

LABOR HERALD LIBRARY NO 15

COMPANY UNIONS

BY
Robt. W. DUNN
WITH CONCLUSIONS BY
W^m Z. Foster

Published by THE TRADE UNION EDUCATIONAL LEAGUE
156 W. Washington St. — Chicago Ill.

25¢

Militants, Notice!

Organize! Join the Trade Union Educational League. This is a system of informal committees throughout the entire union movement, organized to infuse the mass with proletarian understanding and spirit. It is working for the closer affiliation and solidification of our existing craft unions until they have been developed into industrial unions. Believing that all workers should stand together regardless of their social or other opinions, it is opposed to the common policy of radical and progressive-minded workers quitting the trade unions and starting rival organizations based upon ideal principles. That policy is one of the chief reasons why the American labor movement is not further advanced. Its principal effects are to destroy all radical organization in the old unions and to leave the reactionaries in undisputed control.

The Trade Union Educational League is in no sense a dual union, nor is it affiliated with any such organization. It is purely an educational body of militants within existing mass unions, who are seeking through the application of modern methods to bring the policies and structure of the labor movement into harmony with present day economic conditions. It bespeaks the active cooperation of all militant union workers. For further details apply to

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American Company Unions

A STUDY OF EMPLOYEE REPRESENTATION PLANS,
"WORKS COUNCILS" AND OTHER SUBSTI-
TUTES FOR LABOR UNIONS

By ROBERT W. DUNN

WITH CONCLUSION AND A PROGRAM FOR THE FIGHT
AGAINST COMPANY UNIONISM

By WILLIAM Z. FOSTER

Price 25 Cents

Published by the
TRADE UNION EDUCATIONAL LEAGUE
156 W. Washington St.
CHICAGO, ILL.



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WELFARE.

Sing a song of "Welfare,"
A pocket full of tricks;
To soothe the weary worker,
When he groans or kicks.
If he asks for shorter hours,
Or for better pay,
Little stunts of "Welfare"
Turn his thoughts away.

Sing a song of "Welfare,"
Sound the horn and drum,
Anything to keep his mind
Fixed on kingdom come.
"Welfare" loots your pocket
While you dream and sing,
"Welfare" to your paycheck
Doesn't do a thing.

Sing a song of "Welfare,"
Forty 'leven kinds,
Elevate your morals
Cultivate your minds.
Kindergartens, nurses,
Bathtubs, books, and flowers,
Anything but better pay
Or shorter working hours.

—Will Herford.

PREFACE

Robert W. Dunn is a well-known labor writer and student not directly affiliated to the trade unions or the T. U. E. L. He is the co-author, together with Sydney Howard, of "The Labor Spy." He is the author of "American Foreign Investments." He is a special writer for the Federated Press. He has made extensive special studies in the field of employers' tactics against labor and the various devices used to undermine trade unions. Therefore, the Trade Union Educational League asked him to set down as briefly as possible his findings to date in the field of Company Unionism. The results appear in this pamphlet between pages 4 and 61. The concluding chapter was written by Wm. Z. Foster.

The Publishers.

I.

WHAT ARE COMPANY UNIONS?

The Definition.

By company union, as the term is used in the pages of this pamphlet, we mean all kinds of shop committees, representation plans, works councils, conference boards, boards of operatives and industrial representation schemes, applied to the workers of a particular company or plant, and instituted on the initiative of the company employing these workers. "Shop committees," as the term is understood by trade unionists, are not discussed in these pages, but only those committees initiated, controlled and dominated by the employers and divorced from the trade union movement.

This pamphlet also will not include any discussion of certain types of dual unions instituted usually thru the influence of a number of employers, or by an association of companies, and including the workers in the several plants or mines operated by these companies. Such unions as the recently organized Mine Workers' Association of West Virginia, the Pittsburgh District Federated Miners' Association, and the Independent Bridge and Structural Iron Workers' Union, (confined to New York City), are not included in these pages. There may, however, be one or two such associations covered by the figures on railroad company unions.

As indicated in the preface, we have also excluded from this discussion those different shades

of class collaboration which, tho involving regular trade unions, have in effect almost the same purposes as company unions.

The company unions discussed in this pamphlet are the familiar types, of company-installed works councils and employee representation plans, covering the workers of companies, large and small, ranging all the way from small clothing firms to the great steel, packing, and railroad companies.

Relation to Other "Welfare" Schemes.

Company unions are usually accompanied by other welfare, uplift, and cooperation schemes, which will not be treated in these pages both because they are subjects for separate studies and because they are not an essential accompaniment of company union plans. Many companies, such as the United States Steel Corporation, that have introduced stock ownership for workers, have no company unions. Other companies that have gone in for "representation" have not adopted stock ownership, thrift schemes, bonuses, and other "loyalty" and production stimulating devices. Some companies believe they can keep their workers "under control," and out of labor unions, by the application of the more obvious welfare poultices. Others, more thoro-going, believe their workers cannot be kept on the road of "sound economics" without some sort of "works council" scheme thru which they can have a "voice" in certain limited features of factory management. So we find all sorts of variations and degrees of paternalism in the gamut of personnel relations. In this study we confine ourselves to one phase of these relations, although occasional references will necessarily be made to other management devices now in vogue in American industry.

Backed by the Open Shoppers.

It should be noted at the outset that company unions are a part of the program of many of the American Plan and Open Shop associations, large and small, local and national. At conventions and conferences they have endorsed this device as a 100 per cent American way to bring capital and labor together.

The League for Industrial Rights, one of the most active open shop, anti-union organizations, urges the workers to rally to "factory solidarity" as opposed to "class solidarity." The factory solidarity program includes undivided allegiance and loyalty to the leadership of the employer and his foremen. "These are the only labor leaders the employees need," say these militant class-conscious employers.

The Chamber of Commerce of the United States has officially endorsed this "new union," or this "new type of collective action." The report of one of its conventions, as carried by a well known capitalist wire association, touches on the company union resolutions as follows:

"The business union—the United States Chamber of Commerce—will foster the Rockefeller plan of shop representation whereby workers will be given a slice of control in shop affairs. This divides industrial workers into shop groups which in case of labor strikes could expect no support from any other group."

This news report goes on to state that "the business union" (the United States Chamber of Commerce) proposes to be a national combination. But it insists on "shop representation" or single plant organization for labor.

In this story of the Chamber of Commerce endorsement we get the kernel of the company union idea. It could hardly be better stated to bring out its essentially anti-union character. The slogan

is: "Unite the Employers. Divide the Workers."

The more furious of the manufacturers' organs, such as the **New York Commercial**, hail these company unions as the death knell of "so-called collective bargaining" and "widespread organization of labor" which, with the growth of the employee representation plans, is now "unneeded."

Mr. Noel Sargent, manager of the Industrial Relations Department of the National Association of Manufacturers, and a most sedulous mouthpiece of the open shop interests, in a report on labor in England in 1925, contrasts the more favorable condition in which the American capitalists find themselves in view of the weakness of labor here and the growth of the company union. He says:

"The growth of various forms of 'employee representation' in American plants, providing for collective agreement between the management and workers of the individual plant . . . provides true collective bargaining instead of the form which exists under closed shop agreements in both America and England."

And such outspoken union-baiters as Henry Harrison Lewis, agent of President Barr of the National Founders' Association, and editor of many journals fighting for the non-union shop, have been lavish in their praise of the company union, particularly the highly advertised Pennsylvania committee plan. Like the League for Industrial Rights, Lewis and his organizations and organs are keen for the "new type of intra-factory organization of employees" and believe it will "produce greater loyalty and solidarity between the management and the employees and thereby make the men less susceptible to the appeal of militancy."

It need not be explained to the reader of this pamphlet that to the open shop, company union advocate, "militancy" means any form of bona fide labor union activity.

II

EXTENT OF COMPANY UNIONS.

Developments—1917. to Date.

The growth of company unions dates from about 1917, not more than a dozen plans of any consequence having existed before America entered the war. Among the more important of these earlier plans were those of the Davis Coal & Coke Co., the White Motor Co., the Printz-Biederman Co., the Nunn, Bush and Weldon Shoe Co., Wm. Demuth & Co., the Colorado Fuel and Iron Company, and several plans sold to company executives by the magnetic, go-getter, "industrial evangelist," John Leitch, author of *Man to Man*. Company-guided "shop committees," for special purposes, had of course been known before this in American industry, and had been used by the shrewder employers in settling grievances without the intervention of a labor union. But the plans above mentioned were among the first permanent committee systems adopted in this country.

During 1918 and 1919 some one hundred firms adopted joint committee arrangements upon the suggestion or under the pressure of the National War Labor Board. The Shipbuilding Labor Adjustment Board also put across many "shop committees" in the government ship yards, some of which are still in existence, much to the annoyance of the Machinists' Union. The purpose of these committees, instituted partly through governmental pressure, was to gain "industrial peace" and thus secure greater war production, to conciliate labor, which then—the employers contended—"had the upper hand," and to check the rapid spread of unionism. To be sure, not all of these committees clashed immediately with the trade unions, as the trade union

leaders had given up the strike weapon in the most essential war industries, and were closely collaborating with the government. Later, a few of these committees were dropped, having served their war purposes, but the majority of them remained, and other employers, who had seen them applied during wartime, under the supervision of government boards, began to introduce them with no outside or governmental supervision to interfere with the employer's complete control over his workers.

A fairly thorough survey of company unions ("works councils," as they call them) made by the National Industrial Conference Board—a federation of American employers' associations which carries on research and propaganda on behalf of the employers—shows the following increases in the number of councils, and workers represented in them, since 1919:

Year	Number of Councils	Number of Workers Involved
1919	225	391,400
1922	725	690,000
1924	814	1,177,037

As the Conference Board concludes, "this represents a rapid and practically continuous growth from 1917 to 1924." The number is reported to have decreased in 1925, and one might venture the guess that there are now no more than 800 of these company unions actually functioning, embracing over a million industrial workers.

The 814 above mentioned were included in some 212 separate systems of "works councils," some of which cover many separate business organizations. As we shall note later this number also includes only a few of the railroad companies which are known to have established one form or another of "independent unions," and "divisional representa-

tion systems," chiefly during and since the strike of 1922.

