

## The State of Labor-Management Relations, 1958-1959

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Volume 14, numéro 1, janvier 1959

URI : <https://id.erudit.org/iderudit/1022340ar>

DOI : <https://doi.org/10.7202/1022340ar>

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Éditeur(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (imprimé)

1703-8138 (numérique)

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Citer ce document

Goldberg, A. J. (1959). The State of Labor-Management Relations, 1958-1959. *Relations industrielles / Industrial Relations*, 14(1), 75-85.  
<https://doi.org/10.7202/1022340ar>

Résumé de l'article

After explaining Sidney Hillman's contribution to labor philosophy and to improved labor-management relations, the author draws a vivid picture of the present state of labor-management relations. Hillman believed in the mutuality of interests between both sides, but there was no question of surrendering to Management. We are a long way from a universal achievement of the type of labor-management relations symbolised by the Sidney Hillman's tradition. Union organization meets with resistance; all parties toughen their attitudes and restrict their meetings to those around the bargaining table. To bridge the gap and introduce more talks on basic issues between sides, a Labor-Management Assembly is proposed.

forte réaction immédiate parmi ces employés. Et dès lors l'Union fut en mesure de faire entrer les employés dans le syndicat, et de signer peu après une convention collective.

Les syndicats ont fait des progrès considérables en vue de rendre la structure des salaires plus équitable. La « progression automatique » du salaire jusqu'au maximum de l'échelle ou, plus souvent, la progression partielle ainsi que la procédure de règlement des griefs dans le cas des augmentations « de mérite », voilà deux dispositions importantes qui fournissent une protection aux employés contre l'arbitraire et la discrimination!

#### CONCLUSION

On a souvent entendu des employés de bureau parler de la « dignité » de leur fonction, « dignité » qui les empêcherait d'adhérer à un syndicat. Mais, si paradoxal que la chose puisse paraître, l'employé de bureau ne parvient à la pleine dignité de son travail que lorsqu'il fait partie d'un syndicat. Car c'est le syndicat, par l'entremise de la négociation collective, qui permet à l'employé de bureau de garder la tête haute, fort de la connaissance que ses droits sont protégés, que ses mérites seront pris en considération et qu'il peut chercher une solution à ses griefs par une procédure ordonnée de règlement des griefs prévue dans la convention collective.

(Causerie prononcée devant le Montreal Board of Trade, le 20 mars 1958.)

### The State of Labor-Management Relations, 1958-1959

ARTHUR J. GOLDBERG

*After explaining Sidney Hillman's contribution to labor philosophy and to improved labor-management relations, the author draws a vivid picture of the present state of labor-management relations. Hillman believed in the mutuality of interests between both sides, but there was no question of surrendering to Management. We are a long way from a universal achievement of the type of labor-management relations symbolised by the Sidney Hillman's tradition. Union organization meets with resistance; all parties toughen their attitudes and restrict their meetings to those around the bargaining table. To bridge the gap and introduce more talks on basic issues between sides, a Labor-Management Assembly is proposed.*

The name of Sidney Hillman creates what the folk on Madison Avenue are fond of describing as a clear and definite « image ». He

was a truly remarkable man, who left a profound imprint on American labor in its formative years. In addition, Sidney Hillman did as much as any single person has done to provide a truly American pattern of labor-management relations.

#### THE LABOR PHILOSOPHY OF SIDNEY HILLMAN \*

Sidney Hillman is well remembered; but putting politics aside, it is Hillman's contribution to labor philosophy and to improved labor-management relations that is our dominant memory of this great American.

What we best remember of Sidney Hillman is essentially a set of intangibles: a man whose word was a respected bond; a man who not only talked about mutual confidence between labor and management but who did something about it; a man who had unique understanding of the needs of workers and the problems of American management in the Twentieth Century.

