled by N.L.R.B. for May and Cumulative to Date* (mimeographed release), June 19, 1936.

tion of the United Mine Workers. The following provisions of the Bituminous Coal Conservation Act (Part III, sec. g), while aimed at standardizing wages and hours within competitive areas, would have had the additional effect of extending union membership throughout the areas to which they applied.

“Whenever the maximum daily and weekly hours of labor are agreed upon in any contract or contracts negotiated between the producers of more than two-thirds of the annual national tonnage production for the preceding calendar year and the representatives of more than one-half the mine workers employed, such maximum hours of labor shall be accepted by all the code members. The wage agreement or agreements negotiated by collective bargaining in any district or group of two or more districts, between representatives of producers of more than two-thirds of the annual tonnage production of such district or each of such districts in a contracting group during the preceding calendar year, and representatives of the majority of the mine workers therein, shall be filed with the Labor Board and shall be accepted as the minimum wages for the various classifications of labor by the code members operating in such district or group of districts.”

In the National Labor Relations Act, the so-called ‘majority rule’ clause (Sec. 9a) and the authority vested in the National Labor Relations Board to fix the unit of employee-representation (Sec. 9b) may in practice result in requiring members of minority groups to join organizations of the majority:

“Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right to present grievances to their employer.

The Board shall decide in each case whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining, . . . the unit appropriate for the purposes of collec-

tive bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof."

Experience with these laws has been brief, but they have on the whole won the unqualified support of most unions. The spectacular rehabilitation of the United Mine Workers under the influence of the NRA and the Bituminous Coal Conservation Act and the increase in the membership of the railroad unions resulting from the application of the amended Railway Labor Act have strengthened the faith of many leaders of organized labor in the efficacy of governmental intervention. Moved by the same considerations the textile unions urged Congress to pass the National Textile Act, a bill aimed at the regulation of wages and other working conditions, unfair competitive practices, and the methods of industrial relations in the cotton, rayon, silk and wool divisions of the textile industry.⁴

With these aims of organized labor, the Federal administration appears to be sympathetic. The Walsh-Healey Act, passed by the last session of the 74th Congress and approved by the President, establishes the regulation of wages and labor conditions in the manufacture of products sold to departments of the Federal government. Immediately after the adverse decision of the United States Supreme Court, May 18, 1936, on the constitutionality of the Bituminous Coal Conservation Act, an amended bill, limited to provisions for price-fixing and the regulation of output, was introduced in the Congress, apparently with the support of the Administration. A filibuster led by the junior Senator from West Virginia prevented the bill from being brought to a vote before the adjournment of Congress; but there is every indication that

⁴H.R. 11770, 74th Congress, 2nd Session.

a similar measure will be introduced in the first session of the next Congress early in 1937.

2. Attitude of Employers

The dominant opinion of American employers has rarely been sympathetic with organized labor. Owners and managers of industry have long opposed what they regard as the burdens and inflexibilities of union agreements. They prize highly the benefits of freedom of management and they reject union rules which, in their judgment, tend to retard advances in technology and in methods of factory management to which they ascribe the rising productivity of labor and industry and the high levels of American wages. Both during the World War and under the NRA employers generally viewed with alarm the close relations being forged between government and organized labor, and no small part of the revulsion against war control over industry and against the NRA in 1934 was due to the prevalence of this state of mind.

In the history of industrial relations employers' opposition to unionism has assumed a variety of forms. Particularly before the War, campaigns for unionization often developed into fierce contests for supremacy marked by extensive violence and riots. Whatever the merits of the dispute, the outcome was determined by the strength of the contestants. Intimidation and coercion were widely used on both sides and the power of employers in these struggles was not infrequently enhanced by the use of elaborate and expensive systems of company guards and by control of local public authorities. The deep antagonisms which long prevailed in our labor relations account for such periodic eruptions as the Homestead and Pullman strikes and explain the violence that has

characterized strikes and lockouts in this country for so many years.

While these methods still persist, they have come to be replaced in many industries by more direct, peaceful and constructive measures designed to win the loyalty of employees and to keep them indifferent to labor organization. The widespread development of company welfare plans, generally adopted not much before 1920, is evidence of the radical alteration in the labor policy of industry. Group life insurance, amounting in 1912 to only 13 million dollars, is now well in excess of 10 billion and is being extensively purchased by employers. Thrift and stock-purchase plans were widely introduced during this period.