In recent years the company unions have shown notable growth in the printing trades, in public utilities, and on the railroads, though the distribution statistics indicate the largest number in the various branches of the metal trades (210), with lumber next (160). However, most of the latter are local branches of the Loyal Legion of Loggers and Lumbermen, an extensive company union system embracing a large number of companies in the Northwest. This organization was created to destroy the I. W. W. and the other lumber workers' unions in that section during and immediately following the war. After the lumber industry come, in order of numbers, the company unions in the printing, food products and rubber goods industries after which came the longshoremen.

The company union is naturally a useful tool in the large factory industry; more than half the number of employees covered in the Conference Board survey represent establishments with over 15,000 employees each. (See Special Report No. 32, Nat'l. Industrial Conference Board).

The Railroad Company Unions.

The railroad company unions deserve separate and special mention in any study of this subject. For the roads have been particularly afflicted with the disease, their company associations having frequently taken on the form of what might be called a dual union. Some of them, such as the **Associated Organization of Shop Craft Employees on the Great Northern**, have displayed a structure and form similar to that of the bona fide railway unions with lodges—grand and otherwise—travelling business agents, system officers, trustees, official organs, and other features closely imitating the regular rail

unions.

The Statistical Bureau of the United States Railroad Labor Board in 1924 prepared a list of local and unaffiliated labor organizations almost all of which, with the exception of the American Federation of Railroad Workers, and a few smaller organizations, could be described as company unions. All of them, furthermore, represent some class or craft of workers in regular negotiations with the railway companies. This list is incomplete in some respects, but it includes some 64 railroads, 22 of them classified as eastern roads, 17 in the southeast, and 25 in the west. The list covers some 300 separate associations and organizations on these 64 roads. None of them are affiliated with the Big Four train service brotherhoods or with the railroad labor unions operating under the banner of the A. F. of L.

Some of the railway company unions are small and local, while others comprise the workers over whole systems and include scores of shop committees, lodges, and locals. The following classes of workers are included in this list of associations: Clerical and Station Forces, Maintenance of Way and Structures and Unskilled Forces, Supervisors of Mechanics, Shop Crafts (including boilermakers, machinists, electrical workers, blacksmiths, sheet metal workers, carmen, linemen, and other mechanical workers), Telegraphers, Enginemen and Firemen, Signalmen, Train Dispatchers, Yardmasters, Dining Car and Restaurant Employees, Marine Department Employees, Train Porters, and Miscellaneous Employees.

The largest inroads on the regular railway unions have been made among the shop craft workers' organizations, the clerical workers, and the maintenance of way men—those unions which experienced a rapid growth during the period of government control of railroads, but which suffered

the heaviest losses during the railroad executives' offensive of 1921-23. For example, the United Brotherhood of Maintenance of Way Employees reported at its 1925 convention that "there were 25 railroads infested with company unions or dual organizations since the last convention." On 13 of these roads the regular union stated it had won a complete victory against the company union, which means that it secured the right to appeal its grievances to the Railroad Labor Board in case of disagreement after direct negotiation with the company. On the other roads the regular union was worsted by the company unions and lost all rights of representation either for all or a part of the workers under its jurisdiction. This report of the Maintenance of Waymen indicates the apparent vitality of the company union even in the face of labor unions the officials of which have spent most of their working hours in recent years combatting the menace of the "independent" company association.

III

WHY COMPANY UNIONS ARE INSTALLED.

The Chief Aim.

The aim of the company union, expressed in the very broadest sense, and in the language of the employers, is to secure some kind of "cooperation in management" between workers and employers. There may be a score of subsidiary aims and objectives but the average employer hopes to gain some sort of cooperative relationship with his workers when he puts in a "plan." In dealing with his workers in this way the employer naturally has no use for a real labor union, in other words, a union over which he cannot have complete control. For

a trade union, no matter how conservative it may be—and no matter how reactionary its leaders,—may, upon occasions, make wage demands or ask for hours and conditions which the employer refuses to grant. The struggle for the surplus value of labor's toil is always implicit in any "employer-employee situation," as it is called. A union, not under the thumb of the employer, cannot always be depended upon to obey his commands and carry out his wishes. Hence his preference for his own kind of committee. Hence the opposition of trade unions to company unions. Hence the efforts of the employer when confronted with trade unions, to try to break them to pieces and to introduce his "functional" company committee.

In this section we shall examine some evidence which will help to explain why the employer installs company unions and why he uses them to undermine every other kind of union organization.

One student of the problem, E. J. Miller, of the University of Illinois, explaining the rapid increase in the number of plans in 1918-1919, says:

"Labor problems were becoming more and more acute all thru the country. Industrial unrest was at its height, and the number of strikes was increasing rapidly. Labor turnover was a serious problem to many concerns."

This observation has been made by others including a dozen or so college professors who have looked into the development and growth of company unions during this period. Underlying all other motives ran that common fear of labor organizations and a desire to find a substitute that would, the employer hoped, satisfy the restless workers.

The Employers' Interests Primary.

Certain unmistakable assumptions underlie the company union. They appear again and again in the literature describing it. For example in **A Works Council Manual**, issued by the National Industrial

Conference Board, we read that "the company's interests are of primary concern in the joint meetings, and accordingly compensation of the employee representatives by the company may be reasonably expected." The "company's interest" is thus frankly stated to be the first concern of these "mutual arrangements" and "industrial democracy" plans. It is only natural that the workers should be compensated for working in the company's interest. The significant fact is that so completely are they hypnotized by the catch-phrases of the company's "human relations" salesmen that they perform their committee service gratis, or at least for no higher compensation than they receive on their regular jobs.

To Offset the Union.

"A large employer of labor who organized a shop committee has told me recently that the whole aim of the shop committee movement is to head off unionism. That, he pointed out, was its principal merit," writes John A. Fitch in his **Causes of Social Unrest**. The same writer, who has had some opportunity to know the mind of the employer in its franker moments, records an incident which is typical:

"In a meeting of employment executives . . . the director of personnel of a large employing concern advised his fellows to encourage the formation of apparently democratic organization of employes. 'But of course,' he said, 'never let these organizations get out from under your control. Let the employees think they are running them, but be sure always to keep them in hand.'"

Still another instance, cited by the same social investigator, will throw light on the motives of employers when they turn to "shop committees" to save themselves from labor unions:

"The supervisor of welfare work in another large institution once said to the writer in speaking of the election of representatives. 'Of course we let the workers think that

they are selecting their own representatives, but actually we select them'."

Rubber Stamp Committees.

Says W. D. Moriarity, professor of economics at the University of Washington, who has apparently looked into the shop committees with some care: "It is one of the triumphs of the employers' unions (that is, associations confined to one concern or one line of business, and fostered by the employers as a way of getting their men out of control of the American Federation of Labor) that they have been able to use the shop committee . . . to get more and more control over their labor." He says further that the committee is often "just a 'rubber stamp' to satisfy the men that they are having something to say about things and a way of meeting their employers to present grievances or requests."

Another student who made a survey of some 175 plans in operation concluded, after he had weighed the evidence from all the companies, that "employee representation systems are not organized to give employees means for exerting economic pressure. When they take advantage of the opportunity to do so, the plan is usually abandoned."

It should be observed also that many of the plans lie more or less dormant when there are no strikes on the horizon, but in time of industrial disturbance they are revived and dressed up to fool the worker again and keep him away from the real trade union. Should a strike come before the plan has been installed, it will frequently be introduced immediately after the strike is broken, with the strikebreakers as charter members! One company, the Standard Gas Engine Company of San Francisco, after inaugurating such a plan after a strike had been smashed, reports that its shop "is now

being operated under the American Plan manned by clean-cut and loyal Americans of a high order of intelligence." Other company superintendents have in public and private described the company union "as an excellent buffer against organized labor."

A Bit of Oil History.

Mr. B. H. Sinclair, an officer of the Midwest Refining Company, told a conference of employers in 1924 why he thought their representation plan, installed in 1919, had been such a "wonderful success." The anti-union role of the company committees is illustrated in his remarks:

"We had a great deal of trouble in the Midwest Refining Company with unions up to two or three years ago. An international president of the oil field workers' union then came into our field, containing probably 4,000 oil field workers, and set up shop with two assistants. At the end of three months he had 38 members and those 38 were out of it in three or four months. That is an indication of what the plan will do." (Emphasis mine—R. W. D.)

Employers as Labor Leaders.

The Chief Engineer of a large machine manufacturing company also expresses this common object of the company union:

"It may help in keeping out outside professional agitation; anything that will counteract that kind of a force is worth trying."

The same engineer goes on with brutal frankness to show just how the committee can be used to suit the employer's purposes:

"The committee will not do much harm because after the first outburst of enthusiasm has worked off its steam, the committee will be indifferent as all committees are, and like putty in the hands of a clever leader. Then it is up to you (he is addressing the employers—R. W. D.) to lead the leader—in other words, see that he realizes what the business is for and what is best for it."

"Passing On" the Wage Cut.

An Interdenominational Committee on Industrial

Relations which studied the company unions in several plants in 1924 found among many of the workers a strong feeling against the works council. The workers told this committee in many instances that wages and conditions were still determined exclusively by management and that the only function of the company committees was to pass the wage cut on to the men, with the least disturbance. As one worker expressed it: "The company will give us just what it wants to give us, councils or no councils." We shall note later how really practical and useful the company association has been, in dozens of instances, in inducing workers to take wage reductions without resistance, if not without complaint.

Strike-Breaking—Union-Smashing.

All thru the literature dealing with the company unions we read of workers who, because of a "plan," refused to strike or, if they had struck, returned to work sooner than the rest of the workers in the community. The Goodyear Tire and Rubber Company's company union, which calls itself a "Republic," and its citizens, "Industrians," holds its meetings in a million-dollar club house. It reported some years ago with enthusiasm, "When a machinist strike was called in Akron recently, only 40 per cent of the Goodyear machinists responded. In a few weeks they returned to work." The "Republic" had functioned efficiently as a strike-breaking machine.

