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CHANGING ATTITUDES OF THE AMERICAN FEDERATION OF LABOR
TOWARD BUSINESS AND GOVERNMENT
1929-1933

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By
MILTON LEWIS FABER, JR., B. A., M. A.

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Approved by

[Signature]
Adviser
Department of History
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CHAPTER I

ORGANIZED LABOR ON THE EVE OF THE DEPRESSION

Looking back in 1939 at the early years of his presidency of the American Federation of Labor, William Green saw much of which he felt he could be proud. He remembered the years between 1925 and 1929 as a time when employers were beginning to realize that the American Federation of Labor was an agency through which workers could make their greatest contribution to industry. He had been in constant demand to explain labor's point of view to chambers of commerce, businessmen's clubs, church groups and university gatherings. "During this period of prosperity," he recalled, "there developed a number of plans for union-management cooperation....This was an outgrowth of collective bargaining, and, I felt, the highest point it had attained."

Moreover, labor's patient explanations, its activities at the bargaining table, and the employers' fear of unionization had brought wage earners a greater share of the national wealth. Directly or indirectly, the AFL had given the worker "a place in the nation's increasing prosperity."¹

Few students of the labor movement would now agree with President Green's nostalgic reflections. Numerically, the Federation had been in a decline since 1920 and by the end of the decade had lost nearly one-

third of its strength. American trade union membership as a whole had fallen from slightly over five million to less than three and one-half million, and if increasing population is taken into account, the decline was even more severe. Measured against potential union membership, the percentage of organized workers had dropped from 18.6 in 1920 to 10.2 in 1930.²

This decline had not been uniform throughout the decade. Trade unionism had undergone immense expansion during the war when the government to a degree protected organization. Between 1915 and 1920, membership almost doubled. In the next few years, however, it fell precipitously and most of the gains were wiped out. After 1923, union strength fell slowly --a few thousand nearly every year-- up until the depression when the rapid liquidation began again.

An important aspect of both the wartime increase and the subsequent, sudden decline was the restricted area of its impact. The bulk of the gains had come in a few industries --building construction, the metals-machinery-shipbuilding group, transportation and communications, and clothing. These industries accounted for 1,870,000 new unionists

²Actual union membership is studied in Leo Wolman, The Ebb and Flow in Trade Unionism (New York: National Bureau of Economic Research, 1936). "Real" membership, i.e., actual membership as a percentage of the civilian labor force is discussed in Irving Bernstein, "The Growth of American Unions," The American Economic Review, XLIV (June, 1954), 301-18. A further modification, upon which the figures above are based, considers membership as a percentage of the union potential of the civilian labor force, i.e., the force minus farmers, managers, professional men, etc. Benjamin Solomon, "Dimensions of Union Growth," Industrial and Labor Relations Review, IX (July, 1956), 54-61.
between 1915 and 1920. In the next three years, unions in these same
fields lost 1,128,000 members. In metals, machinery, and shipbuilding
the loss amounted to 95 per cent of the prior gain; in clothing, 50 per
cent. For the metal trades, there scarcely existed a core about which
to build in the future.  

Throughout the 1920's, union strength in these and other industries
continued to decline. Tremendous losses were suffered between 1923 and
1929 in mining, quarrying, and oil. The United Mine Workers alone,
dropped from a 1920 peak of over 400,000 members to perhaps less than
150,000 in 1930. Almost as great were the continuing downward trends
in clothing, metals, machinery, and shipbuilding while chemicals and
allied industries, food, liquor and tobacco, and transportation and
communications hardly fared better.

On the other hand, unionization increased considerably among public
service and theatrical employees and in the paper and printing indus-
tries. The greatest gains, however, were in the building trades unions.
This latter group added 130,000 members between 1923 and 1929.  

The result of these developments was a further narrowing of the

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3Metals, machinery and shipbuilding, for example, gained 634,000
between 1915 and 1920 and lost 601,000 between 1920 and 1923. Wolman,
Ebb and Flow, p. 28.

4Ibid., p. 11; Saul Alinsky, John L. Lewis (New York: G. P.

5Wolman, Ebb and Flow, p. 40.
already restricted scope of trade unionism. By 1930, 70 per cent of union membership lay in five groups of occupations. Transportation accounted for about one-fourth of the total due largely to the railroad unions which were sheltered somewhat by the government from the more virulent forms of industrial warfare. The building trades which had profited from a construction boom accounted for another 25 per cent. An additional 20 per cent lay in the highly skilled printing trades, in the sheltered public service field, and in the theater industry. There was virtually no unionism in iron and steel, automobiles, food packing, rubber, chemicals, or electrical products. Even by November, 1933, when unionism was increasing, the National Industrial Conference Board reported that only about seven per cent of the workers in manufacturing were unionized.

