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LABOR’S FRAGMENTATION AND THE INDUSTRIAL RELATIONS CONTEXT IN 1945

Labor’s Power

At the end of World War II, labor’s aggregate numbers suggested real power. Many experts believed that the balance of power had shifted away from the management side to labor. In an address to a Princeton University conference in 1946, an eminent labor economist, Professor Sumner H. Slichter, placed trade union organizations in the context of what he called “a revolutionary shift in power from business to labor in the United States. . . . A laboristic society is succeeding a capitalist one.”¹

Slichter’s judgment was mirrored not only in economic, industrial, and historical studies but also, more significantly, in committees of Congress. When the 80th Congress decided in 1947 to reverse the basic New Deal labor law, the National Labor Relations (Wagner) Act, it did so partly on the ground that the “excessive power” of labor demanded statutory change. The law that the 80th Congress enacted in place of the Wagner Act, the Labor Management Relations (Taft-Hartley) Act, is still the basic labor law of the United States.

The concept of “Big Labor,” originating in the 1940s, became an important argument for labor-law reversal. It has since become a fashionable term, connoting equal power, along with “Big Business” and “Big Government,” with liberals as well as conservatives practicing this new addition to the American language.²


For other significant academic studies, see Adolph A. Berle, Power (New York: Harcourt Brace, 1967); Dudley W. Buffa, Union Power and American Democracy (Ann Arbor: University
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The present book covers some relevant events of 1948–50, focusing however on the period 1945–7, a turning point in modern labor history. The latter three years include the final year of the Second World War, the early reconversion from a wartime to a peacetime economy, including the greatest strike wave in the history of the United States, and a change in the basic labor law of the United States.

Even under the present revised labor law, the federal system of the United States government leaves to the states wide jurisdiction over matters relating to labor. Nevertheless, the key to understanding postwar labor power rests on national developments in labor unionism itself, in national economic relations between management and labor, and in congressional actions in the field of labor legislation. This study, accordingly, emphasizes union political behavior as seen from a national perspective.

The central thesis of the study may be stated in two related propositions. First, contrary to the widespread impression that the unions were powerful in economic and political terms during the postwar period and in subsequent years, this book shows that American unions actually were fragmented and divided both as to political policy and basic wage policy. Second, organized employers were highly motivated and showed extraordinary organizing and political skills and solidarity, enabling industry to achieve in 1947 a basic reversal of the New Deal trend toward federal encouragement of labor unions and collective bargaining among equals. A brief description of the historical setting for the period will illuminate the meaning of the thesis, indicating how relationships developed among the actors in the industrial relations system: the unions, government, and employers.

During the rapidly developing but still early industrialization era (ca. 1886–1930), the central American Federation of Labor (AFL) and its affiliated labor unions enjoyed very little acceptance. They had been able to organize only a small proportion of eligible labor. And unlike the Trades Union Congress (TUC) of Great Britain, which had been a model for the strategic leaders of the AFL when they created an American counterpart in 1881–6, these early American unions – largely made up of skilled artisans – generally avoided political action. As Selig Perlman, the eminent theorist of the labor movement expressed it, the American labor unions functioned in a “fragile” environment of Michigan Press, 1983); Neil W. Chamberlain, “Organized Labor: A Diminishing Force?” Challenge, January 1960, pp. 12–15. George Meany, who as president of the AFL-CIO and in prior positions in the AFL had placed himself squarely in the establishment, told an AFL-CIO executive council meeting in February 1979 that he feared “the end of representative government” if the political power of giant corporations should continue unchecked.
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and rightly feared that if they entered into national partisan politics the unions would upset a delicate equilibrium.\(^3\)

By common understanding of the locally based, craft-oriented unions that formed the original American Federation of Labor, the new labor federated body would grant national charters based on “exclusive jurisdiction” over designated crafts. The individual labor affiliates would bargain with their respective employers and also make their own rules on controlling entry into the trades and into membership. Thus, the Federation evolved into an essentially exclusionist as well as monopolistic labor group, its philosophy based on restricting the number of skilled people allowed to represent each trade. This could offer artisans the advantages that would come from controlling jobs against less skilled workers seeking to “dilute” the labor supply. Although the AFL-affiliated unions thereby narrowly limited their memberships and rejected reformism and socialism, the Federation became the main central body of unions engaged in collective, as against individual, bargaining.