Indeed, so well is the main purpose of the company union understood to be the liquidation of labor unions and labor union strikes that a scribe for the New York Trust Company, commenting on the growth of the company union, said in 1925, "The rapid growth of works councils suggests the possibility that their development, by recognizing the

mutual interests of employers and employees, has to a great extent removed the necessity for unionism." And where labor unions have to be destroyed, the company association has proved of great value to the employer. Scores of "plans" have been installed during or at the close of unsuccessful strikes. Refusing to deal with the trade union, the employer must frequently offer his workers a substitute "collective bargaining" on another platter. The Western Union Telegraph Company, the Pennsylvania Railroad, the Amoskeag Manufacturing Company, du Pont de Nemours & Company, Washburn-Crosby Company, Westinghouse Electric and Manufacturing Co., and the leading meat packing companies are illustrations of the types of corporations, the shop committees of which have been used as effective instruments in "liquidating" trade union organization among their workers.

"Promoting Efficiency."

In the shops where the presence or threat of unionism is absent, the chief general purpose of the company union is to promote efficiency and get more work out of the workers. The tendency is for a large number of grievances to be settled soon after the introduction of a plan, but these gradually recede in importance. This tendency is described by the Assistant to the President of the Bethlehem Steel Corporation, writing in *Factory*, in 1925:

"Grievances, in importance, are rapidly being replaced by constructive operation problems, covering such subjects as increased production, better quality and service."

And Harold Swift, Vice President of Swift and Company, writes in the same journal, that:

"the attitude of our assembly has broadened so as to include practically all matters of interest to employees' welfare without undue prominence to wages, hours, or grievances."

While the President of the Knox Hat Company brings out the same development:

"Grievances of the personal type such as those having to do with wages, hours of work, working conditions, and so on, have practically ceased. Those that the council now discusses are more likely to do with tools and machinery of production. . . . That, of course, suits us perfectly, for it means greater production and lower costs."

IV

SPECIMENS.

To give the reader a close-up of company unions, and a better understanding of the employers' objectives, let us sketch briefly a few of them. We have already noted that there are endless varieties of plans. Attempts have been made to classify them according to form, structure, degree of "control" permitted the worker, and by other arbitrary standards. We leave aside these hair-splitting distinctions based upon analysis of constitutions and by-laws. We describe the plans with a view to showing what they have meant in terms of anti-trade unionism, in the only terms the average employer can comprehend. The class-conscious corporation manager asks of the company union one major favor, "Rid my plant of the union"; or, "Keep that union out of my shop." Those workers who have had intimate experience with the company union may consider the following examples all too inadequate to illustrate this one underlying motive of the capitalist. However, these random examples suggest the intensity of the struggle between the trade union and the company unions and the main characteristics of the latter. And in non-union industries, where few workers have ever been permanently organized, these examples will suggest the methods used to cultivate this most subtle and paternalistic instrument of exploitation.

Packing House Councils.—“Industrial Democracy” in the Jungle.

Since 1920-21, the workers in the packing houses of Armour, Swift, Wilson, and Cudahy—the big quartette of meat preparers—have been working under company committees and councils. These councils and conference boards were installed to engineer wage cuts and put the trade union out of commission. A wage cut of 10 per cent was effected in November, 1921, thanks to the docility of the Armour “representatives” and their fellow-dupes in the plants of the other firms. When some of the militants struck against this sell-out, and all the stock yards were crippled by the strike, the judges, police, and other agents of the capitalist state, put to rout the recalcitrant workers. The “representatives” were bullied into getting the workers back to the plants, and the strike fizzled in two months. The publicity men of Swift and Company thereupon announced that “the whole episode was a justification of our taking our employees into our confidence.” The company union had scored!

All these highly advertised packers’ plans are presented to the public as new ventures in “industrial government.” They are said to inspire in the worker “an interest in the business,” and to give him an opportunity to “learn the point of view of the employer.” But the control over the lives of the workers remains exclusively in the hands of the management. The Swift plan, for example, leaves the final veto power with the chief executive of the company. The Armour conference board plan also permits the worker to appeal to the Big Boss—the General Superintendent. From his decision there is no higher appeal unless the worker cares to carry his case to God—or his story to the **Daily Worker!**

Under the “new democracy” bearing the Armour

label, the general superintendent presides over all meetings of the General Plant Conference, the supreme "parliament" of the Armour plants. Imagine a worker—an ordinary hog-killer—filling such an important post. It would never do under the Armour brand of democracy! Note also that the other strategic and influential position—secretary of the Conference Board—is always occupied by a salaried company official, functioning from the "front office" and under the thumb of the superintendent. Under such strike-proof control what chance does a worker have who proposes a wage increase? Oh yes, a committee will be appointed "to look into the matter." The company will serve up the necessary figures to prove the impossibility of a wage advance. The hand-picked committee will be confused, and "impressed" with the company's figures. The wage move will be smothered. The worker who proposed it may be fired. To be sure, he can appeal to the General Superintendent!

Accompanying the packers' company unions are the other incentives to plant loyalty—bonus schemes, pensions, group insurance, safety devices, company magazines—all concentrated on one thing—to teach the worker the highly-prized "sound economics" which the company experts have invented. The worker is "made to see the problems of the company" and the frightful competition the company has to undergo—in a monopolistic industry! There are also the usual stool pigeons, spies, and undercover men invaluable to any company that would keep abreast of "what's on the workers' mind."

The most recent act of the company union in the Armour Plant has been to entertain suggestions from the company that the 12- and 14-hour day, and the 60-hour week schedule be restored. At present the plants are operating on a ten hour day

and a 54-hour week. Should the packers put over this move it would be largely due to their careful cultivation of the Conference Board Plan.

The "splendid spirit of devotion to the company's interest" which Mr. Louis F. Swift, President of Swift & Company, refers to in his annual report for 1925, resulted in an approximately 18% return on the real investment of the stockholders. At the same time the average male worker in the packing house earned \$27 a week. Mr. Swift attributes the "devotion" to employee representation.

General Electric Company.

In 1918 the trade unions were strong in the plants of the General Electric Company. The National War Labor Board, as was its custom, installed shop committees in settling a strike and the regular unions went along in good faith. After the war and the liquidation of the Labor Board, the regular unions were deflated but the shop committees remained to function under the domination of the company. In Lynn the plan has gained the loyalty of some of the old strike leaders who have accepted responsible posts on Joint Adjustment Committees. As with other plans of a certain type the Committee's decisions are referred to the plant manager whose decision is final. One old worker who has displayed high powers of absorption of the employers' point of view, writing in *Management and Administration*, says: "We passed thru two wage reductions without labor difficulty of any kind."

The *General Electric News*, a classy fortnightly published by the Lynn Works, is used chiefly to promote the plan. Minutes of the committees show the plan concerned chiefly with home ownership, safety rules, and the "general business outlook." The remainder of the pages of the *News* are packed with social notes, bridal showers, tributes paid by

Gerard Swope, the President of the Company, to a deceased member of J. P. Morgan & Company, radio club news, "sound economics," illustrations, children's puzzle pictures, baby contest snap shots, a report of a speech by Owen D. Young, blurbs on the joint celebration of Roosevelt Day and Navy Day, bowling club scores, and other "human interest" material. (Incidentally, the importance of the company's employee magazine in cultivating the plans and the "plan spirit" should be carefully studied by those interested in the spread of company unions. The works journal is the most effective channel through which plans are put over—and kept over—among the workers).

At the G. E. C. works at Schenectady the representation plan is also in full boom. A report from a reliable informant at this plant in October, 1925, tells of a "representative" who lost his job "because he took his position seriously and actually tried to represent the wishes of his fellow-workers who had chosen him." It appears that he fought for the rights of his constituents and was fired for his pains. The regular trade unions have been almost completely extinguished in the Schenectady Works thanks to the deceitful company association. The electrical workers' union which formerly had nearly 2,000 members in the plant has now been reduced to "a number" not disclosed by the local business agents. The machinists were also quite active in the plant in wartime, but are now defeated and unrecognized. Patternmakers and plumbers are functioning to some extent. This situation illustrates the weakness of the out-of-date craft unions in the face of a plant management with a policy directed against organized labor, and using the "factory solidarity" argument to build up the company organization. No wonder the General Manager of the G. E. C. can be reported by the Com-

mercial and Financial Chronicle as saying, "If we had been 100 per cent right in our dealings with labor, labor would never have organized . . . in my opinion employeè representation substitutes a better method and will prevail." A better method of robbing the workers!

General Atterbury's Pennsylvania.

Of all the many die-hard enemies of labor among the railroads the Pennsylvania System probably ranks first. And foremost among the union-hating members of the Railway Executives' Association stands the head of its Labor Committee and the President of the Pennsylvania—Brigadier General W. W. Atterbury. We may single out the Pennsylvania as the outstanding railroad company union plan altho, as we have seen, there are more than 60 railroads which have set up company committees to supplant some of the standard labor unions previously recognized.

The story of the Pennsylvania's assault on the shop crafts' unions, the clerks' organization, the maintenance of way brotherhood, the telegraphers, is the story of abrupt refusal to deal with unions representing anywhere from 75 to 90 per cent of the men in these classes, of the holding of bogus elections in violation of the order of the Railroad Labor Board, of the boycott of these elections by the mass of the workers, of company committees instituted in spite of this boycott, of "bargaining" carried on between these committees—representing a fraction of the workers—and the company's personnel department, of conferences and conventions of these handpicked committeemen, of piece work introduced and wage classifications adjusted to the wishes of the company. It is a story of union men attempting to stand up against this ruthless offensive, of furloughs terminated, of men discharged,

of committees dismissed, of union meetings prevented, of spies and espionage agents at work underground, of men intimidated into voting under the Plan. It is a story full of the rankest disregard of every principle phrased on the hypocritical lips of the company agents. . . . Even the company unions of other railroads point to the Pennsylvania Plan as autocratic and the committees as too "dependent" on the company's will! What the labor unions think of the Atterbury Plan need hardly be repeated to those who read the railroad workers' journals.

But not all the railroad workers' unions have faced this onslaught. The four train service brotherhoods have been notably immune. Their strength has saved them and their willingness to keep their mouths shut and watch a brother union drown. There is no doubt that Atterbury has sought to drive the wedge even deeper to break what tendency toward solidarity there may have been among railroad unions during the days of amalgamation agitation and the Plumb Plan League. To weaken the shop craft unions and the other newer unions whose growth was a wartime, mushroom affair, was Atterbury's purpose. To keep the aristocratic engineers, trainmen, conductors, and firemen—the skilled service group—apart from the others, was his end, and he and his banker friends have accomplished it to the detriment of the weaker unions and the whole labor movement.