These devices of 'welfare capitalism' have multiplied swiftly in number and variety. No adequate description of them exists in the available literature. The standards of personnel management in American industry have been vastly improved during the last twenty years. Methods of hiring and firing and handling shop grievances have been transformed with the introduction of standard procedures and the transfer of authority from foremen to employment and personnel managers. A recent survey⁵ of the industrial relations of 2,452 companies shows that companies employing 1,457,000 employees furnish some form of dismissal compensation; those employing 1,530,000, group health and accident insurance; 2,727,000, group life insurance; 2,628,000, loans to employees; and 1,589,517, relief funds.

At the same time there has been a considerable development in new forms of employee-representation. Labor conditions dur-

⁵ National Industrial Conference Board, *What Employers are Doing for Employees*, Report No. 221, 1936. This report is the most comprehensive account available of the numerous welfare activities of American employers.

ing the World War and the activities of governmental labor boards became powerful stimuli to the spread of collective bargaining. An increasing number of companies then began their experiments with company or plant systems of representation. The number of employees working under arrangements of this kind increased from 400,000 in 1919 to 1,300,000 in 1926.⁶ With the persistence of prosperity and the decline in strikes during the 1920's, the interest of employers in the promotion of employee-representation seemed to lag and the number of plans declined. But the aggressive organizing campaigns by union labor associated with the NRA shortly produced a new crop of representation plans. The number of plans and of employees under their jurisdiction multiplied with such rapidity that their present coverage may well exceed that of the trade unions.

The welfare activities of industry and company and plant forms of representation have, it is generally conceded, served as effective barriers against the advance of organized labor. While the indifference to unionism during the 1920's reflected in part the prosperity of the period, improvements in labor policy were by no means an inconsiderable factor in the situation. The vast expansion in employee-representation plans since the summer of 1933 has added to the disputes in industrial relations, for the new plans set up by the employers have been vigorously attacked by the trade unions as lacking the essential qualities of genuine instruments of collective bargaining. Whatever the force of these charges, many of the plans but recently initiated have already been revised to meet criticism, since new works councils like new unions are often, in their early stages, inactive and impotent. In

⁶ *Recent Social Trends* (McGraw-Hill, 1933), II, 845.

industries dominated by large factories and central ownership efforts have been made to strengthen the works councils both by amending their rules and regulations and by raising the standards of factory management.

The future of employee-representation plans and company unions, like that of trade unions, is at present more uncertain than ever. In several industries the trade unions have succeeded in capturing employee-representatives and their constituents in individual shops and plants. But the larger plans of employee-representation still remain intact. A decisive test of the relative stability of these alternative methods of industrial relations is now being made in the iron and steel industry where the organization drive by the Committee for Industrial Organization is in essence an assault on the employee-representation plans in operation in that industry. Whatever happens there is bound to have swift repercussions in American industry generally.

3. Attitude of Employees

What the true attitude of employees towards organization has been and what changes, if any, it has recently undergone are questions as hard to answer as they are crucial. The limited extent of American trade unionism is attributed by some to the coercive pressure of employers and by others to the characteristic independence of workmen in this country and their unwillingness to submit to the regulations and disciplines of the trade union. To prove either view is obviously impossible. Various clues to labor's opinion, such as the results of elections held to choose employee representatives or the trends in strikes, fall short of affording convincing and acceptable evidence. Except in the railroad and automobile industries the testimony of the elections

conducted by the labor boards in the last several years has been inconclusive, if for no other reason than that these polls have covered so small a fraction of the employees eligible to vote. Beyond this, differences in the conditions preceding and surrounding the elections and in their administration limit their value as indexes of labor's sentiments. If the prevalence of unrest be a measure of workmen's dissatisfaction with existing conditions and the intensity of their desire for unionization, the record of strikes and lockouts since 1930 fails to disclose a mounting tide of discontent of unusual proportions. Although the number of labor disputes has been increasing, there were fewer in 1935 than during any year of the World War and not many more than in the recovery of 1922.⁷

The number of cases currently submitted to the National Labor Relations Board can hardly be regarded as evidence of the existence of widespread labor unrest. In the latest summary of its operations,⁸ the Board reported that in the eight months ending May 30, 1936, it had acted in 982 cases involving 204,107 workers. Since employees are customarily moved to demand wage increases and other concessions during business recovery, the number of disputes evoked in the last few years by the substantial revival in business does not appear unusually great. Moreover, since many of the disputes brought before the Board arise in the course of organizing campaigns and are presented by union organizers engaged in efforts to increase union membership, even these figures are subject to discount as a measure of the dissatisfaction of labor.