In a predominantly laissez-faire economy, even limited collective bargaining aroused opposition not only from employers but also from agencies of government, including the courts. Governmental attitudes were to change with the advent of Franklin Roosevelt’s New Deal. But the opposition of industrialists to collective bargaining, as represented by their leading organization, the National Association of Manufacturers, was only modified by economic and political conditions and never changed into full acceptance of the collective bargaining principle.\(^4\)

In Britain, from the late nineteenth century to the immediate post–Second World War years, employer associations in the industrialized sectors were weaker in general than in the USA. British employers early recognized and adapted to union organization among hourly workers. By contrast, American employers were strong and unified, and they rallied behind their associations first to prevent and then to beat back organizing efforts. Long before American industrial workers developed an enduring industrial form— as against a


\(^4\)For organized industry’s perspective as of 1962, see National Association of Manufacturers, Economic Implications of Union Power. This pamphlet contains a fundamental challenge to the principles of collective bargaining. In that sense it is a reversion to the founding views of the NAM and is at odds with the position the NAM took in 1945 at the president’s Labor Management Conference, where it appeared to accept the principle of collective bargaining and wished merely to reverse some of the gains made by labor. This 1945 role of the NAM, discussed briefly below and more fully in Chapter 2, was clearly a temporary expedient.
craft form – of unionization for collective bargaining, the employers formed their own organizations to coordinate their strategies against all forms of collective action by their employees.

The National Association of Manufacturers and Employer Solidarity

The original purpose of the National Association of Manufacturers (NAM) when it was organized in 1895 was to expand trade possibilities for its business members. The goal was changed, however, in less than a decade. According to Senators Robert M. La Follette and Elbert Thomas, the NAM shifted its basic purpose in 1903; from then on, its central aim became, in the words of La Follette’s Committee on Education and Labor, “a belligerent opposition to union organization.”

During the First World War, government and industry allowed and even favored bargaining rights for, and accorded legitimacy to, the affiliated unions of the American Federation of Labor and to the AFL itself. Sam Gompers suddenly became a “labor statesman.” As soon as the war was ended, however, the NAM reverted to the basic objective the industrial corporations had assigned to it in the prewar years of industrialization: to bar collective bargaining and restore individual bargaining without the intervention of labor organizations. The NAM’s famous American Plan, a euphemism for the open shop – which in itself was a code word to bar employment to all potential unionists – was so successful that in the 1920s the general public came to regard unionism as unpatriotic.

The presidential election of 1932 gave new impetus to the NAM act on behalf of employers organized to resist trade unionism. Again according to La Follette, the Association, “because of its organization and experience,” was chosen by leading manufacturers in Detroit and New York to lead a campaign called “national salvation.” And the president of the Association defined for his members the legislative tasks visualized for the Association: “We are of course primarily committed to seeking the repeal of Section 7(a) of the National Industrial Recovery Act (NIRA).” This provision, added under pressure from the AFL-affiliated and independent unions then in existence, re-

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4Ibid., pp. 81, 208–12.
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required employers covered by NIRA codes to deal with their workers through unions of their own choosing.