Atterbury, and Elisha Lee, the Vice-President of the P. R. R., have boasted of their cordial relations with the Big Four Brotherhoods, who, they point out, have "gone along" with the Plan. The Big Four men will tell you they have simply kept their old bargaining arrangements but with some modifications, apparently to conform to the structure of the Plan. For we find the P. R. R. circu-

lating at one time, in its fight with the shop crafts and the clerks, a pamphlet bearing the title, "An Employee's View of How the Plan of Employee Representation Actually Works." The author is one H. E. Core, General Chairman, Brotherhood of Locomotive Firemen and Enginemen. The introductory blurb runs:

"Mr. Core is recognized as the spokesman of the Engine and Train Service Employees of the Pennsylvania Railroad. He describes the amicable settlement of disputes by the methods in effect on this railroad as an 'amazing record'. The address from which these extracts are reprinted was recently delivered before the New York Railroad Club." Mr. Core certainly delivers the goods for the company. He says:

"It is not an Atterbury plan. It is not an employee representation plan. It is a Pennsylvania plan; it is a cooperative plan."

He goes further and tells us something about the origin of the plan, which corresponds with the story as given in the other plan-boosting pamphlets of the P. R. R.:

"This plan was formulated at a meeting between the general chairman of the four transportation organizations and the several general managers of the system, at the initiative of Vice-President (he has since become President —R. W. D.) Atterbury in December, 1920, becoming effective January 1, 1921."

Other Big Four officials have helped Atterbury sell his plan to the workers and to the public. Several of them have appeared on the same platform with company agents extolling the virtues of "industrial representation."

The future of the Pennsylvania Plan cannot be foretold, but it can at least be predicted that the present leaders of the four service brotherhoods now chiefly concerned with insurance, labor banking, investments and business stability, will do nothing to wipe out this plan which has greatly weak-

ened four important brother unions on that road. In fact, the new Railway Labor Act, backed by Atterbury, W. N. Doak, friend and advisor of Bascom Slemp, millionaire open shop coal operator, and W. G. Lee, President of the Steigelmeyer Manufacturing Company, a \$10,000,000 concern at Seymour, Indiana, (Doak and Lee, strange as it may appear to European readers, are labor officials!) appears to be another scheme to keep the union officials away from thoughts of struggle for better conditions. Having delivered the weaker unions a body blow, Atterbury and his associates will "carry on" as usual with the respectable Big Four brotherhoods while permitting the blessings of open shop company unionism to fall upon the great mass of the "boys" on the line. The labor official Polyannas are reputed to be hopeful that the new legislation will help them to oust the company union from Atterbury's road. However, they have not explained as yet just how this is to be done without a stand-up fight against the company. Without such a fight, organization strength among the shop crafts, clerks, and others will never be regained.

The Rockefeller Plan.

More investigated and discussed than any other plan is the one introduced in 1915-16 in the plants and mines of the Colorado Fuel and Iron Company. It is impossible to more than summarize here the thorough studies of these company plans made by the Russel Sage Foundation. The upshot of all the research into the coal mine employee representation reveals the plan as "a beautiful automobile without an engine." The employees, as usual, have no treasury, no separate business agents, no power or control over anything vital. In the last analysis whatever is done is done on company initiative. Trade unions are not recognized. Union meetings

are forbidden in buildings in company towns and camps. The plan, like others, calls for "no discrimination" for mere membership in a trade union, but it is one thing to have such a rule, and another thing to enforce it. And, as usual, we may ask: what does individual membership in a union mean unless the union functions in the mine? The answer is: "Nothing!" However, in this instance the real union by fighting and bargaining, does fix the wages in other mines which are taken as a basis for payments in the Rockefeller mines. In other words, the workers under the organized slavery of the company union are parasites enjoying the conditions made possible for them by the struggles and hardships of organized workers in other places! Besides, we find the workers so terrified and crushed by the job-fear that they dare not bring up the grievances to the committees, assuming that the latter might do them any good. (See *Employes' Representation in Coal Mines*, by Ben M. Selekman and Mary Van Kleeck).

Since the Sage Foundation study was published we have seen the plan used to reduce wages. In March, 1925, a 20 per cent reduction was put over with the aid of the State Industrial Commission. In August, 1925, the company circulated among the men a petition for another reduction of 11 per cent. Sixteen coal diggers in one mine refused to sign on the dotted line. They were promptly discharged. Some mines, where they refused to vote for the cut, were closed down entirely. At still other mines, for example, at Coal Creek, writes Felix Pagliano, Secretary of District 15, United Mine Workers of America, "the men voted solidly against any cut, and were duly informed by the general manager that it did not make any difference to the company; the cut would be made." The same union official reports that "everything is open shop in these Colorado

mines," and that means that if a man is known to be active in the union, there is no work for him.

The Steel Workers Fare No Better.

And the Rockefellerized steel workers of the Minnequa Steel Works of the Colorado Fuel and Iron Company fare no better, as another report of the Sage Foundation discloses. Furthermore, the wages are even lower than for the coal miners, because there is no national union, even outside the works, to set basic standards of wage payments for the Minnequa workers. (The United States Steel Corporation establishes the basic wage standards in the industry).

This plan was inaugurated by the company in 1916. The indifferent workers, with no trade union experience, were simply talked or forced into it. A "president's industrial representative" was placed over them in charge of the operation of the plan. The decisions of the meetings are not mandates, but simply recommendations to the management which can throw them in the waste basket if it so desires. The workers are often afraid to appeal their grievances above the foreman. They have no way of knowing what the conditions are in other plants; they have to take the management's word for it. Altogether, their plight is the same, if not worse than that of the company unionized coal workers who help to swell the profits of the Colorado Fuel and Iron Company.

Plan for Pullman Porters.

The Pullman Company, manufacturers and operators of the kind of railroad coaches workers do not use, has a record of anti-unionism that stretches back into the last quarter of the last century, beyond the strike of 1894, broken by government order. Labor spies, discharges for union

activity, merciless exploitation, all are recorded in the pages of the report of the Industrial Relations Commission, (1916). . . . With these conditions still in existence, the Pullman Company attempts to veneer its crimes with a coat of pure paternalism. The employee representation plan, adopted in 1920, is the result.

The Pullman Plan is run from the Pullman office and by its labor department. It promises no discrimination for unionists. Actually it has discharged some of the best men in its service for activity in the interest of the workers. Totten, Lancaster, and others, now connected with the Brotherhood of Sleeping Car Porters, are among those who for a while tried to use the plan to secure some benefits for their fellow workers. The Pullman bosses rewarded them by putting them off their cars. The company forces 12,000 porters to use the plan and vote for representatives. It intimidates, penalizes, frames up, and discharges those who question its motives or who try to make the plan useful to the mass of the porters.

When the more intelligent workers, seeing the hollowness of the plan, turn against it and try to tie up with the labor movement, the company hires Negro attorneys, clergymen, and politicians to attack the real union and extol the company plan. They buy up colored newspapers, pass out thousands of dollars for advertising space, speed up their espionage system, and fight with every means, fair and foul, to down the workers who, thru experience, have learned that the plan is a hoax and a fraud. Closely associated with the plan is a Benefit Association, not a cent of the funds of which can be expended without a company O. K. The officers are all "company men" or "welfare worker" stool pigeons who have been bought off by the company to betray their brothers.

In connection with the Pullman Plan it is interesting to note that workers strong enough organizationally to resist the Plan have been relieved of its hypocrisies. The Order of Sleeping Car Conductors refused to have anything to do with the Plan. It organized the Pullman conductors, and increased their wages 100 per cent. Otherwise it would be tied, gagged, and demoralized by the Plan, as are the Pullman porters who are beginning to turn to the real union. The farcical convention of company-bought porters which met in January, 1926, to grant the porters a microscopic wage increase has turned the men all the more toward the trade unions as they realize that the concessions made by the company are entirely due to the increasing strength of the Brotherhood of Sleeping Car Porters.

The Mitten Method.

Then we have the Mitten plan on the lines of the Philadelphia Rapid Transit Company, one of the oldest and most widely discussed of all the schemes now in operation. The Cooperative Plan and the Cooperative Welfare Association, the first for "collective bargaining," the second for welfare and other activities, have together routed the union from these street railway lines and won what appears to be the undivided loyalty of many of the workers. The plan, as is well known, was introduced after the great street car strikes of 1909 and 1910 when the Mitten Management took over all the street car properties of the city. Since then the regular labor union has been out of the picture. The last flurry of union activity was in 1918 when the Amalgamated Association of Street and Electric Railway Employes attempted to call a strike without success.

The plan leaves the hire and fire control in Mr.

Mitten's hands. It was adopted paternalistically and is operated paternalistically. Men who show an active interest in the labor movement are quietly "eased off" the job. But in spite of these factors the majority of the men are caught by the welfare and stock-ownership features and by the shrewd, magnetic, expansive, egoistic personality of Mr. Mitten. Labor men will tell you that many of the conditions which occasioned the grievances leading to the walkout of 1910 are still in force, and that the plan will fall either with Mitten's death or in case of a financial reorganization of the company, which would disillusion the men with respect to their hopes of "some day" owning the company thru the Mitten stock-ownership device.

As under other parasitic company plans, wages on the Mitten lines have been based until recently on a "four-city standard" which had been won thru the struggles of the unionized street car workers in other cities. Even under the new cost-of-living method of regulating wages recently established on the P. R. T., the standards won by the regular trade union have still to be equalled by Mitten. Should the regular union be beaten in other cities, he will naturally come down to the lower rates established as a result of any defeat of the union.

A Kodak Company's Plan.