For these reasons, the American labor movement was considerably less well off than some statistics seemed to indicate. The numbers of men lost were not as important as the industries from which the unions had been driven. This narrowing of the base of representation was especially marked within the American Federation of Labor. According to Lewis Lorwin, the building trades in 1932 (which was admittedly a bad year) provided over one-third of the total AFL membership, as


7Cited in Wolman, Ebb and Flow, p. 133.
compared with 20.5 per cent in 1920. Lacking even a foothold in the
great mass-production plants and weakened in the mines and the mills,
the AFL became little more than a spotty representation of a few selected
occupations. It continued to exist, largely on the defensive, in a score
of narrowly restricted trades and areas.

The reasons for this deterioration of union strength during the
twenties are extremely complex. Certainly no single factor was respon­
sible. Moreover, in assessing the causes of the decline, the whole
question of inevitability is involved. Would different trade-union
policies have offset to any appreciable degree the employer offensive?
Were there overwhelming and irresistible economic forces at work which
would have made a more militant unionism as futile as the union-manage­
ment cooperation which became so popular in AFL circles? In short, was
there anything inevitable in the decline of the trade-union movement
in the 1920's? None of these questions can, of course, be answered
finally, but perhaps some light can be shed through an examination of
what was happening to labor after the glow of wartime cooperation had
dimmed.

8 Lewis Lorwin, The American Federation of Labor (Washington:

9 These can be pinpointed both geographically and industrially.
Unionization was centered in the anthracite mines, clothing centers of
New York and Chicago, railroad centers, the Massachusetts shoe towns,
and in the building and printing trades in metropolitan areas. See
Milton Derber and Edwin Young (Madison: University of Wisconsin Press,
1957), pp. 4, 38.
There can be no doubt but that the concerted offensive by employers to maintain or create the open shop seriously damaged the labor movement, particularly in those industries which had most recently been unionized. Between 1920 and 1923, organized labor was faced with a multitude of problems and was perhaps in the weakest possible position to resist attack. The postwar depression severely injured bargaining power. It has been estimated that the minimum number of unemployed jumped from 1.4 million in 1920 to 4.2 million in 1921. In manufacturing, alone, unemployment in these years increased from 487,000 to 2,554,000. At the same time, the Red Scare was running high and it proved easy enough to brand unions as "radical" and un-American. Public opinion which had appeared sympathetic to labor during the war seemed now to be turning against the unions. Moreover, the protective arm of the government was removed after 1920 and unions in the newly organized industries proved too weak to stand alone. This was fertile ground for employers who, in the felicitous word of the time, wished to "liquidate" labor.

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11 "...the decline of the Federation in national influence during 1920-21 was in large measure the result of its own policies. The impatience of the Federation with the government war boards, as a result of the special interests of the skilled crafts,...accelerated the process of disintegration of the new unions formed during the war." Lorwin, The AF of L, p. 227.

12 Walter Lippmann in 1933 shrewdly appraised the decline of unionism during the 1920's, noting that unions had been able to advance in mass-production industries only during a period of labor shortage and with...
The facts of the open-shop drive of the early twenties are well known. The National Association of Manufacturers and the United States Chamber of Commerce, together with ordinary businessmen and their local organizations, embarked upon a ruthless campaign of propaganda and industrial warfare to drive unions from plants and shops across the nation. The open-shop drive which began in 1920 was aimed primarily, although not exclusively, at destroying unionism where it had appeared during the war. Adopting the appealing slogan "The American Plan," proponents tried to make it appear that it was somehow patriotic and a civic duty to restore conditions under which each employee could "bargain" independently with his employer for wages and working conditions. The campaign was successful. When the dust settled, unionism had been virtually obliterated in a number of industries and gravely weakened in others. Indeed, the loss of over 700,000 members in 1921-22 was considerably greater than the loss in the later depression period, 1929-33.

Government assistance. Wrote Lippmann, "Once before in this generation the government has fostered unionism and artificially inflated it. The unions could not develop enough inherent strength to preserve their gains and consolidate their position in American life. It will be interesting to see what happens this time...." "Labor and the New Deal," Interpretations 1933-1935 (New York: Macmillan Co., 1936), p. 128.


14 Wolman, Ebb and Flow, p. 16.
The open-shop campaign — given the newness of unions in many areas, the large amount of unemployment, and the Red Scare— was almost impossible to counteract in the years immediately following World War I and therefore achieved its basic purposes. For anti-union employers, however, there still remained the problem of insuring that employees in the newly liberated industries would not again succumb to the dread fever of unionism. They soon demonstrated that they were equal to the task. Casting aside for a time more violent methods for controlling unionism, they developed a more subtle and, in the context of the time, a more effective weapon which, by the end of the decade, had almost reduced the American Federation of Labor to the role of an industrial penitent. That weapon was welfare capitalism.