Much the same conclusion may be deduced from the experience of union organizers and officers with new members. While sub-

⁷ *Monthly Labor Review*, U.S. Bureau of Labor Statistics.

⁸ Mimeographed release, June 19, 1936.

stantial numbers flock into the union in the early, vigorous stages of organizing campaigns, great difficulty is encountered in keeping them in the ranks of the union. After they have paid the small initiation fee and perhaps several months dues, they stop making payments and thereby surrender their membership. For this reason many American unions look with favor on the check-off, whereby dues are collected from union members by the employer and are paid by him to the union.

The absence of deeply-rooted class antagonisms would appear to account now as in the past for the transitory character of much of American union membership and for the failure of the labor movement to respond to powerful incentives and support. Describing the development of the policies of the American Federation of Labor, an acute and informed historian of the American labor movement writes: ⁹

"The overshadowing problem of the American labor movement has always been the problem of staying organized. No other labor movement has ever had to contend with the fragility so characteristic of American labor organizations. In the main this fragility of the organization has come from the lack of class cohesiveness in American labor. The American unions, after a decade of the weakening competition with the Knights of Labor, have seen the need of ruthless suppression of 'dual' unions and of 'outlaw' strikes. It would seem as though, through this practice, they have tried to make up for a lack of spontaneous class solidarity, upon which European unions could reckon with certainty . . .

Gompers and his associates were under no delusion as to the true psychology of American working men, particularly as regards the practicable limits of their solidarity. They knew that where wage-earners were held together by the feeling that their jobs came out of a common job reservoir, as did those in the same or closely related crafts, their

⁹ Professor Selig Perlman in Perlman and Taft, *History of Labor in the United States, 1896-1932* (Macmillan, 1935), pp. 7, 8.

fighting solidarity left nothing to be desired. They also knew, however, that they had to go slow in pressing on to greater solidarity. Where conditions made cooperation between different craft groups urgent, it was best obtained through free cooperation, each union reserving the right to decide for itself in every situation whether to cooperate or not . . . Solidarity of the skilled with the unskilled was not precluded, but it was never assumed as a matter of fact or of moral duty. Rather it was assumed that a labor group that needed outside aid to give it the original impulse to assert its independence was something of a questionable addition to the family of organized labor.

Solidarity, as understood by this group, was thus a solidarity with a quickly diminishing potency as one passed from the craft group—which looks upon the jobs in the craft as its common property for which it is ready to fight long and bitterly—to the widening concentric circles of the related crafts, the industry, the American Federation of Labor, and the world labor movement.”

4. Business Conditions

Among the forces affecting the attitude of employees and the condition of organized labor is the state of business and employment. In the United States, as in other countries, periods of good business and expanding employment have been considered favorable to the spread of trade unionism. In prosperity strikes stand a greater chance of success. Strikers are harder to replace, and employers, facing the loss of business and profits, are more inclined to yield to demands for better conditions and union recognition. During the prosperity of the 1920's this rule failed to work. Strikes were less frequently called and the membership of unions, except in the building and railroad industries, steadily declined. The very prosperity of the period and the generally high standards of wages and employment acted, apparently, in most classes of industry to retard rather than to accelerate the pace of union growth.

Similar conditions appear to affect the labor situation during

the present business recovery. Wage rates have already been substantially increased and the average rates in most of the principal categories of industries are now above 1929. After five lean years of short employment and meager earnings, the average workman is reluctant to risk his job at the prevailing high rates of wages by joining in strikes for union recognition. Hours of labor, while greater in some instances than under the NRA, are less than ever before. Manifold types of collective dealings between employers and employees have been widely installed in industry, and are actively and, in many places, effectively competing with the trade union. Unemployment meanwhile continues abnormally large and there are few indications that it will be considerably reduced for some years to come. Relatively good conditions of labor for the employed and the potential competition of a standing army of unemployed, sometimes estimated to exceed 10 million, are elements of the present situation not calculated to encourage industrial conflict over the issues of union membership and recognition.