The Eastman Kodak Company, one of the pet examples of a "good employer" presented by the personnel experts, has also used the company union in one of its plants. A reliable official of the Metal Polishers' International Union reports on a nine year job in Eastman's Rochester plant. Toward the end of his stay the company union was introduced with the promise that "every man was going to get a square deal." In spite of this, three attempts were made to oust the metal polisher and his active

union associates. Thanks to the labor union members who stood by him he resisted the first two attempts to fire him on technicalities. The third time he was laid off on account of unemployment. When requested to give him a letter of recommendation to another plant, a company executive wrote that his workmanship was good, but his "character very poor, was a disturber in the department, retarded production, and had distorted views on economic questions." These words reflect the general opinion of company union employers toward active trade unionists in their plants. This worker, who is an exceptionally keen observer, describes the company union as "a plan of representation including delegates from the employees of each department who meet at different times to discuss baseball, bowling, picnics, and banquets. But never did they at any time—and I attended nearly all of the meetings—take up any matter that was of vital interest to the workers, such as wages and hours of labor." This, as we have noted, is a common complaint against the company union. It is willing to discuss almost anything except issues of genuine importance to the workers. As a device for putting over "welfare" this type of union is without an equal. As an instrument for stifling important economic demands it is equally effective.

International Harvester Company.

Some twenty plants of this company in the United States and Canada are working under the Harvester Industrial Council scheme. The plan has been much praised by employers ever since 1919 when most of the plants adopted it. One of the Chicago plants held out at the time, and when its workers went on strike later, the council was used to close down the other Chicago plants "to avoid bloodshed," which is one way of saying that picket-

ing was effective. Finally, the strikes were beaten and since then the Harvester plan has been a model for imitation by smaller companies thruout the country. The plan stresses the educational features and is used with skill to offset what its spokesmen call "the promiscuous propaganda" of "organized labor and labor agents." The workers are given "the facts" in the usual way and the company-directed "leaders" do the rest. A Department of Industrial Relations, similar to that used by the Pullman and other large companies, gives special attention to the plan, and the chairman of this department, a salaried official of the company, or some one appointed by him, acts as chairman of the works council, while the secretary of the council is appointed by the superintendent of the works. The company prides itself on the way the plan has been used to reduce wages "without friction" while the workers, particularly in the Tractor Works in Chicago, speak of the plan as a "bitter joke" and regard the representatives as "company men." Said one of the workers, "we know and they know that they would not dare to run for the position of representing us unless they obeyed every wish of the Harvester Company. Their jobs would be taken from them." Active union men have been discharged from the plant for being too talkative on behalf of real unionism. Of course no unions are recognized as all the works are completely open shop. Americanization, stock-selling, and safety campaigns are tied in with the plan, and the workers' representatives are inspired with "mutual responsibility" by handing over to them minor jobs in connection with the administration of these "morale-building" devices.

Southern Mills and Dr. Frank Crane.

Among the textiles the company union has had

a more cautious growth due largely to the weakness of the trade unions and the consequent absence of any effective threat of organization which, as we have seen, drives the employers to seize on the company union as a defensive weapon. In the South several corporations, like the Durham Hosiery Co. and the Riverside and Dan River Mills, have used the Congress, Senate and Cabinet type of "industrial democracy" in fighting off the United Textile Workers. These Dan River workers, incidentally, were among the first to vote themselves drastic wage cuts in 1920. Whereupon Dr. Frank Crane, the notorious word weaver, told his readers that the **New Day of Democracy** had arrived in industry. That Crane was justified in using this gorgeous generality seems a little dubious judging from the wages paid in this mill, and the servile attitude of the workers. But being a capitalist journalist, his soul may have been elevated by the mere words used in connection with this Dan River plan. The company circulates among its workers a printed pledge card. On one side of the card are printed many pretty paragraphs about Justice, Cooperation, Economy, Energy, Service. On the other side, this oath:

"I hereby subscribe to and heartily endorse the Policy of our Company as printed on the back of this card. I pledge myself to observe and be governed by its principles of Justice, Cooperation, Economy, Energy, and Service. I also agree with my fellow-associates of the Riverside and Dan River Cotton Mills that by the help of God, I will do all in my power to aid in carrying out this Policy and to achieve the distinguished success which I believe is within the reach of our great organization.

Name

Date.....

Street Address....."

In a speech before the Rotary Club of his home city, the President of these mills informed his audience that his plan embodied the ethics of the Rotarians and the teachings of the Apostle Paul!

Also that "the spirit of Industrial Democracy kindles within the heart of man the inextinguishable flame that is to burn out the dross of his own selfishness and imperfections and transform him into a new creature." However, the miraculous workings of this "spirit" are reserved for the "white person." Negro workers are not eligible for election to the workers' body, the House of Representatives. This practice is, to be sure, common enough in the South and is shared, for example, by the American Cast Iron Pipe Company of Birmingham, Alabama, two-thirds of whose 1,500 workers are colored. The Negroes there can vote under the plan, but they must elect whites to the Board of Operatives! The management explains that the two races would never work together. Besides, a separate board has been set up for the colored men which, the personnel department manager tells us, "discusses matters pertaining to the moral and religious side of their lives." This spiritual note is sounded in connection with many of the plans, but it rises with particular fervor in the Fundamentalist belt of the South. This same cast iron pipe plant in its "Industrial Cooperation Manual," which in some respects resembles an Episcopalian prayer book, describes the service department of the works as follows:

"This third division of our Plan of Service is concerned with our employees. What is known as our 'service work' for employees was begun in 1911 with the building of a bath house. Since that time the plans to render service to employees have developed gradually, one step suggesting another, until the point was reached in December, 1921, when the Management announced that the Golden Rule and the teachings of Jesus Christ were to be made the controlling principles of the business."

Peace at the Pacific..

In the North the Pacific Mills of Lawrence which have persistently fought any attempt at

unionization for two decades, have installed a plan calculated to give the workers the impression that they have something to say about the plant, without granting them a particle of real authority. An executive of the company recently explained to a friend of the writer that the company was learning how to rid itself of labor disturbances by the use of this plan. One of the tricks used in connection with the inauguration of the plan was to pay the committee's expenses on an "investigation tour" to the General Electric Company, the United States Rubber Company, and others. The executive explained: "Of course we sent them to the factories where we knew they would see the things we wanted them to see." The committee returned to Lawrence, met for a day or two (presumably on company property and on company time, and with the personnel director advising them) and adopted the plan.

Does this plan give the workers any power? The company with unusual candor explains that it does not. It also explains that in most factories where some legislative function appears to be given to the workers, the actual fact is that "this function is so safeguarded that all the executive power actually remains with the management." So the Pacific Mills, with a degree of frankness not displayed by most companies, calls its plan "advisory." In other words it helps the company to find out more exactly just what the sentiment of the workers is. It can thus be better prepared to give the workers the proper kind of economic dope to make them swallow wage cuts when they come. For example, in 1925, when the Pacific put over a cut in the woolen department, the shop councils were simply called together by the management and the wage cut briefly explained. The employees were given no opportunity to vote on the reduction. The

plan, you see, is strictly advisory. However, the workers are the ones who receive the advice. The employers do the advising when it comes to vital questions like wages.

Plans and Spies at Passaic.

Take another example from the textile field, from that spy and blacklist ridden city, Passaic, N. J., and from that efficient union-smashing machine, the Forstmann & Huffmann Company, woolen and worsted goods manufacturers. "Mutual understanding, cooperation, and good will" is the slogan. The "Representative Assembly," elected from "wards," meets with the management four times a year. The annual dinner, a free spread by the company, takes up one of these occasions. Workers in the mill report that "company men" and espionage agents put themselves forward as candidates to "represent" the workers in the Assembly. They frequently get elected by having the illiterate Hungarian and Polish workers write their names or check numbers on the ballots. Any worker who is not close to the company has no chance of getting elected. An efficient card catalog blacklist system operated from a central employment office for all the woolen mills of Passaic, keeps out of the plant any workers suspected of relations with textile unions which have several times been beaten out of existence in the city.

"Why don't the workers take up their grievances with their 'ward representatives'?" one alert worker was asked. The answer was simple: "If he did he would get a double envelope in two weeks," which means he would be dropped from the payroll the next pay day. . . . Like under similar plans in other mills, the elections are held on company time and the worker is herded into line to drop a ballot in the box. The company agents circulate

among the workers telling them whom it would be good to vote for, and the photographers snap pictures to tell the world of another "popular election at Forstmann's." As for wages, they are set by the company and announced to the Assembly. Should the management decide upon a reduction, the Assembly accepts it without question. Its interests are over minor matters of ventilation, baseball teams, and the annual picnic. A company magazine, printed in several languages, helps to keep the workers gulled. An unusually venal city administration and a squad of motorcycle policemen lend aid, when necessary, in deporting union "agitators" from the city. The woolen companies are thus kept safe for the "F. & H." type of understanding and good will! (For further light on the results of Passaic company unionism read the reports of the woolen and worsted workers' strike now—May, 1926—in progress in that city. The company "assembly," or "suckers' union," as the workers call it, is being employed to break the strike).

"Disloyalty" in Steel.

The Midvale Steel and Ordnance Company, since absorbed by the Bethlehem Steel Corporation, introduced some years ago a plan of representation which in some of its provisions illustrates the "catch" in other such plans. The company, as usual, reserves the right to hire, suspend, and discharge men. And what are the excuses the company needs to discharge a worker? They are mentioned in the printed constitution. Guilty of any of them, he is liable to "immediate discharge without notice."

(a) "Disloyalty to the United States Government by act or utterance" (any trade unionist who perhaps suggests that Calvin Coolidge is not as wise as God Almighty);

(b) "Refusal to obey a reasonable order of

his superior officer" (the superior officer, of course, reserving the right to determine what is "reasonable");

(c) "Carelessness, failure to report for duty regularly, inefficiency, etc." (not difficult charges to make against any man when the foreman wants to get rid of him).

Midvale illustrates also the type of plan in which the final appeal is to the all-powerful tsar, the General Superintendent. "Any employee discharged for cause, may demand that such cause be clearly stated to him, and shall have the right of appeal to the General Superintendent either in person or thru his elected representative." And if the General Superintendent doesn't happen to like his looks—or his economic ideas—the worker finds himself on his way out.

Bethlehem and Buffalo.

"It is capitalism's move and Bethlehem has shown the way" wrote an enthusiastic "personnel engineer" two years ago, after examining the plan installed in 1918 by Charles M. Schwab and his fellow directors of the Bethlehem Steel Corporation, a company which can shower "industrial democracy" blessings on its thousands of unorganized steel hands while violating its agreement with the miners' union in West Virginia. It is always easy to be sweet to a foe when you have him paralyzed and on his back. Charlie Schwab is sweet to his slaves at Bethlehem, Steeltown, Johnstown and Coatesville.