Imagination and maturity in the labor-management area were the keynote of Sidney Hillman's success. Passionately devoted to his own people, he has, nevertheless, completely objective in recognizing the problems, the doubts, the fears, the needs of the people who sat across from him at the collective bargaining table. Even when their disagreements were white hot — as they were on many occasions — Hillman declined to castigate management in the stereotype of the devil. He was able to look compassionately both on the needs of the clothing industry and of the workers of the clothing shops. Because he had maturity, because he had imagination, he was able to step out of the normal narrow-gauge track of collective bargaining as it was practiced three or four decades ago, and to propose new methods and techniques for achieving industrial peace and mutual respect.

More than any other man, Hillman was responsible for the use of the impartial arbitrator to settle labor-management disputes on the basis of facts rather, than through conflict. Today, when the concept of the referee, the umpire, the «impartial» is widely recognized, it is almost difficult to recall that this was a pioneering step which required courage for a young labor leader to propose.

Sidney Hillman made a profound contribution to the philosophy of labor-management relations by recognizing the inter-relationship of the workers' welfare and of the union's welfare to the well-being of the entire industry. The record of his collective bargaining successes demonstrates that this was not a question of surrender by the union to management: rather, it was a recognition of mutuality of

\* Subtitles are from the Editor.

interest. This concept in itself was certainly not foreign to the philosophy of the American labor movement, which has been fortunately free of theoretical class-warfare ideology. Hillman's contribution was to pay more than lip service to the idea; to set up institutional forms and to mold the thinking of his associates and others in the labor movement, and of his and other managements, to this concept of interdependence.

It is more than 30 years since the Hillman approach to mature labor-management relations became established and accepted in the clothing industry. Let us look about the country today and appraise briefly how widespread its acceptance has been in the entire labor-management scene.

Superficially, the portents in this field are good. Labor unions are strong in membership and resources. They have weathered the recession without fundamental organizational weaknesses. Despite widespread unemployment and under-employment, they are negotiating new contracts which provide higher wages and improved benefits. They have taken effective steps to keep the house of labor clean and free of corruption. Big strikes are few; major setbacks even fewer. Spokesmen for both major political parties, when they are overseas and therefore not campaigning, boast of our free democratic trade unions. Even at home — and even when campaigning — both parties extol free collective bargaining, and only the most near-dharm among them attack the concept of trade unionism. Each year the Bureau of Labor Statistics adds more collective bargaining agreements to its already bulging files.

All is wonderful — or is it?

I suggest that if we probe beneath the superficiality of statistics we will find that we are a long way from universal achievement of the type of labor-management relations symbolized by the Sidney Hillman tradition.

#### RESISTANCE TO ORGANIZATION

One large geographical area — the deep South — has eluded successful organization by unions in many industries. At a time when we like to consider that «all of industry is organized» the Southern textile industry functions by and large on a non-union basis, as it has for many decades. Great sectors of the clothing and garment industries in the South are also non-union. So too are much of the construction industry, and broad areas of the service trades in which various unions have jurisdiction. Even in organized industries the South has become increasingly a haven for runaway shops and fac-

tories. Union growth in the South is unmistakably, undeniably slow. It is an understatement to say that the state of labor-management relations in the South is by and large unsatisfactory and far from the Sidney Hillman ideal.

Or take the problem of the white collar workers. Despite repeated assurances by various groups of union leadership that the white collar workers « must be organized », little progress has been made. Meanwhile, the technological revolution in America is producing a constantly smaller number of « blue collar » production workers in relation to an increasing proportion of technicians and subtechnicians, engineers and sub-engineers, management and administrative people of various kinds. In the steel industry, for instance, the proportion of production workers goes steadily down; while the number of men who watch dials, or keep a constant eye on closed circuit television pictures of the industrial process, mount steadily. The same is true of electrical manufacturing, rubber making and automobile production. Yet, with few exceptions, the unions have not found the key, the technique, the message with which to bring the increasingly large number of this type of industrial personnel into the labor movement. And, with few exceptions, managements have resisted the organization of these workers into unions.