A continued and prolonged improvement in business and employment will doubtless result in further increases in union membership, particularly in those industries and trades in which organized labor is traditionally strong and union growth depends less upon proselytizing than upon the return of the unemployed members to their jobs. Notably in the building and railroad industries, where the shrinkage in employment since 1929 has been unusual and the recovery in employment has been so far not considerable, a substantial rise in payrolls may easily within several years add more than 500,000 to the present union membership. But this situation is exceptional.

5. Internal Relations of the Labor Movement

Except for spontaneous uprisings of workmen, which have been rare in occurrence and limited in extent, the spread of unionism is the result of deliberate and planned organizing campaigns. These efforts are initiated and managed by the established labor movement. The greater the skill, vigor, and resources of the movement, the more effective its campaigns are likely to be. Since the labor movement of the United States is composed largely of many separate unions, loosely associated for common purposes in the American Federation of Labor, their combined effectiveness in organizing as in other activities depends on the unity and harmony with which they pursue their objectives.

In the history of American organized labor internal dissension over competing philosophies, strategy, tactics and structure has often developed into serious conflict and disruption which have, temporarily at least, weakened the labor movement and limited the area of its effectiveness. The successive struggles between the American Federation of Labor and the Knights of Labor, the I.W.W. and the communist unions have all had this effect. Although the Federation and its constituent unions have survived these conflicts, the achievement of victory and peace has usually been costly. Jurisdictional disputes among several unions, of the type common to the building trades unions, have, likewise, from time to time threatened the power of these organizations.

The conflict now raging within the American Federation of Labor over the issue of union structure is the latest serious division in the ranks of the labor movement. The parties to the dispute are the leaders of the powerful groups of craft and industrial unions within the Federation. The issue that divides them is in

part the belief of the supporters of industrial unionism that literal adherence to the jurisdictional claims of craft unions has impaired the effectiveness of organizing pressure and prevented the establishment of new unions in mass production industries, and in part the ambition of individual union leaders to achieve power and supremacy in the movement. The issue was brought to a head when the advocates of industrial unionism supported the claim of recently organized unions in the automobile, rubber, and radio industries, and of an older union in the oil industry, to full jurisdiction over all employees working in these industries, whether or not any of them are now under the jurisdiction of existing craft unions.

The split between the advocates of industrial and craft unionism, started at the A. F. of L. convention in October 1935, has already gone far. The Committee for Industrial Organization, headed by John L. Lewis and formed to marshal the forces of industrial unionism, has carried on its independent activities in defiance of the Federation. At its meeting in January 1936 the A. F. of L. Executive Council noted that the Committee constituted "a challenge to the supremacy of the American Federation of Labor" and proposed that "it be immediately dissolved".¹⁰ The United Mine Workers, meeting several weeks later, unanimously endorsed the position of their president, John L. Lewis, and the purposes of the Committee and authorized their officers to withhold the payment of dues to the Federation.¹¹

The Committee has refused to dissolve. Meanwhile it has engaged in an extraordinarily aggressive campaign to gain adherents from among the unions of the country. By July 1936 five unions

¹⁰ American Federation of Labor, *Weekly News Service*, February 8, 1936.

¹¹ *New York Times*, January 31, 1936.

—the flat glass, steel, automobile, rubber, and electrical and radio workers unions—had joined the original eight members of the C.I.O. The contest for control of the campaign to unionize the iron and steel industry was won by the Committee, and the Amalgamated Association of Iron, Steel and Tin Workers became an affiliated organization. Efforts of a committee, appointed by the A.F. of L. Executive Council, to seek a peaceful settlement of the controversy appear to have come to naught. The public commitments of the spokesmen for both parties have been so firm and uncompromising as to make the retreat of either appear improbable.