Under Charlie's plan one has much the same advantages as those enjoyed under the Midvale scheme just mentioned. "Representatives" who think they have been intimidated by the company can appeal to Mr. Eugene Grace, the President of the Company! And if Mr. Grace shows grace but

no mercy, the worker can step right on up to Mr. James J. Davis, millionaire Secretary of Labor, Grand High Kleagle of the Loyal Order of Moose, advocate of finger-printing our 7,000,000 alien population, and Deportation Agent Extraordinary for the United States Government. Mr. Davis's decision "shall be binding."

These Bethlehem committees have the usual power. They can recommend that a new pane of glass be put in a window, that the toilets be flushed regularly, that workers be permitted to keep goats in their back yards. The findings of these committees, however, are not mandatory. They are recommendatory. The higher-ups can carry out the suggestions of these committees if they are so disposed. The Bethlehem Steel Corporation considers that the plan is "good business." It has also introduced the plan at the Lackawanna Steel Company, its Buffalo subsidiary. At the time the new harmony was introduced in this plant, President Grace said:

"We are in argument with no one. We want to regard ourselves as a big happy family, wedded 100 per cent to the interests of the Bethlehem Steel Corporation, each of us just as important to it as the other."

Wheeling Steel Corporation.

Another steel company which has succeeded in displacing the trade union by the use of a company union plus a corps of spies, a private army of thugs, and an expensive battery of lawyers and personnel managers is the Wheeling Steel Corporation.* This corporation has driven the Amalgamated Association of Iron, Steel and Tin Workers off the premises chiefly by the use of injunctions which prevent the strikers from talking to the non-

* See Chapter I of "The Labor Spy," by Sidney Howard, for a certain "R-O"—Jake Peters—who handled undercover work for the Corporations' Auxiliary Company, the nation-wide spy agency, employed by this company in 1919.

union men. To take care of the strikebreakers, boarded free on the company's property, the corporation has installed a representation system which is now in full blast. In spite of the expense entailed by the items mentioned above, the company's profits in 1924 amounted to \$5,251,430. The company union has proved a thoroly profitable device—from the business point of view.

The United States Steel Corporation.

We mention U. S. Steel as an outstanding exception.* It has no company union. It doesn't need one. It has every other welfare wrinkle at work, purely, to use Judge Gary's own words, as "a business proposition." It is "old-fashioned" in some of its methods; up-to-date in others. Judge Gary and his Labor Department know other tricks that work as well as committees and which preserve the "military discipline" on which the corporation takes such pride. The blacklist and the discharges for union activity from which there is no appeal, operate in the corporation's mills.

The U. S. Steel autocracy is also important to a study of company unions because its wages determine the wages in every other steel mill, no matter how much "discussion" there may be of wages and conditions in those other mills, or how extensive their plans for giving the workers the illusion that they are negotiating. From Colorado to Bethlehem, steel mills wait for Gary to decide

* Henry Ford might be mentioned as another. Henry has never gone in for committees and has rather worried the personnel managers by his backwardness in this respect. Being in no fear of trade unions, he replies realistically that "facts, not votes, decide technical questions." He thus lays bare the sham of many other employers who contend that their workers are being permitted a "say" over production questions. Ford's feudalism is strictly paternal and despotic, with certain welfare features added to assist in extracting the last penny of surplus value from his serfs.

what wages he will give his men. The independent steel companies follow suit no matter how elaborate their system of "representation."

The Steel Corporation is satisfied that its "Welfare" work, as the workers call it, will keep the loyalty of the men without any "industrial representation." Still the personnel professionalists and the liberal economists are yelping at the Corporation's heels with advice as to the timeliness of such a plan. They point out that the strike antagonisms of 1919 have had six years to cool, that the union is down and out, and hence the introduction of a plan would not be looked upon as a palliative in lieu of real union recognition. They also intimate that "public opinion" is not so heated about Garyism as it was before 1923 when the longer hours were cut.

But Gary budgets his welfare outlay carefully and he sees no reason why there should ever be any organization to challenge his power in the steel industry. Hence, why bother about committees? With barely 10,000 steel worker "aristocrats" organized out of more than 260,000 steel workers in his plants he should worry about a union ever forcing his hand!

It may be added, that Mr. Gary's social panacea, according to a recent interview is "the general adoption and practice of the Golden Rule."

Samuel Insull's Views.

Then we have in the public utility field, where the movement has recently spread so rapidly, the People's Gas, Light & Coke Company of Chicago, an Insull company, which operates an employee representation scheme prepared and installed by the Bureau of Commercial Economics, Inc., of Chicago. An Industrial Relations Department connected with the company, presides over the plan, and the head of this department is chairman at all the meetings.

And Mr. Samuel Insull, supercapitalist, addresses his "worker representatives" occasionally in order to stimulate the family spirit. On one occasion he harangued his company unionites as follows:

"My advice is to be conservative in your action. It is easy to get applause by radical propositions. . . . The real success of this effort depends on how few of your propositions have to come up to me finally for decision. If I don't hear from the employees' representation plan for a whole year, I shall know that it has functioned properly and has been highly successful."

In other words, if no cases are appealed to the Grand High Justice of the Klan, Mr. Insull himself, he will know that "democracy" is working properly among his people. A wage appeal carried to the Chief by some wilful subject would indicate clearly that the plan was not successful! For wage appeals must be smothered in committee. Plan committees are devised with a view to this end.

A Standard Oil Device.

In all its fields—producing, refining, and marketing—the Standard Oil Company of New Jersey has introduced a plan. John D. Jr. had seen a similar arrangement controlling his workers in coal mine and steel mill in Colorado. He decided, in 1918, to permit the oil workers to come under the yoke. In the Bayonne district alone some 12,000 refinery workers are affected.

Investigators who have studied the Rockefeller plan in oil find it similar to other schemes described above. It has not affected wages except to assist the company over certain ticklish places where a strike, like those of 1915 and 1916 in Bayonne, might have resulted. Wages have been determined by the company statisticians. The representatives have merely O. K.'d the items. The plan is admittedly advisory and is merely to bring out "opinions" of the workers so that the company may have a more accurate guide in determining its differential

of exploitation. No separate meetings of the employees are permitted. No separate spokesman is allowed. Joint Council meetings are called at the discretion of superintendents and with no regularity. Vital questions such as promotions, layoffs, transfers, and annuities, are considered "company business" not to be discussed by the council. The workers have only a shadowy right to appeal to 26 Broadway when such matters do not suit them. Discharges can be made for "cause" and this may be as wide a technicality as the superintendent cares to make it. The foremen, as under the Colorado plan, have not been tamed. They possess subtle and effective methods for intimidating the men and their "representatives." Pensions and stock ownership devices, depending upon length of service, hold the men to their jobs. To strike would be to lose all the "benefits" accumulated under these devices.

These are but a few of the plan provisions which bind the worker hand and foot to the company while giving him certain trivial "representation" privileges, and the "representatives" a chance to play at conference with the executives and to banquet once a year with the bosses.

In 1924 a request for a ten per cent wage increase was demanded and was immediately refused, by no means the first time this had occurred. There was some talk of striking and at a mass meeting of workers, called against company orders, one speaker declared that the company had "fairly swamped" them in conference with its statistics on the cost of living. "We could get nowhere," he lamented! Nothing happened.

No wonder Ralph M. Easley, life-tenure secretary of the National Civil Federation and pal of Sam Gompers and August Belmont could remark some years ago when the Standard plan was adopted:

"Instead of promoting class hatreds, which the American Bolsheviki hoped it would do, the war situation is just having the reverse effect. A striking illustration of this can be found in the recent industrial program adopted jointly by the thousands of unorganized employees of the Standard Oil Company of New Jersey and the officials of that Company."

V

TACTICS OF COMPANY UNIONS.

Introducing the Plan.

An elaborate literature of tactics has sprung up around the company union. Manuals, produced by such federated employers' associations as the National Industrial Conference Board, show the employer just what moves are necessary to convince the workers of his sincerity. The personnel and management associations hold conferences to compare employers' experiences in installing these employers' devices. The reports of these meetings are used to stimulate others to adopt the plans.

The technique of introducing a plan is given particular attention in this literature. The employer who contemplates putting in a works council is warned of the pitfalls, and given advice on the best courses to follow. Suggestions are made as to how the plan can best be "sold," as they put it, to the workers. The employer is told that he must educate his employees to the plan; that he must introduce it gradually, that it must not appear to be forced on the workers, that the workers must be made to feel that the plan originated with them, and not with the company. The science of plan introduction has been worked out in the greatest detail. And from the employers' point of view it is well that this is so. For many employers, in their indecent haste to put over a plan, have blundered unnecessarily, and spoiled their own game! In one well-known instance the workers voted

three times on a plan and the first two times they rejected it. "The third time," according to a reliable trade union official, who is quoted by A. B. Wolfe in his **Works Committees and Joint Industrial Councils**, "they were given a space of time to think it over and during that period the company got busy thru its superintendents and bosses who told the men they had better vote to accept the plan, because if they didn't the company would shut down."

One expert on the technique of introductory methods, writing in **Industrial Management**, warns the employer that he "must be ahead of the game if he expects to win. Let him put it off until the unions are on the ground and getting better entrenched every day, and he will have the fight of his life when he wakes up and tries to put across an organization that leaves the union in cold storage."

A rather neat way of expressing it.

The Yellow Dog Contract.

We find the corporations often using the "individual contract" or "yellow dog contract" to tie the workers down to the company union and prevent them while in the employ of the corporation from affiliating with the regular labor union. The Brooklyn-Manhattan Transit Corporation and the Interborough Rapid Transit Company of New York both use this type of contract in connection with their company unions.

When a worker takes employment with these companies he signs a contract to belong to the company union, and when he fills out his application to belong to the company union he, in turn, swears not to join the regular A. F. of L. street railway employees' organization. For example, the workers on the Interborough are compelled to join

the Brotherhood of Interborough Rapid Transit Employees and to sign an obligation the last paragraph of which reads as follows:

"In conformity with the policy adopted by the Brotherhood and consented to by the Company, and as a condition of employment, I expressly agree that I will remain a member of the Brotherhood during the time I am employed by the Company and am eligible to membership therein; that I am not and will not become identified in any manner with the Amalgamated Association of Street and Electric Railway Employees of America, or with any other association of street railway or other employees, with the exception of this Brotherhood, and the Voluntary Relief Department of the Company while a member of the Brotherhood or in the employ of the Company—and that a violation of this agreement or the interference with any member of the Brotherhood in the discharge of his duties or disturbing him in any manner for the purpose of breaking up or interfering with the Brotherhood, shall of itself constitute cause for dismissal from the employ of the Company."