The term welfare capitalism means the voluntary granting to employees of economic, social, or pseudo-political privileges beyond the requirements for plant or business operation. In general, welfare capitalism represented a tempering of autocratic control, a sophistication of management technique. Often it provided a definite improvement in the status of employees. In some plants, it consisted of a rather crude imposition of a company union to forestall or replace an independent trade union. In others, in the name of personnel management, it sought by the use of scientific measurements to make the worker more satisfied with his job. Its basic premise was that a worker who is relatively content with working conditions and wages and who feels he has job security will tend to be efficient, dependable, and loyal. In the long run, expenditures for lunchrooms, stock purchase
plans, insurance, recreational aids, pensions, and, perhaps, employee advisory committees would be more than repaid in efficiency and stabilization of production. Although many companies improved conditions for relatively unselfish reasons, the primary purpose of welfare capitalism was to create a passive working force, immune to trade unions and strikes.\textsuperscript{15}

Of the welfare-capitalism techniques, company unionism provided the most direct threat to organized labor in the 1920's.\textsuperscript{16} Known variously as works councils, employee representation plans, shop councils or employees associations, company unions, exclusive of the railroads, covered an estimated 932,000 employees in manufacturing and mining in 1932. This was roughly equivalent to three-fourths of the AFL membership in these fields.\textsuperscript{17}

Employee representation plans and company unions came into existence at the beginning of the twentieth century. Although they were limited in number until World War I, a variety of different types were tested. The most famous plan was that introduced by John D. Rockefeller.

\textsuperscript{15}Perlman and Taft, \textit{Labor Movements}, p. 580; Lorwin, \textit{The AF of L}, pp. 236 ff.

\textsuperscript{16}The term company union as here used means an organization of employees dominated or controlled by the employer. The National Industrial Conference Board uses the term "employee representation plan" which it claims differs from trade unionism primarily in applying to only one plant. However, company union and employee representation plan are actually the same.

feller, Jr., in 1915 at the Colorado Fuel and Iron Company following the brutal suppression of unionism in the Ludlow Massacre Strike. It was widely heralded as marking a new era in industrial relations since the company in the past had not bothered with such subtleties as employee representation. In practice, however, it became merely another device for keeping a union out of the mines. More ambitious was the Leitch Plan for "Industrial Democracy" installed at the Packard Piano Company in 1912 after an unsuccessful strike. Leitch established within the plant a house of representatives composed of employees, a senate of foremen and union officers, and a cabinet of company executives. This was supposed to provide a democratic state in miniature. Unfortunately, the democracy was somewhat limited since the management chose both the senate and the cabinet.

During World War I, the National War Labor Board, as well as other federal agencies involved in the overseeing of production, used shop committees or works councils elected by employees as a device to settle industrial disputes. With the help of the federal government, these committees increased rapidly in numbers. The American Federation of Labor gave them hesitant support since they provided labor some representation in previously impregnable industries. At the end of the war, however, employers wherever possible turned works councils into substitutes for trade unions. What had been intended to give workers a greater part in determining their industrial lives became an adjunct to the open-shop drive.18

National Industrial Conference Board statistics disclose a steady increase in the number of workers covered by employee representation plans throughout the 1920's. Between 1919 and 1928, when the peak was reached, the number rose from 1,000,000 to over 1,500,000. Works councils tended to be concentrated in the railroad industry, public utilities, the metal trades, food, and textiles. They also tended to develop in larger plants and factories. In 1919, nearly half of the workers covered by these plans were in companies employing over 15,000 men. By 1932, when the depression had destroyed the ability of smaller companies to support such plans, this figure had risen to 63 per cent.  

Many plans were introduced in anticipation of a union organizing drive. Others were used to offset the bitterness resulting from the failure of a strike or the breaking of a union. But whatever their timing, there was never any doubt about their purpose as the studies of the National Industrial Conference Board revealed.

The present investigation shows that in the larger proportion of cases employees have exercised good judgment in choosing their representatives. Employers almost without exception spoke in words of high commendation of the men elected to the councils. Two companies reported that, had they had the option of choosing the employee representatives, they would have chosen the identical men elected by the employees themselves.

The value of employee representation and company unions was clear:

The investigations of the Conference Board show that


where employers have discussed with the employee representatives on their works councils the reasons for a proposed reduction in wages, a curtailment of the working force, or a change in work hour schedules, the representatives in a vast majority of cases have appreciated the cogency of the circumstances...and have concurred with the employers in the proposed changes....

Such adjuncts of the company union as the employee newspaper proved equally useful. The Swift Company, for example, ran a column called "Mike the Barber" in the employee publication to inculcate "right" ideas into the minds of its workers. When a radical said to Mike, "we ain't all equal," Mike, who was quite a philosopher of social dynamics, replied "course we ain't. People never was. Better have some rich an' some poor with all havin' a lot they can enjoy than to have 'em all equal an' all miserable."