#### HARDENING OF ATTITUDES

But even more serious than this resistance to new organization with respect to white collar workers is a hardening of attitudes in the organized areas. This intangible factor is, in my opinion as a first-hand observer of the labor-management scene, the most serious problem of all. After some 20 years of responsible collective bargaining in the major industries, we reasonably might have expected a measure of the same understanding and good will, of ability to see the problems of the other side, of mutuality of efforts to reach solutions satisfactory to both, achieved by Hillman and his management colleagues in the clothing industry. Yet that result has not come about.

I say this most regretfully, but I must record the facts as I see them. I thought it was coming about ten years ago when we seemed to be on the road toward achievement of mutual respect and understanding in our major industries. The Wilson-Reuther agreements at General Motors, the Murray-Fairless agreements in steel, and others that could be mentioned, all pointed to an era of maturity in labor-management relations. But in the recent past I see a hardening of attitudes, and retrogression rather than progress in understanding. Management is tougher, unions are tougher, and the end product is not necessarily good for either side. Each feels it must take a firm stand in behalf of its principles; and, as that distinguished public servant, a former Director of the Federal Mediation Service, Cyrus

Ching, has remarked, « nothing so impedes labor-management peace as principles ».

Throughout American industry there is a widespread movement to replace genuine acceptance of and cooperation with unions by a philosophy of labor-management relations keyed to keeping the unions at arm's length, of working with the union as little as possible, of seeking, wherever possible, to go around the union to its members rather than to deal with the union as a living institution. This philosophy treats unions as necessary evils rather than as constructive partners in achieving harmonious and productive labor-management relations.

I have pondered about the reasons for this polarization of viewpoint. I don't believe that it can be fairly attributed to an overreaching on the part of the American labor movement. I don't think that in measuring the relative bargaining power of American employers and American labor unions it can be said that the bargaining power of the unions is superior to that of the employers. The results of the economic bargains which have been made between American unions and American employers in the past two decades do not support the charge of overweening labor power. Surely it cannot be established by responsible economists that there has been an unjustly high distribution of wages to workers as against the distribution of profits to shareholders. Of course, I recognize that situations can exist where the comparative bargaining strengths of unions and employers are not in balance. There are weak unions and there are strong unions. There are situations in which a labor surplus exists, union loyalty is small, and the market is such that the employer can afford to forego production for a period of time. There are also situations where the opposite is true. Economic injury can occur when too great bargaining power exists on either side. But I think it is one of the essentials of our free economic system that we do not interfere to redress every individual instance of economic disequilibrium so long as there is no general pattern of imbalance.

The real question is whether it can be said that on the whole labor exercises too great economic power vis-à-vis the employers. If I were compelled to make a general assessment of the relative bargaining strength of American unions and American employers, I would unhesitatingly say that in looking at the total picture the greater strength is still on the side of the employers. But, whether I am right on this or not, it is certainly true that the American industrial scene is not one in which poor, downtrodden, profitless business enterprises have every last penny extracted from them by powerful labor unions. Wage and profit statistics certainly do not point to such a picture for the economy as a whole. Nor do they show such a condition in the particular industries in which the large unions, which are usually denounced as monopolies by labor critics, exist.

If this hardening of attitudes which I see is not due to economics, then what is its cause? Frankly, I am not sure that I know, but I know that it exists. Perhaps it is a by-product of our political scene. For however successful collective bargaining may appear on the surface in organized industries — and as is apparent I am questioning even this — politically, legislatively, philosophically, labor and management today stand apart and the degree of polarization of viewpoints in these areas is far greater than in collective bargaining. If we were to believe the political and business spokesmen of industry, labor and its allies are determined to socialize America, which everyone knows is plainly nonsense. And to be entirely fair, I have just read a speech from an outstanding and respected labor leader charging a great American Corporation with seeking a Fascist America — a charge which, in my opinion, is equally nonsensical.