Another instance will illustrate the practice. The Pacific Coast Coal Company, shortly after severing relations with the United Mine Workers of America, organized its own "Bargaining Council." In the constitution of this council we find it expressly provided that:

"membership in, or activity on behalf of, the United Mine Workers of America, or membership in, or activity for any other mine-labor organization will be a bar to employment."

and hence to an "enjoyment" of the "democratic opportunities" opened up by the company's Bargaining Council.

It is well known that the "yellow dog" contract is common thruout the bituminous mining fields and the metal industry, but most of the corporations forcing this form of slavery on their workers are of the super hard-boiled type not usually inclined to employ the hypocrisies of "employee representation" to gild the individual contract.

Those companies which combine industrial democracy with the "yellow dog" contract enforce an actual "closed shop" in favor of the company

union. All workers are compelled to join it. Many of these companies belong to employers' associations which carry on an incessant campaign against the trade union closed shop. But the company union closed shop, they will tell you, is quite another matter! They call it "industrial freedom."

The Atchison, Topeka and Santa Fe Railroad System is a typical railway line that writes into the constitution of its Association of Maintenance of Way and Miscellaneous Foremen, Mechanics and Helpers a clause which forbids its members joining the trade unions covering this line of work. The Rock Island Lines did likewise in 1923 and the New York, New Haven, and Hartford enforces the "yellow dog" in its shop craft company union.

Still others, such as the Inland Steel Company, have the "worker representatives" solemnly swear to "faithfully support the constitution and laws of the United States and the State of Indiana, and the plan of representation." Patriotism—plus allegiance to an anti-union state of industrial relations.

Another method that has been used to cement the company plan upon the shop is the check-off system whereby the dues to the company union are deducted by the company from the pay envelopes. The Shop Employees' Association of the Union Pacific Railroad, for example, enjoys this advantage, and the Chicago and Alton and other roads attach it to their plans. The dues are taken out of the pay-check in a manner that would make the Wall Street press rave about the "tyranny of the closed shop" were a real labor union benefitting by the practice.

Using the Sub-Committees.

One favorite method of the employer in putting across certain measures in his household union is to create a large ramification of sub-committees.

These small committees can be dealt with more easily. As one unionist put it in writing of the plan of the Bethlehem Steel Corporation: "the sub-committees are called into the office and requested to recommend to the other committeemen various matters which the company officials want to put over on the men." This assumes that the sub-committee can be "reached" in one way or another. This is not difficult where the company has absolute control over the right to hire and fire, besides possessing a large assortment of minor "inducements" which, as we shall note later, it can bring to bear on the weaker members of the committee.

"Equal" Representation.

There is also the obvious disadvantage to the workers which comes with the so-called equal representation with management on joint committees. The management delegates always stand firm for the company and never veer from this position. Thus, should one worker committeeman "side" with the company in a vote the company is bound to win. This is what happens in hundreds of cases. The advantages of such an "equal" arrangement are all on the side of the company. The large number of minor grievances which may be settled in favor of the workers has nothing to do with the case. The company will frequently encourage its representatives on the "equal" joint committees to yield on these insignificant questions but to remain adamant on the questions involving the workers' most important economic demands—wages and hours.

Discharging Trade Unionists.

It is obvious that the employers can get a good deal accomplished thru company unions that would otherwise be difficult to put over on the workers.

For example, upon one occasion a "Mill Council" in a Rhode Island cotton plant was persuaded to approve the discharge of a spinning room foreman who had joined the textile workers' union. The union men who struck in sympathy with the foreman were also fired. The company union agreed to this and was thus used to soften the sting of the employer's absolute right to hire and discharge. It was considered a great success because it had produced these results. As an article in *Printers' Ink* put it some time ago, in describing the great achievements of the employees' representation plans of the Standard Oil Company and the International Harvester Company: "When the time came to cut wages, the machinery was at hand with which to do this expeditiously and peaceably."

Of course there are exceptions which prove the rule, and which once in a thousand times may make it uncomfortable for the employing company. A certain expert speaking before the National Safety Council some years ago cited an instance where the company unions had apparently "gotten out of hand." "Committees which have been given free sway," he stated, "have sometimes failed to use good judgment in the determination of hours and wages. In one plant it is said that wages were forced up despite the company claim that they could not meet the increase." This action was probably corrected by the company in due season and the workers made to see that the "claims" of the company were "sound economics." In any event we may repeat what we have said above, that the workers' committees are given only as much power as the management cares to permit them to exercise. This is the logic of the company union and the outstanding truth which workers should remember above all else.

Spy Agency Plans.

No matter how ingratiating the words of the employer, the introduction of a company union is not considered inconsistent with the use of undercover men and espionage operatives. As is well known to students of American industrial relations, the spy practice is extremely common in this country. Such railroads as the Santa Fe, the New Haven, and the Pennsylvania are very substantial clients of the labor spy agencies whose first purpose is to undermine such unionism as the road cares to destroy. At the same time these companies are superlatively unctuous in their brotherly expressions toward their employees when introducing company unions. Indeed, it was the suave Sherman Service, Inc., leading American industrial spy agency, that received a huge retainer from the New York, New Haven, and Hartford Railroad in 1922 to install a suitable company union among the shop crafts strike-breakers on the road. Sherman Service drew up the constitution and by-laws of the plan, sold it to the men thru its undercover operatives, and reported all opponents of the plan to the company which promptly removed them from the payroll!

In the same manner a certain Boston agency a few years ago, was caught in negotiations with the National Spun Silk Company of New Bedford. This detective organization promised to install an attractive company-controlled union with House, Senate, and Cabinet functioning in the most accepted "constitutional" fashion. All for the purpose of offsetting the union drive of the Amalgamated Textile Workers of America. Such a company committee plan was adopted for a while. When the emergency passed, and the union had been driven away, the agency plan was no longer needed to

fool the workers, and was forthwith abandoned.

Another well known believer in "representation"—the S. S. White Dental Manufacturing Company—employed "operatives" to fight a strike of metal workers in its Staten Island plant some time ago. At the same time it possessed a Works Manager who could unblushingly deliver himself of the following sentiment, while writing of employee representation in **Industrial Management**:

"There must be one aim only; namely, that of close friendly cooperation between men and management for their mutual benefit and for the good of the establishment."

Operatives X17, Y33, and S58—installed as labor spies—are fitting carriers of this good will!

The Sperry Gyroscope Company was another New York concern that employed Sherman Service spies while submitting a plan of representation to its workers. The workers innocently adopted the plan after they had been beaten as members of the regular machinists' union. However, when they attempted to use the plan to secure wage increases, the company refused to consider it and confined the operation of the plan to trivial matters within the plant.

Political Uses and Abuses.

A significant function of company unions, particularly those on the railroads, has been political lobbying on behalf of the most reactionary legislation sponsored by the railroad companies and powerful corporate interests. An example of this was the activity of some of the railroad company unions in petitioning for the Mellon scheme of income tax which has shifted a larger tax burden on to the worker and has lessened the amount paid by the millionaire class. Again, in 1924, in the case of the Howell-Barkley Railroad Bill, backed by the rail unions, and opposed by the Association of Railway Executives, the company associations proved

themselves the willing tools of the railroad owners. The Pennsylvania, the Santa Fe, and other roads sent petition-bearing delegations to Washington to create a publicity and legislative backfire against the labor unions working for the bill. All the expenses for these lobbying junkers were, of course, borne by the railroad companies.

By "going into politics" the company unions have struck a heavy blow at the legislative agents of the trade union administrations which have always boasted of their skill in persuading capitalist politicians to "do them favors." The old time Washington trade union officials see developing a rival group of labor lobbyists bought and paid for by company money. They see a competitive circle of congressional vote-watchers rising up to "speak for labor." This spectre, as much as the loss in trade union membership, has stirred at least a few of the venerable labor officials to face the rising menace of the company union. Altho they make frequent statements discounting the importance of the company unions and predicting their early collapse, it is clear that they realize the seriousness of the company-controlled committee especially if it can be transported to Washington to clash with the regular labor officialdom in vote-chasing parties around the lobbies of Congress.

No Outsiders Allowed!

A cardinal principle of the company union is that no "outsiders" shall be permitted to speak for the employees. No spokesman from without the factory wall shall be admitted into the bargaining councils. The plan, say the labor relations experts, is "intra-mural." No trade union agents are needed to argue their cases. The workers are flatteringly assured that there are plenty of "smart fellows" in the plant who can debate a case and present an

argument better than any "outsider." The workers swallow this taffy when they accept the company union. It is a major manoeuvre of the employer to lead the workers up to the point where they will believe that they can get along "independently," without any "interference" from trade unionists and affiliations or connections with the labor movement. Once they have accepted this "fundamental principle" of the company they make easy meat for its skilled negotiators, who lean heavily upon the legal, statistical, and personnel experts hired at considerable expense by the employer. While using all this outside talent to present his side of a case the employer forbids the worker the right to be represented by a competent trade union expert. This is the typical "equality" of forces found in practically every company union. What does an equal number of men on a "fact finding committee" mean to the workers when their men must depend entirely upon their own knowledge? At the same time the management's representatives have the treasury of the company behind them to purchase statistics and information with which to argue a case and to overpower the workers' representatives with the sheer weight and length and bulk of their evidence. Lacking "outsiders" to help him, the company-duped worker is helpless before the employer no matter how equal the representation on "joint committees."

"No Discrimination."

Most of the company unions have clauses in their constitution providing that no worker shall be discriminated against because of "affiliation or non-affiliation with any labor union." However, in most cases the final authority to hire and fire rests with the management. It is not likely that it would be so clumsy as to tell a discharged worker the true

from the standpoint of organization, not a particle better off than the wobblies, even tho as individuals they may not be fired so quickly should their labor affiliation be discovered.