Closely associated with company unionism as a welfare capitalism device were the various plans for giving workers a share in the profits of the corporation. Especially popular during the 1920's was the selling of stock to employees. In 1928, it was estimated that 2.7 million employees of 315 companies were eligible to purchase stock in their employers' concerns, and of these, about 800,000 held stock valued, then, at one billion dollars. Businessmen found stock purchase plans of

21 Ibid., p. 357.
value in a number of ways. Not only did they provide favorable publicity for the company both with its employees and with the general public, but they also tended to reduce labor turnover, engender company loyalty, provide new capital, and encourage thrift among workers. 24

Employee stock ownership, like many other welfare devices, fell on evil days during the depression. In a study of fifty representative plans involving companies employing over two million workers, it was found that sixty per cent of the plans had either been terminated or offerings postponed by 1932. Between 1926 and 1932, the market quotations of the stocks sold by these companies fell more than eighty per cent. For example, preferred stock in a steel company sold to employees at 100 to 125 closed in 1932 at 29; railroad stock which was sold to employees in 1930 at 130 fell to 18 at the end of 1932. 25 Indeed, no preselected device could have more cruelly hurt low income employees than stock purchase plans in their own plants. At the very time when they were being laid off and needed their savings, the stock which they had purchased was, as a result of the same forces which had caused the layoff, rapidly falling in value. In the end, they had neither job nor

24Notes of payroll deductions contained in the envelope on pay days, articles in the employee magazines, and bulletin board propaganda serve constantly to remind the employees of the benefits their employer is conferring on them. Ibid., pp. 127 ff; see also National Industrial Conference Board, Savings Plans and Credit Unions in Industry (New York, 1936) on the value of imbuing workers with the virtue of thrift.

25Princeton University, Industrial Relations Section, Employee Stock Ownership and the Depression (1933), pp. 4, 7, 24.
savings. It was ironic, indeed, that the very virtues of faith and thrift which had been extolled for a decade in countless company magazines should, in the end, provide the final drag of misery for those who had both believed and saved.

The idea that a contented employee was an industrial asset was not, of course, a new concept in the 1920's. A considerable amount of welfare work had been practiced before World War I by companies who accepted this idea as mere common sense. But during and after the war, what constituted a contented employee became, at least according to some experts, "scientifically" discernable. Scientific management seemed particularly desirable during the war when a shortage of labor threatened the ability of American industry to achieve maximum production. Not only would the scientific determination of production quotas increase efficiency, but the accurate placement of employees in the proper jobs and a more businesslike personnel policy would reduce labor turnover and improve output. In this period, aptitude tests as well as centralized hiring and firing came into use. Although the depression of the early twenties led to the termination of both welfare programs and personnel management in many concerns, the revival of business brought the personnel manager back to stay. The tremendous interest in this field is illustrated by the large number of articles on the subject published after the war. Between 1919 and 1924, over

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26 By 1932 many employers were quite skeptical of the wisdom of employee stock purchases. Most of those surveyed felt they would not revive their plans or, if they did, they would limit them to highly paid employees. Ibid., pp. 27-28.
2,700 titles by 1,400 authors appeared on the subject of personnel administration.27

The removal of workers from the arbitrary control of the shop foreman and the concerted attempt to foster company loyalty offset what little effort was made by unions in the 1920's to create employee solidarity. Selig Perlman, writing in 1928, considered personnel management one of the two chief factors (the other was the increase in real wages) responsible for the weakness of unionism in the decade. The decline of unionism, wrote Professor Perlman, was due not to

...employees' representation, since the average employee is admittedly indifferent to it. Nor is it the sale to employees of the stock of the company on advantageous terms, as that affects in a telling way only a few employees, primarily 'key' employees. Nor is it even 'group insurance'...It is the new methods of job administration, which centralize hiring and firing in a special department, doing away largely with the exasperating tyranny of the petty boss; and which aim, by word and deed, to convince the employees that management now is no more concerned for the regularity of the stockholders' dividends than for the regularity of employees' jobs.28

For the unions, it made little difference whether the open-shop drive or one of the devices of welfare capitalism had been the more effective. The method varied and the emphasis shifted but the result was always the same. The mailed fist and the velvet glove together and separately pushed back the unions and insulated the unorganized

The vigorous employer offensive explains in part the decline of unionism during the 1920's, but the offensive would not have been so effective had not the economic situation been highly favorable. World War I had initiated, or accelerated a number of profound changes in economic life which had greatly increased the difficulties of organization. Moreover, certain developments tended to weaken the long-established strongholds of the labor movement. In short, the economic climate of the decade was right for the success of anti-union measures and wrong for the spread of organization.