Perhaps this hardening of attitudes stems from the bifurcated philosophy behind the Taft-Hartley Act which speaks of encouraging both collective bargaining and individual bargaining — a complete contradiction of terms. Perhaps it arises from the fact that we have a new generation of business, and to a lesser extent of labor, leadership. The generation passing from the scene developed mutual understanding and sometimes even friendship from their common experiences in important governmental posts such as the War Production Board and the War Labor Board during the last war. The present generation on both sides are more inclined to be organization men, with all of the parochial characteristics of that breed.

#### TOO MUCH COLLECTIVE BARGAINING? OBVIOUS LIMITATIONS

Whatever the cause, I think you must agree with me that opportunities for conversation, for a sensible, realistic exchange of views between the leaders of labor and the business community are becoming fewer and fewer. And the stereotype images, indeed the caricatures, are taking the place of reality. When the two sides meet, as they do now more infrequently, they meet almost solely at the bargaining table. The bargaining table, of course, plays an indispensable and essential role in our labor-management scene. But it has never been known as a place where one could think out loud about basic problems: every word counts too much! Thus, while I do not know the cause of the growing estrangement taking place between labor and management, and therefore cannot suggest a cure, nevertheless, as I look at the American labor-management scene today, I know that one of our most conspicuous lacks is an area where men of divergent viewpoint can meet and exchange ideas, rather than make debating points, and think realistically about our common future.

Take the question of old age as an example. We can « point with pride » to the success both of social security and of collective bar-



gaining in providing pensions for retired workers. But the collective bargaining table has obvious limitation as a forum for providing an adequate contribution, both by management and labor, to the complex problem of geriatrics. If a union in the course of collective bargaining raises the question of developing a program for retired employees, the discussion is likely to revolve around the narrow point whether, in law, the union has a right, and the company the obligation, to bargain for workers already retired. But, putting the legal question aside, can there be any doubt that both industry and unions have an obligation toward employees and members who have devoted long years of their lives to their respective interests? I have the deep feeling, unsupported by evidence, that if we could discuss this problem frankly and mutually, outside the collective bargaining table, joint programs could be evolved which would have a beneficial impact both within and without the framework of collective bargaining.

Since, save for the collective bargaining conferences, there is little joint exchange of opinion, where then do management and labor express their views? The answer is clear: almost everywhere except together!

The Business Advisory Council of the Department of Commerce, composed of our leading business men, migrates to Hot Springs, locks itself behind closed doors and unanimously assures itself that labor is ruining the country. The NAM and the U.S. Chamber of Commerce go respectively to New York and Washington for annual conventions, at which a host of participants are already convinced that the labor movement and liberal politicians are the root of all evil. If you have a doubt that we have gone backward and not forward in understanding contrast the Chamber of Commerce under Eric Johnson's leadership with the Chamber under its present heads.

And the labor movement itself does essentially the same thing. We talk to ourselves in our conventions and in our Executive Council meetings, we adopt our maximum positions and we hurl these neatly mimeographed resolutions over the fence to the opposition, which picks apart the commas and semicolons and « answers » them.

There have been occasional efforts, of course, to bridge this gap. Back during the war some leaders in the CIO proposed an Industrial Council Plan. Many people in management jumped on it as a blue print rather than an idea, and tore it to bits. Perhaps to industry, it connoted a sort of co-determination. If so, I would say, let us forget about the name. American labor has not the slightest interest in co-determination. In fact, while it recognizes the right of our European colleagues to proceed by their own lights, American labor, judging from the European experience, has by and large come to the conclusion that it infinitely prefers to make its gains through collective bargaining rather than through any joint control of industry.



And while I am on this subject, may I also say that any notion from the name «Industry Councils» that any responsible American labor leader believes in taking over «management prerogatives» is equally unfounded, even though in recent months I have detected increasing evidence of this false supposition. American labor completely respects management's rights and regards it to be not only the right, but the responsibility, of industry to manage its plants. Only out of well-managed, profitable enterprise can American labor expect to make the gains in wages, hours and working conditions which it desires. But even where the name Industry Council was not used, recent attempts to reach a rapprochement between labor and management have failed.