The "no discrimination" clauses of the company unions are as dead as the free speech Bill of Rights of the United States Constitution. The bosses mouth them both—and violate them both.

One of the officers of the Standard Gas Company of Oakland, California, which operates a company union, puts his no-discrimination pretense in a nut shell when he writes: "If any employee wishes he may be a member of a labor organization, but no interference in the affairs of the company is tolerated from outside." Which means that the worker may be permitted to pay dues into a real union, but if the real union gets busy, by way of justifying its existence,—that is, tries to improve the conditions of the workers by collective action—then it is time for the trade union member to "take his time" and get out! This is the logic of no-discrimination as applied under the company union system.

Vehicles of Economic Propaganda.

The company union serves also as a convenient syringe thru which the most reactionary economic doctrines can be shot into the arm—and into the minds—of workers. On the railroads, where there has at one time existed a widespread sentiment in favor of the Plumb Plan and public ownership—in fact, two million organized railroad workers, as well as the A. F. of L., officially endorsed the principle—the company associations have been used to flood the employees with canned arguments showing the horrors of such a mildly progressive measure as government ownership of railroads. The Pennsylvania Railroad, thru its company-controlled

associations of clerks and other crafts has been particularly energetic in this field. Its printing presses and mimeographs have knocked out tons of this type of propaganda.

Indeed it would be difficult to find a company union which has not been engaged in one way or another in furthering the capitalist view of society and preaching "sound economics" and "practical business" to the workers. This poison may be injected in several ways, three of which are:

1. Thru paid personnel experts who lecture the workers on orthodox business "fundamentals";

2. Thru the speeches and arguments of the company agents—foremen, lawyers, labor managers, and others in the committee meetings;

3. Thru the shop or house organ edited by a salaried company tool; the chief purpose of this organ is to divert the workers from consideration of economic problems by means of comic strips, sports, baby pictures, family items, et cetera. But a little "sound economics" is usually dropped in,—just as much as the worker can absorb, or stand, without throwing the journal away.

Perhaps foremost among the factors which make for the success of the company union—from the employers' point of view—is the possibility it opens for sowing the seeds of reactionary economic views among the workers. Even among those "industrial democracy" plans—such as the one at the Columbia Conserve Company—which are heralded by all good liberals and many socialists, we find personnel managers and plan experts talking about "foreign labor unions" and their "objectionable doctrine of class consciousness." It is to fight any manifestation of this class consciousness that these uplifters and social workers are employed by the "idealistic" Christian employers.

VI

ORGANIZED LABOR'S RELATION TO THE COMPANY UNION.

Labor's Argument.

Labor's case against the company union is implicit in all we have written above. Labor unions in America are against these trained seal unions for a hundred reasons some of which, tho overlapping, we can summarize in short order:

1. Under the company union the workers cannot be served by paid representatives of their own choosing—by the agents of the labor union.

2. The company union "representatives" are responsible to no one. They can "sell out" with impunity. The workers have no comeback. They are unorganized and without a treasury.

3. With two or three exceptions all company unions definitely forbid the existence or functioning of a real labor union among the workers covered by the company organizations.

4. The company union is without any economic power. It cannot strike. It has no funds, no independence, no connection with outside workers who might assist it in a struggle. Without this connection it can have no real bargaining power.

5. The company has every advantage in dealing with the company union. It has lawyers, personnel men, technicians, statisticians and labor relations advisors. The workers have no one comparable to face the corporation talent in a wage or other bargaining session. To call company union sessions with employers "negotiations" is to caricature the meaning of that word.

6. The company unions are used by the employers in getting injunctions against labor unions; their "contracts" with the corporations are used in

courts of law against the real unions. They are also used in preventing organized labor from securing hearings before such bodies as the Railroad Labor Board and the boards under the new Railway Labor Act.

7. The company unions are propaganda agencies for the employers' political and economic program—the most effectual instruments of class collaboration and class oppression, and against any form of progressive or radical thought.

8. The company union strikes at the heart of the independent labor union, its standards and its struggles for wages, hours and conditions. It emphasizes non-essential "safety first movements, efficiency problems and handing bouquets to high officials."

9. The company union is under the control of the employer. He institutes it. He kills it when it has accomplished its purpose. It lives at his discretion and dies at his whim.

10. The company union is another aid to the blacklist and the spy system and leads to an intensification of exploitation which only a real labor union, militantly active, can ever begin to check.

Capturing the Company Union.

It may be stated broadly that all company unions are inimical to the growth of trade unions. A few company unions may exist side by side with a certain kind of trade union "recognition"—that is, a company may recognize a narrow craft union among the skilled workers while applying a company union to the workers in the rest of its plant. A few company unions do not discriminate against active individual trade unionists. Most company unions do.

Furthermore most company committees can be fought successfully by the trade unions if the right

tactics are adopted and a militant policy followed. Among those who have been successful in struggles with the company union are W. Z. Foster and other left wing trade unionists who have been willing to take a chance on a real battle with the bosses. Foster refers to one company union at the Corn Products Company, a Rockefeller concern in Illinois, that was captured by the labor unionists. Another was the Fairbanks Company, washing powder manufacturers, while still another was the Cambria Steel Company at Johnstown, where a company union was instituted in a vain attempt to keep the workers out of the strike of 1919. The Bethlehem Steel Company in 1919 also put in one of its first "plans" for this purpose. This company committee was for a time captured by the labor unions but after the steel strike had failed the company won an influence over the men it has not since lost. Others, such as H. H. Broach, vice-president of the Brotherhood of Electrical Workers, who have enjoyed a wide experience in organizing work can recite examples of company unions that have been won over to the real union thru the vigorous efforts of trade unionists.

VII.

THE FIGHT AGAINST COMPANY UNIONISM.

By Wm. Z. Foster.

One of the most striking and significant developments of recent years in American industry, is the growth of company unionism, as part of the general movement towards class collaboration. This constitutes a marked change in the policy of American employers. The traditional policy of the militant capitalist class in practically every industry has been to crush out every form of organization among the workers. This was the "open shop" movement in its most

primitive forms. Now the employers, especially in the trustified industries, are departing from this program and are organizing their workers in the peculiarly American form of organization properly dubbed company unions.

The economic basis for the growth of the company union movement is found in the fact that the American imperialists, in their aggressive fight for world domination, have an imperative need for cheaper production and a docile working class. Through company unionism the employers seek to achieve these ends. The very breath of life of company unionism is to increase the efficiency of the workers. In all the deliberations of these organizations, this leading motive is never lost sight of. But closely associated with it is the ever-present effort to blur class lines and to prevent the growth of class consciousness and trade union organization amongst the workers. Company unionism is the brain product of the modern industrial engineers, whose aim is to at once raise the productivity of the workers and to demoralize them that they cannot effectively fight against their exploiters.

The rapid growth of company unionism is a striking evidence of the failure of conservative trade unionism. It is significant that company unionism has its stronghold in the trustified industries, such as meat packing, steel, electrical, textile, railroad, general transport, public utilities, agricultural machinery, etc. It is exactly in these industries that the failure of the trade unions to adopt policies and organizational forms that would fit them to fight effectively against modern organized capital, has registered most disastrously for the working class. Old line trade unions, organized on the basis of crafts and following the customary reactionary policies, could not live in these industries. The bureaucrats at the head of the unions have fought bitterly and effectively against the amalgamation of the unions, the organization of the unorganized, the formation of a labor party, and the adoption of various other measures that would make the unions real fighting organizations. The result has been annihilation of the trade unions and the growth of company unions. The reactionary trade union officials are the real organizers of the company unions.

An especially menacing feature of the company union movement is the pronounced tendency of the trade union

bureaucracy to accept its principles and practices and to transform the trade unions into company unions. This tendency expresses itself through the so-called B. & O. Plan and the "new wage policy" adopted by the American Federation of Labor at its recent convention. Refusing to militantly fight against the employers, the trade union bureaucrats are surrendering to them by entering into agreements with them to raise production and to abolish strikes. The adoption of the B. & O. Plan was a long step in the direction of company unionism and class collaboration generally. Already sections of the employers and the trade union bureaucrats foresee a practical merging of the trade union and company union movement. In such a consolidation the demands of the reactionary bureaucracy would be comparatively simple. Neglecting the interests of the workers as usual, their principal demand would be for the maintenance of some sort of a dues-paying organization which would serve to pay their fat salaries and to finance their labor banks and other trade union capitalist schemes. In return for this concession, they would defend the interests of the employers even more militantly than now against the insistent demands of the masses in general and the left wing in particular. The occasional outcries of the bureaucrats against the company unions cannot hide the fact that these same bureaucrats are tending strongly in the direction of accepting company unionism.

The fight against company unionism must be made a special point of business by the trade union movement. To destroy the company unions is an essential part of the great task of organizing the unorganized millions in the industry. The slogan must be, "Destroy the Company Unions and form Trade Unions." If necessary we must penetrate the company unions when they have a mass following and disintegrate them from within, utilizing the resultant movements among the workers for the inauguration of wage and organizing campaigns. The experience during the movement of the steel workers in 1918-19, as well as among other groups of workers, shows clearly that the workers will not only demolish the company unions, but also use them as starting points for the formation of real trade unions.

But the fight against company unionism must be accompanied by a militant struggle in the unions against its first

cousins, the B. & O. Plan and the various forms of trade union capitalism, such as labor banking, trade union life insurance, etc. The Trade Union Educational League, embracing the most conscious and progressive elements among the workers, must carry on an unremitting campaign against the B. & O. Plan and every other manifestation of class collaboration. It must play a leading part in the consolidation of the unorganized masses, in the development of a new leadership for the unions, in the mobilization of the working class for a policy of real struggle against the employers.

Company unionism, including its trade union phase, the B. & O. Plan, is a menacing barrier to the progress of the workers. The road to working class emancipation lies through its shattered fragments.

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Biographical Note.

1. A selected list of industrial concerns having some form of company union is to be found on page 13 of "The Growth of Works Councils in the United States—Special Report No. 32," published by the National Industrial Conference Board, 247 Park Ave., N. Y. City.

2. The latest and most complete work on company unions, from point of view of management, is "Employee Representation," by Ernest R. Burton of the Bureau of Personnel Administration. Published in 1926 by Williams and Wilkins, Baltimore, Md.

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