The economic trend most often cited to explain the decline in union strength during the decade was the increase in real wages. During the twenties, wages remained on the high level established during the war despite temporary dislocation in 1920-21. By 1926, they were double the wages of 1913. On the other hand, the long agricultural depression held retail food prices down to about sixty per cent above the 1913 base. Economically, this meant that a worker could buy more with the same income. As a result, the chief argument for unionism --organize so as to overtake the mounting cost of living-- had less appeal. In the past, during prosperous times, unions tended to grow and during depression, to decline. The reversal of this normal cycle is, in part,
explained by the rise in real wages.²⁹

There is an apparent contradiction in this theory since the unions in certain fields—the building trades are the best example—held their own and even grew despite a very rapid increase in real wages. However, the true impact of a rising real wage would obviously be in the unorganized industries. Perhaps no one ever resigned from a union because his real wage had gone up, but many men have declined to join a union because the benefits which might accrue with membership seemed not to be worth the risk of losing the benefits of an improving economic situation. To begin a union is much more difficult and dangerous than to expand one, and to most industrial workers in the 1920's, the risk seemed all out of proportion to the hoped-for gain.

One of the main weaknesses of American trade unionism during the 1920's, as well as earlier, was its failure to permanently organize the mass-production industries and the bulk of factory workers. In a large measure, this failure was a consequence of certain economic factors over which labor had no control, the chief of which was the rapid growth of that sector of the economy which had been least unionized in the past.

²⁹Perlman and Taft, Labor Movements, p. 581. Real wages advanced slowly between 1923 and 1929 except for union workers in the building trades whose wages rose rapidly. With 1926 = 100, the composite wage rose from 87.4 in 1920 to 98.1 in 1923, 100.0 in 1926, and 107.0 in 1929. But the average weekly earnings of wage earners in manufacturing between 1923 and 1929 rose only from 100.2 to 104.7 while the union hourly rate in the building trades increased from 86.8 in 1923 to 108.8 in 1929. Thus in the building trades the advance in these six years was 25.3 per cent while in manufacturing only 4.5 per cent. W. S. Woytinsky and Assoc., Employment and Wages in the United States (New York: Twentieth Century Fund, 1931), pp. 49-51.
and was least susceptible to unionism in the future. During the 1920's, one of the major economic trends was the concentration of industry and the concentration of workers within larger factories. By 1929, less than nine per cent of the nation's factories employed seventy per cent of the wage earners. It has already been noted that company unionism and welfare activities tended to center in the larger plants and companies. The same was true of the new science of personnel management. Moreover, large factories using assembly-line techniques employed a large proportion of unskilled and semiskilled workers who had relatively low bargaining power. Thus, large mass-production industries were the best equipped to deal with the threat of unionism. 30

In addition, however, the greatest growth in output and employment during the 1920's came in the "new" industries — automobiles, electrical machinery and appliances, radio, and chemicals. These industries not only employed the semiskilled, had no tradition of unionism, and could afford welfare capitalism and personnel management, but also, because of their high profits, were in a position to offer relatively high wages. Clearly, if organized labor was to have strength in the new economic world of the 1920's, it must achieve job control in these new centers of industrial production. Yet it was in these centers that

employers were in the best tactical position to resist unionism.\textsuperscript{31}

The growing concentration of industry and the growth of the previously unorganized mass-production industries also weakened organized labor in those trades where it had a foothold. The growth of manufacturing on a mass-production basis tended to deprive the skilled worker of his bargaining power. In a shop of ten skilled machinists, a union might have some success; but if the ten machinists were in a factory employing five thousand workers—most of them semiskilled—organizing them became practically impossible. The only way to organize such industries was through government protection or employer permission. In the 1920's, as we shall see later, organized labor rejected the former as both undesirable and impossible of fulfillment and failed when it tried to gain the latter.

The shift of the labor force after World War I from the smaller factories to unorganized assembly-line plants was accompanied by a shift in the geographical location of industry. Textiles were moved to the Carolinas, clothing to Philadelphia, and mining to West Virginia. The chief stimulus was the need for cutting costs in the face of strong competition. Costs were largely determined by wage rates and in each of these industries the move meant the transfer of operations from union areas to open-shop areas. Generally, the newly-opened communities

had no tradition of organization. Unionists in the older centers of production were thrown out of work. Moreover, as the miners learned to their sorrow, the payment of low wages in one part of the industry made wage cuts almost certain throughout the industry. The geographical shifts in clothing, textiles, and mining drastically depleted and in instances destroyed unionism where it had previously been strongest.

As has often been noted, there were also present throughout the 1920's certain "sick" industries --industries which did not share in the general prosperity. The high level of unemployment in these fields, brought on in part by overproduction and in part by cutthroat competition among small producers, created a reservoir of depressed workers who were unable to improve their position. Since many of these "sick" industries had been strongly organized before the war, the built-in economic difficulties of maintaining union strength were further aggravated.