The NAM in 1955 invited George Meany to address its convention. When he accepted in all good faith, he was subjected, as he sat on the platform, to a barrage of critical oratory that certainly did not contribute to mutual understanding. Is it surprising that he replied in kind?

Perhaps a Sidney Hillman, existing in today's environment, would have long since found methods of erecting a bridge across the philosophic chasm which during recent years has tended to split labor and management in America. Speaking in the Hillman tradition, I think it is necessary that we search for honorable methods of bridging this gap.

#### A LABOR-MANAGEMENT ASSEMBLY

My own thinking leads to a proposal for a Labor-Management Assembly, modeled after the United Nations Assembly, as an instrument for bringing together the leading figures in American industry and the leading figures in the American trade union movement for a periodic examination and discussion of the issues which affect us all and in which we find so little common ground.

I propose that the Labor-Management Assembly be convened under the auspices of the Government of the United States and that the Secretaries of Commerce and Labor act as co-chairmen. But I immediately add that this should not be a government-dominated organization any more than the ILO, on the international level, is a government-dominated institution, although government participates along with labor and management representatives in its functioning.

I view the role of government as providing prestige, of supplying facts, and of bringing together a secretariat for the conduct of the meeting. It is not even important, it seems to me, whether the Secretary of Labor and the Secretary of Commerce see eye to eye — normally they don't — on these problems.

To serve its proper purposes and to achieve any beneficial results, the Labor-Management Assembly must meet at regular periodic intervals and must receive top level attendance and top level thinking from both sides. It must be attended by the Chairmen of the Board and the Presidents of representative big and small corporations. It must be attended by the Presidents of trade unions. Both should be accompanied by adequate staffs. I would propose that the present membership of the Business Advisory Council, enlarged by representative small business men, constitute the industry representation. The General Board of the AFL-CIO, on which sits at least one representative from each affiliated union, large and small, would constitute labor representation — with the proviso that respectable unaffiliated unions should of course also be invited.

I would hope that the Labor-Management Assembly would not issue statements unless they are unanimously agreed upon, and unless the common denominator is higher than agreement that sin is bad and morality is good. Primarily, if the Labor-Management Assembly is to be successful, it must be a place to discuss and think about important issues in the labor-management area on a broader basis than is possible in collective bargaining, not to fight and bicker over the words of a contract or a resolution. If the discussions are to be profitable, they should be « off the record » except for agreed-upon statements, so that no one need be concerned that his remarks will be cited against him. Indeed, I visualize more and greater benefits from small discussion groups under the auspices of the Labor-Management Assembly than from general plenary sessions.

Finally, I would hope that at the periodic meetings ample opportunities would be provided, as at international assemblies, for social intercourse between individuals in the respective groups — something that has been increasingly lacking since the wartime agencies functioned and the importance of which cannot be overestimated. I believe that our top level labor and management representatives must be drawn together for a period of as long as two or three, once or twice a year, under circumstances in which they have no alternative but to talk; and when they are through talking they should talk some more. And there is plenty to talk about. I have already mentioned the problem of retired workers. Another example of a problem we are all concerned issue of the « right-to-work » laws has never been adequately discussed except in a political setting... What about the problem or corruption in the labor-management field?

It is being too much of an egghead to hope that Labor-Management Assembly, with the help of academicians and public figures, could discuss the implications of John Galbraith's thesis that we have reached the stage of « an affluent society » and must seek goals other than steadily increasing production of consumer goods? Have we gone too far in seeking ever increasing output of our industrial products?

Are labor and management satisfied with our national defense program? Both are committed to maximum security against present and potential Communist aggression. Are we meeting this challenge?