Thus, as the federal government began its historic moves toward a mixed economy, organized industry was rallying to prevent a change in labor policies, specifically to avoid collective bargaining. To lead that campaign, the brass hats of corporate America chose the NAM, which became “The Voice of American Industry.” Through the 1930s and 1940s, in the words of the La Follette Committee, the NAM’s purpose was “to crush labor organizations formed by workers in their plants.” The NAM intensified its efforts after the NIRA was declared unconstitutional and Congress enacted, in place of Section 7(a), the National Labor Relations (Wagner) Act of 1935. Of course, the NAM and NAM-created organizations, such as the Chamber of Commerce of the United States and the National Industrial Conference Board, were not the only business organizations interested in discouraging labor organizations. The National Metal Trades Association and the National Founders Association had been active in this regard for years before 1932. The point to note here is that as far back as the 1930s the NAM had been the leading coordinating employer association directing campaigns to reduce or eliminate altogether the collective power of workers in industry.  

Partly because its affiliated unions came mainly from the handicraft sectors and not from the manufacturing sectors, and functioned by “exclusive jurisdiction” granted them over crafts rather than plants, the AFL found it difficult to accommodate its structure and methods to match the growing employer offensives. Yet, even as the Federation continued to be dominated by craftsmen, it was also being called upon to organize mass-production workers (largely unskilled and foreign-born) in the fast-growing basic industries.

CIO-Style Unionism

The Federation’s inability or refusal to adapt its structure to changing worker needs led in 1935 to a new central labor organization, the Congress of Industrial Organizations (CIO), chaired by John L. Lewis, the most charismatic and


4It is pertinent to emphasize – in view of CIO efforts in 1945 to enlist the aid of the Chamber of Commerce against what the CIO regarded as the aggressiveness of the NAM in seeking to change the Wagner Act – that the Chamber was in fact created by the NAM and was never independent.
powerful labor figure of the era. There were many reasons, discussed in
studies of the CIO, for the decision of John L. Lewis and his chief aides in the
Mine Workers to break away from the AFL and form the CIO. The most
significant single factor had nothing to do with ideology: John L. Lewis had
been unable to crack the miners owned by the steel industry. Lewis first
formed a Committee for Industrial Organization within the AFL to bring
unionism into mass-production industries, including steel. As employers, the
steel barons had successfully resisted unionism not only of their plant workers
but also of those mining coal for the steel mills. They feared that organizing
their miners would be an opening wedge for organizing their steelworkers.
Big John L., on the other hand, fully understood, first, the historic commit-
ment of the AFL chieftains to the concept of “exclusive jurisdiction” for
various crafts and the inevitability of failure if unions again tried to organize
unskilled mass-production workers on a craft basis; and second, the necessity
of organizing captive miners to preserve organizational gains made in the rest
of the coal industry by the United Mine Workers.

Thus, in addition to the AFL, there was in 1945 the new mass, open union
movement represented by the CIO. The CIO was now a powerful force in
basic manufacturing, claiming equality of status with the AFL for all domestic
and international policy making. The successes of the CIO in the prewar years
greatly enlarged the scope of unionism. One needs to recall, however, that
despite their broader organizing base and acceptance of radicals during the
organizing stages, CIO leaders shared with AFL leaders a simple but narrow
objective: to create and sustain combinations of workers for purposes of
collective bargaining in the existing economy, not to fundamentally alter
ownership or management relations. In this respect, the two major labor
federated bodies in the USA were acting out a leadership pattern that the
Webbs found in their classic study of the British labor leaders. These men,
Beatrice and Sidney Webb wrote, were “strong, self-reliant and pugnacious”; their “spirit” had brought them to the top in associations that were formed by
“people [who] discover that they can do better for themselves by uniting to
fight someone else than by opposing each other.” But these very qualities, and
the narrow objectives of the early unions, the Webbs observed, led most union
leaders to become “Conservative” in a social sense, even if they were willing,
when necessary, to lead strikes. Having achieved a degree of control over their
own trades, with or without the use of the strike, these “Conservatives”

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maintained “a strong presumption in favour of the status quo,” “distrusted innovation,” and had a liking for “distinct social classes.” They favored a sort of feudal stability “based on each man being secured and contented in his station of life.”