The grim history of the United Mine Workers during the 1920's illustrates the difficulty of unions under these economically depressed conditions.\(^{32}\) Organized labor faced two problems in the bituminous coal fields. One was overproduction with a proliferation of many small mines each of which had to compete vigorously to survive, a consequence

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\(^{32}\)This account is taken chiefly from Saul Alinsky, John L. Lewis; McAlister Coleman, Men and Coal (New York: Farrar and Rinehart, 1943); and Edward D. Wickersham, "Opposition to the International Officers of the United Mine Workers of America 1919-1933" (unpublished Ph.D. dissertation, Cornell University, 1951).
of the overexpansion of marginal mines during World War I. The other was the lack of unionism in the expanding mine industry of the southern states.

One of the chief functions of the United Mine Workers long had been to negotiate a collective bargaining agreement in what was known as the Central Competitive Field (Illinois, Indiana, Ohio, and Western Pennsylvania). Before World War I, mines in these states had produced the bulk of bituminous coal and the agreement was intended to give operators a fixed labor cost in order to avoid competitive wage cutting. In 1923, President John L. Lewis of the UMW signed with the Central Competitive Field operators the so-called Jacksonville Agreement which set the high wage of $7.50 per day. It was frankly intended to force Competitive Field operators who could not pay this wage out of business. Gradually, this would eliminate marginal, high cost mines and improve conditions.\(^{33}\)

Unfortunately, the plan did not work. The economic situation had changed. The great problem of competition was not now among the operators in the Central Competitive Field but rather between these operators and the nonunion southern mines. Faced with probable ruin in a field where there were too many mines, too many miners, and too much coal, northern operators soon broke the Jacksonville Agreement. By 1928, the union scale was not paid in any state and by 1930, the United Mine Workers had...

\(^{33}\)"The union proposes...to maintain such wages and conditions as will force mines unable to produce coal on terms consistent with human welfare and the interests of the consuming public to close." John L. Lewis, *The Miners' Fight for American Standards* (Indianapolis: Bell Publishing Co., 1925), p. 189.
almost been driven from the pits. Attempts to organize the South, particularly West Virginia, failed after bitter and bloody warfare and the open shop reigned in that area shortly after World War I.

The difficulties of the miners were not a little aggravated by the overbearing and intolerant personality of John L. Lewis, but unquestionably the chief bars to unionization were the economic problems arising during and after World War I. Mining was a sick industry with heavy unemployment and many of its difficulties were the result of wartime overexpansion. Operations were transferred during the 1920's from union to open-shop areas. Even the vicious opposition of employers was a consequence of their economic position in a highly competitive industry. Like much of the labor movement, the mine workers' union found itself caught up in an economic situation which inexorably militated against its best efforts.

* * *

The unions had little or no control over the challenges posed by the employer offensive and the unfavorable economic situation. But there were weaknesses within the labor movement itself which made the task of meeting these challenges extremely difficult. These weaknesses basically involved the fundamental inflexibility of the Federation as an institution. In a specific sense, the Federation was handicapped by its own structure and purpose and by the growing conservatism of the men whom it had raised to leadership. Together these factors left the labor movement powerless to meet effectively the tremendous problems of
The 1920's and unprepared for the challenge of the depression.

The American Federation of Labor had been established by its member nationals and internationals to perform for them certain services they could not perform for themselves. The existence of the Federation, however, was predicated upon two fundamental principles: the member unions would continue to be autonomous organizations fully in possession of their freedom of action, and they would retain, and the Federation would help preserve, their exclusive jurisdiction over workers in their occupational fields.

This created immense problems if the Federation were ever to take bold and effective action. The voluntary and unintegrated nature of the association made the authority of any decision dependent upon the moral sanction of majority rule. First Vice-President Frank Duffy put the case clearly when he defended his union before the Executive Council: "The Federation has no police powers, it can issue no mandatory orders. In order to secure compliance with any rulings or decisions made it has to get the consent of all parties involved."^34

The maintenance of jurisdictional integrity, however, had an even graver implication for the expansion of unionism. Under the charters issued by the AFL, each union was awarded sole jurisdiction over workers with specific skills. Almost the entire wage force was divided in this manner. Dual unionism was the greatest possible crime within the AFL and one of the major functions of the Federation was to ensure

^34 American Federation of Labor, Executive Council, Minutes, January 16, 1931.
that only one national union could exist in a craft. Moreover, jurisdic-
tional authority was stubbornly maintained by the nationals even in
situations where they either could not or would not themselves organize
the workers.