What about our educational system? Support for education is a foundation stone of the labor movement, which from the outset regarded free education to be indispensable to human dignity and progress. Is it not equally indispensable to the continued growth and development of American industry? And are not both labor and management also jointly concerned with mental, as well as physical, health in industry — a subject which neither seems to have explored and which might have remained unexplored were it not for the pioneering work in this, as well as other psychological areas, of the outstanding Menninger Foundation. The list of subjects which could be discussed and are not now being discussed is endless.

Now, I believe I am a realist. I know that creating a forum such as I propose will not solve, and may even aggravate, the problem of reaching mutual understanding. I am aware that at a meeting such as this, men will read prepared speeches, setting forth their maximum positions. The pressure of their own sides against concessions may dim the chance of fruitful discussion. But I am similarly aware of what the General Assembly of the United Nations, with even greater problems, has accomplished, as well as what it has not accomplished, in relaxing international tensions. Without expecting too much, and without even hoping for too much, I believe that a Labor-Management Assembly will be good for labor and management and the American public. For if we take no step, if we make no effort, the alternative is discouraging — the widening of the chasm, a hardening of attitudes, all leading to an eventual militant class consciousness — the absence of which has been one of the strengths of democratic America.

Whether or not this proposal of mine has any merit, it is highly important that objective observers of the labor-management scene, such as the faculty of the University of Wisconsin, as well as our business leaders and labor leaders and their staffs, soberly reflect upon the present lack of fully mature labor-management relations in America. Out of their reflection may come other and more constructive proposals than mine for dealing with this problem.

What is called for is a reaffirmation and development of the Hillman tradition of labor-management relations. What is called for is a greater recognition of mutuality of interest. Mind you, as Hillman well knew, mutual respect does not mean artificial unanimity of thought. Within the framework of mutual acceptance and mutual respect, there is wide room for diversity of opinion. But can we not work, labor and management alike, to solve common problems through the development of a program which will promote the nation's economic health, and will advance the growth of both business enterprise and labor?

The creation of such a program would be a definite sign of developing responsibility. Such a program, it seems to me, would harmonize the public interest with the interests of both business and labor; for it would tend to produce constructive solutions from which every American will benefit.

I believe that the heritage of Sidney Hillman is still very much alive. If my belief is correct, there is certainly in existence in both management and labor the vision and imagination capable of developing a program built upon the solid premise that what is good for America is good for those who own and manage and for those who belong to our free trade unions.

*Sidney Hillman Address by Arthur J. Goldberg, Special Counsel, AFL-CIO, University of Wisconsin, November 1958.*

### Prosperité économique ou récession?

CLAUDE MOREN

*Le niveau élevé de chômage et la lenteur de la reprise des affaires laissent croire que certains facteurs négatifs ont plus de portée qu'on osait le croire au début de la présente récession!*

Le public canadien se trouve de plus en plus perplexé devant les prévisions des experts relatives aux tendances actuelles de notre économie. En effet, il ne peut s'empêcher d'y découvrir ce qui lui semble être des contradictions flagrantes.

Ce public, au cours des années 1955-57, a été conditionné à croire que le Canada était, pour l'avenir immédiat, voué à une prospérité jamais atteinte auparavant. On se souvient à ce propos des articles, parfois naïvement lyriques, des journaux et des magazines sur ce qu'on appelait le brillant futur d'un pays en plein progrès. C'était aussi l'époque des conclusions encourageantes de la Commission Royale Gordon sur les perspectives économiques du Canada.

Puis, soudain, presque sans transition, du moins pour les personnes non-initiées aux subtilités de la prévision économique, le Canada entra l'an dernier dans sa récession la plus sérieuse depuis la guerre. Elle se manifeste le plus ouvertement par le nombre sans précédent de chômage que connaît le pays à la fin de l'hiver dernier. Après cette douche froide, l'espoir renaît car, à ce moment, l'opinion des experts suggère au public qu'il s'agit là d'une récession temporaire et que tout est maintenant en place pour en éviter la répétition. La pé-