The Wagner Act of 1935 declared the right of workers to organize, choose their own representatives, and bargain collectively with their employers. A National Labor Relations Board (NLRB) was given the authority to enforce the purposes of the act, including the authority to require employers to bargain and to prevent employers from specified “unfair labor practices” that would thwart organizing and collective bargaining. As noted by the first NLRB chairman, Judge J. Warren Madden, “for the first time the federal government was attempting to enforce widely its policy of outlawing employer interference with the right of workers to bargain collectively.”

Labor Fragmentation During the New Deal

The New Deal was generally friendly to unions, but labor solidarity was still rare. Indeed, the two major federations took divergent views even with respect to the National Labor Relations (Wagner) Act, then the basic labor law, as well as on the questions of political action. The CIO wanted to preserve and strengthen the Wagner Act and the powers of the National Labor Relations Board, and developed political action to preserve that act and its growing alliance with the New Deal. The AFL, on the other hand, had since 1935 been aligning itself with opponents of both. Temporarily departing from the sacred Gompers doctrine of neutrality, the Federation took a prominent role in hostile congressional investigations of the NLRB for alleged communist leanings. The AFL’s own and more specific and direct motive for attacking the NLRB was the belief that it was showing “bias” against the older, predominantly craft-based AFL unions. The AFL subsequently decided that to protect its interests it should go beyond criticisms of the NLRB and sponsor amendments to the act and appropriations riders – again joining congressional opponents of the New Deal and the CIO – to enforce craft-based elections rather than the industrial-type bargaining units favored by the Roosevelt-appointed NLRB.

Legitimized by, and with considerable help from, the Wagner Act and the

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NLRB, most organized mass-production employees – in autos, electrical manufacturing, rubber, steel, and so on – were by 1937 working under contracts signed by unions affiliated with the CIO.

Labor’s Vulnerability in World War II

In spite of substantial gains, the unions’ political vulnerability was demonstrated in the midst of World War II. In 1943, Congress enacted the War Labor Disputes (Smith-Connally) Act over President Roosevelt’s veto. That act, sponsored by two conservative Democrats, Representative Howard Smith (Va.) and Senator John Connally (Tex.), was supported by the NAM and business groups opposed to the unions and to the Wagner Act. Smith-Connally was a blunt warning that despite labor’s voluntary wartime no-strike pledge, the New Deal Wagner Act, and the wartime temporary tripartite National War Labor Board, neither the employers nor Congress were ready to accept the new and strengthened status of labor. Smith-Connally may be seen also as a clear signal of Big Labor’s continuing weakness in the political arena despite the friendly and Democratic White House, the CIO Political Action Committee, and wartime economic conditions, which favored union growth.

The War Labor Disputes Act was publicized as a means of stopping strikes, but one of the more lasting provisions of this otherwise temporary law was the one forbidding any union from making financial contributions to candidates in federal elections – a clear jab at the CIO PAC.

Although the Smith-Connally Act was repealed within six months of the end of the war, the ban on electoral contributions was incorporated in the new Labor Management Relations Act of 1947, popularly known as the Taft-Hartley Law.

Some important writers have viewed Smith-Connally as aimed mainly against John L. Lewis and the now independent United Mine Workers. Lewis, having quit the CIO, was once again wielding great economic clout through his tight control of the strategically placed huge and rich United Mine Workers of America (UMWA). He had no use for the voluntary no-strike pledge taken by the AFL and the CIO. By striking the coalfields during the war, he could not only halt coal production in general but also, by extension, interrupt the operation of manufacturing, shipbuilding, and other plants as