There had been good, solid reasons for these policies. In the
first thirty years of the AFL, Samuel Gompers had carefully nurtured
the frail body of unionism with due regard for the economic situation.
He and his aides had seen that one union meant job control, that two
unions meant weakness and failure. He had noted the effect of depression
upon the unskilled and had decided that in the existing situation only
unions of skilled workers could survive economic downturns. For Gompers,
the Cigar Makers Union was the typical working unit—a small shop of
men whose monopoly over production gave them bargaining power.35

But new conditions had arisen by the second decade of the twentieth
century which challenged the relevance of the traditional Federation
structure. The locus of industrial power had shifted from the small
shop where the skilled craftsman could effectively wield his unionism to
the large factory where the skilled craftsman was in a minority and
powerless. This raised many questions. What meaning, what authority
had a craft union in an industrial plant? Was the withdrawal of
theoretical jurisdiction over men employed in large factories really a
threat to the craft union which claimed them? Finally, was the organiza-
tion of the unskilled and the semiskilled so remote as to be disregarded

35 On Gompers see Louis S. Reed, The Labor Philosophy of Samuel
now that the large plant gave to them, because of their sheer numbers, a measure of bargaining power?

The answers were that craft unionism in large plants had little meaning, that dualism in the traditional sense was not at issue, and that industrial workers were indeed organizable. Under such circumstances, the old formulas were archaic. Instead of preventing dualism, they prevented organization; instead of preserving job control, they perpetuated autocracy; instead of increasing bargaining strength, they vitiated it.

This is clear in retrospect. It was not so clear to those who were living in that changing economic world. The basic structure, the fundamental purposes of the American Federation of Labor were antithetical to the policies required to deal with this new situation. For the leaders of the craft unions in particular, industrial unionism challenged the very principles by which their unions had managed to survive. For the AFL it required a denial of its own raison d’être. The Federation had been founded in a measure to preserve jurisdiction and to this it would be faithful until the interests of its member unions could be redefined in the light of the new industrial situation.

In its own way the Federation had tried to meet the new economic developments through a campaign to amalgamate existing unions so as to eliminate meaningless divisions, by establishing federal unions, and by the creation of departments. These devices failed partly because they were only half-heartedly pursued, partly because they side-stepped the real issue. By the late 1920’s, none of these measures had succeeded
in establishing a more realistic approach to new conditions, nor did there appear to be much hope that matters would improve without a radical change in direction.

To have perceived the obsolescence of old policies and to have made the sacrifices necessary to change them would have required intelligent, selfless, and bold leadership. Unfortunately, the leadership of the Federation was not of such a type during the 1920's. By the latter part of the decade it had become conservative to a remarkable degree. As will be described subsequently, the American Federation of Labor no longer insisted upon "more, more, more" -- on a greater share for labor. Instead, it asked that the benefits of increased per capita productivity be passed on in part to the workers. It no longer threatened its opponents with destruction; it told them they were not securing the full benefits of trade-union cooperation. Politically, labor was far less active in 1928 and 1932 than it had been in the past. It conducted no successful major organizing drives during the decade. Indeed, many of the critics of Federation policy were conservatives of the Gompers' era who felt the AFL was ignoring those of its duties in the economic field which had given its antistatist tradition meaning.

The pervasive conservatism of the decade -- at times it almost seemed disinterest -- was the result of a number of factors. In part, it was a reaction to the resounding defeats in the open-shop drive after the war; in part, it was a consequence of the lack of real alternatives. But to a greater degree, it stemmed from certain shifts in power within the Federation and from the nature of the presidency of William Green.
The activities of the American Federation of Labor were directed by an Executive Council composed of the president, secretary, treasurer, and eight vice-presidents elected each year at the annual convention. It wielded wide powers and often the implementation of decisions reached by the conventions depended upon whether the Council considered the decisions wise. Council recommendations were rarely overridden and its personnel seldom changed except through death. William Green was a vice-president and a member of this Executive Council when he was elevated to the presidency in 1925.

Samuel Gompers had been able to dominate the Council and the Federation because of his forceful personality, his tenure in office, and his undisputed stature in the industrial world. His successor was never able to do. Green was a mild man, a kind man, but not the type to overawe his associates. He was not well known when he became president and had no personal following. He had been chosen for the position by his equals on the Executive Council and could never assume the role of Father of the Movement which had given Gompers so much authority. Above all, he had a rival for power, if not for position, in Matthew Woll, vice-president, and once heir apparent to Gompers. Woll controlled the vital Resolutions Committee of the annual convention and held many other influential posts as well. An arch-conservative, he often spoke in the name of the AFL and his words were received with the same authority as Green's. All of this meant that Green was chief among equals but no more. He was not master in his own house.