On the merits of the controversy there is sharp difference of opinion not only among union members but also among students of organized labor. Conceding the real dangers of internal dissension, many students, nevertheless, see in the proposed changes in union structure a fundamental and essential reform which will pave the way for union organization in the great non-union industries and will in the long run invigorate and strengthen the labor movement, however great the immediate cost of internal conflict may be. The craft unionists appeal to the history of unions in this country for evidence of the superior effectiveness of organization among workmen who follow a common and skilled occupation. On the basis of their experience with American unionism following the decline of the Knights of Labor in 1890 and the short-lived expansion of organization during the World War, they attribute to craft unions intrinsic unity and stability which, in their observation, the industrial unions lack.

The changing relation of government to organized labor promises to be one of the most influential factors in the contemporary

labor situation. The measures considered and adopted since June 1933 and the policy of the government are intended not only to clarify and strengthen the legal status of trade unions but also to make unions instruments for the regulation of many competitive business practices. The pursuit and enforcement of these policies may be expected to stimulate the growth of unionism in this country and in time to cause radical changes in the rights and responsibilities of organized labor and in its relation to the State.

In a sense these tentative steps in the United States were anticipated by developments in other countries beginning shortly after the World War. During the War organized labor made unprecedented gains in membership, almost universally. By 1920 world membership appeared to be more than double that of 1914. In the United States the number of union members increased from 2,687,100 in 1914 to 5,047,800 in 1920; in Great Britain from 4,143,000 to 8,347,000; in Canada from 134,300 to 373,800; and in Germany from 2,166,000 to more than 9,000,000. Far-reaching political changes after the war were attended by unusual divergencies in the course of trade unionism in different countries. Russian unions, small and unimportant before the war, multiplied in number and membership after the revolution until they were in 1935 the largest of all, claiming more than 18,000,000 members.* After the revolution in Germany and the coming into power of the Social-Democratic party, the membership of the German unions rose to new levels and remained at three to four times its pre-War size until the unions were destroyed in 1932 by

* *Director's Note:* Russian unions are not trade unions in the accepted sense. Membership therein is compulsory. On the other hand, the unions have become organs of the government, their officers are appointed by the powers that be and are not responsible to the rank and file. Strikes are not tolerated, being regarded as counter-revolutionary or treason to the State.—N. I. Stone

the National-Socialist Government and replaced by the 'Labor Front', the Nazi 'classless union' of employers and employees.¹² In Italy, likewise, post-War membership exceeded pre-War. Under Fascism and the assertion of governmental control over unions, membership, as officially reported, rose further and stood at 4,698,000 in 1934, or five times the membership of 1914.¹³

In contrast with this, union membership in England, France and the United States is now only moderately larger than it was before the War. Although the English membership was in 1914 by far the largest in the world, in 1934 it was 4,567,000, or not much more than one-fourth the membership of the Russian unions. In spite of the substantial rise in employment in England union membership in 1934 was no more than 10 per cent above 1914. French data are incomplete but indicate no radical changes in the position of organized labor in France. Of the labor movements in England, France and the United States, the American unions show the greatest advance over their pre-War condition, claiming approximately 1,000,000, or 37 per cent, more members in 1934 than in 1914.

As these figures indicate, the labor movements in various countries have in their post-War phase followed separate paths. In several countries membership in unions is for all practical purposes compulsory and unions have become instruments of government. Their activities and policies are the subject of public control. Collective bargaining for wages and working conditions, the most important function of the traditional union, is largely subordinated to the policies and decisions of the State.

¹² Michael T. Florinsky, *Fascism and National Socialism* (Macmillan, 1936), p. 105.

¹³ The membership of unions in foreign countries, 1914, 1920-34, is given in the Appendix, Table XII.

Labor disputes, when they are not suppressed, are in the main settled by compulsory arbitration. Consequently membership, limited only by the terms of governmental edicts, is well-nigh universal.

In other countries unions continue to be voluntary associations of workingmen. Membership fluctuates with changes in business conditions and the hold unions have upon their members; collective bargaining for wages and working conditions remains the prime function of organized labor; union membership represents a fraction, of greater or less magnitude, of all organizable employees.

While American unions have changed their attitude towards the regulation of industry by government and have come increasingly to depend on governmental support, they retain the essential features of free and uncontrolled unionism. In recently enacted laws they have succeeded in preserving the right to strike and in preventing the incorporation of provisions that would expose their operations to more thoroughgoing regulation than now exists. But the unfolding of present policies of industrial regulation and collective bargaining may well expose unions in this country, as it has in others, to governmental regulation of their policies and acts.