well. But in spite of his power, Lewis was a strong believer in capitalism and free market–based bargaining. My view is that the Smith-Connelly Act was not aimed primarily at this Republican Party labor leader. Nor was it aimed at communists, who had been the publicized target of Representative Smith since the onset of the CIO and the Wagner Act. For Smith, the communists and the New Deal were inextricably related problems. But the political reality was that the Communist Party of the United States (CPUSA) and its wartime successor, the Communist Political Association (CPA), were among the most fervent of all supporters of the U.S. war effort after June 1941, and enforcers of the no-strike pledge. The CP-influenced unions generally continued to press for equal rights for blacks and for their fuller representation in union leadership. During the war, the communists were backing the bill for a permanent federal Fair Employment Practices Commission but were not pressing for broad social reform. While they were advocating peace, coexistence with the Soviet Union, the broad interests of the labor movement, labor unity, and support for the New Deal, communist labor leaders publicly deplored the Miners’ strikes and generally despised Lewis, who was the most conspicuous strike leader of the era. The CP’s attitude toward Lewis would, however, shift after he became the foremost labor union opponent of the Taft-Hartley Act, as is shown in Chapter 5.

The political clause of Smith-Connelly was not directed at the American Federation of Labor, whose strategic leadership included about as many Republicans as Democrats. Except for its moves against the NLRB, the AFL had eschewed political action all through the New Deal years, in line with its ancient tradition.

Under Lewis, the Miners were achieving growth and membership gains by market-based bargaining, withholding labor as they saw fit but avoiding the political weaponry Lewis had initiated as the CIO’s first president.

Thus, I conclude that the political provision of Smith-Connelly, like the later Taft-Hartley Law, was mainly aimed at the CIO. The clause forbidding union contributions in federal elections was clearly aimed at that organization, which had been politically active since 1936, aiding liberal, “pro-labor,” or “progressive” candidates of both major parties, mainly the Democrats; funds from CIO-affiliated union treasuries became important in campaigns for Roosevelt and Roosevelt supporters. Among the few unions that helped support the National Committee to Abolish the Poll Tax and early fights for racial equality, CIO-affiliated unions stood out. Not unexpectedly, such labor-sponsored politics were perceived as a threat by Smith and Connally, both from poll-tax states.
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The CIO Political Action Committee (PAC)

The Smith-Connelly Act of 1943 may have hastened the organization of the CIO Political Action Committee in 1943, but it was not its immediate cause. The chief threat that precipitated the PAC was the aftermath of the 1942 congressional elections, which alarmed virtually all key CIO leaders—center, left, and right—because it showed a resurgence of congressional opposition to union growth and to the New Deal. The revival of conservatism in 1942 lifted the hopes of such southern Democrats as Howard Smith and John Connally, who had been unhappy with the New Deal in general and the Wagner Act in particular. And the congressional loss in 1942 frightened Sidney Hillman and other centrist CIO leaders into a revival and expansion of full-time political action, mainly to preserve the New Deal legacy.

The CIO’s Right Wing Resists PAC-Type Politics

Recognition of the need for defensive politics by the CIO seemed to transcend the factionalism in that organization. This was an illusion. The CIO was badly split, even though the highly publicized Political Action Committee had been founded by the CIO itself in 1943. And labor as a whole simply did not have the political organization required for success against the industrialists’ unified plans and organization.

The AFL was still opposing both the CIO and its PAC idea. On the surface, the AFL had a community-based network of potential political activists in its “city centrals.” Every major city had a delegate body representing AFL locals. Similar delegate councils existed in many counties and all the states. But while determined to be politically neutral and trying to keep the local councils from developing political independence, the national AFL, as well as the locals, had on occasion shown political muscle. Moreover, it was known that some city centrals had been in the forefront of independent political action in earlier periods. Also, as far back as 1906, AFL president Samuel Gompers, citing the British Trades Union Congress, formed a coalition of labor, farm, and progressive political organizations that threatened to go so far as to challenge the two-party system unless the legal status of unions was made secure.13 Moreover, the AFL showed its political clout in 1931 when it succeeded in gaining enactment of the Davis-Bacon Act, which required all