However, even if Green had been a bold and forceful leader, he would still have had great difficulty in effecting any serious modifications in Federation policy, largely because those who would support such modifications were, in a relative sense, much less influential in the 1920's than they once had been. Before he became president of the Federation, Green had been an officer of the United Mine Workers, an industrial union, and a close associate of John L. Lewis who had represented the more progressive elements in the Federation in their attempt to depose Gompers in 1921. One might have expected, with a measure of justification, changes in Federation policy, particularly toward industrial unionism, upon his succession. That this did not happen was largely due to forces beyond his control.

Green's chief support within the Federation came from the United Mine Workers and John L. Lewis, however, was never a progressive leader despite appearances in 1921 and later. It is true he recognized a need for the organization of the basic industries and demonstrated a certain innate pugnaciousness, but in most trade-union matters he was most conservative. He had driven from his union all those who had the temerity to disagree with his policies and, at least until the late 1920's, had demonstrated a strong hostility to government intervention in the economy. Politically, he was a rock-ribbed Republican who had

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37 On the succession of Green as well as for character sketches of other leaders see the lively account, hostile to the conservatives, in Edward Levinson, Labor on the March (New York: Harper and Brothers, 1938), pp. 4-6.
supported Coolidge in 1924 and Hoover in 1928 and 1932. Moreover, by the latter part of the decade Lewis was in no position to influence Federation policy even if he had wished. The mine owners were in the process of ousting his union from the bituminous coal fields. So critical was the situation of the UMW that for several years it was unable to pay its full dues to the AFL. Disgruntled opponents had even established a rival miners union. Lewis' chief concern until 1932 was his own survival.

The other unions which might have normally supported a more flexible Federation policy had also fallen on evil days. Even individuals who at the end of World War I had been considered "progressive" seemed to have lost their interest in challenging the old order. At the same time, the craft unions --particularly in the building trades-- were expanding or at least numerically holding their own. As noted earlier, the decline of unionism in mining, clothing, textiles, and similar fields gave these craft unions a much larger share of the total AFL membership and hence a much greater say in the policies of the Federation.

To the leaders of this latter group, the old principles of craft integrity and skilled membership were especially meaningful. They had little interest in the great unwashed. The policies of a simpler economic

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38 Said Lewis of Hoover in 1928: "Labor and industry require his services and genius for constructive industrial statesmanship, so that the unprecedented industrial and business prosperity which he inaugurated may be properly developed and stabilized..." Quoted in James A. Wechsler, Labor Baron (New York: William Morrow, 1944), p. 44.
day had been kind to their unions. Why then should they question these policies? The essential element of their conservatism was not merely opposition to industrial unionism, although this was important. Rather, it was a lack of sensitivity to the ideological and missionary aspects of the labor movement and an immense satisfaction with the status quo. They were generally concerned only with their own trades' prosperity and with the maintenance of jurisdiction. Beyond this there was nothing. Under their leadership, the traditional Federation battle cries of "educate, agitate, organize" were transformed into the constitutional admonishments, preserve, protect, and defend.39

As a concomitant of this shift in the locus of power and of the weakness of Green's presidency, there was a lessening of the strength and authority of the AFL headquarters in relation to the constituent unions. Lacking any real interest in organizing industrial workers, opposed to most forms of social legislation, and, more often than not, Republican in politics, the conservatives who dominated the Federation had no desire to strengthen AFL headquarters. They saw no need to spend money on expensive organizing drives. They feared the endorsement by the Federation of any presidential candidate. If the AFL could obtain relief from the injunction and restrain the rather rapacious trade-union imperialism of unions like Bill Hutcheson's Carpenters Brotherhood, it would have accomplished its purposes.

For the labor movement this development was most unfortunate for it made organization in new fields almost impossible. Only the American Federation of Labor could have undertaken the task of coordinating an organizational drive, of overriding jurisdictional claims, of financing a major campaign. But few people who counted wanted it to do these things. If an effective answer to the problems of the decade was to be found, it had to come from the labor movement as a whole. The decline of the AFL center made the discovery of such a solution more difficult than ever.

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These then were the reasons for the decline of organized labor in the decade before the Great Depression. The employer offensive had driven the unions from the factories and then given the employees, albeit temporarily, many of the benefits of unionism. The economic changes of the time—the rise in real wages, the concentration of employees in larger factories, the sickness of those industries in which unions had been strong—reduced the desirability of unionism for some and increased the hazards of unionism for others. Finally, the weaknesses of the American Federation of Labor in structure and leadership gave to the other factors a greater degree of meaning than might otherwise have been the case.

For organized labor, despite the brave pronouncements of its leaders, the decade of the twenties had been a grievous time of battles lost and hopes tarnished. The bright prospects of the war years, when
labor had been heard with respect in the highest councils of the nation, had given way to bitter disappointment. In 1928, veteran labor leader John Frey glumly surveyed the wreckage. Somewhere along the line something had happened. Once labor's voice had been powerful and effective. "Today," Frey noted sadly, "it seems to be largely a negligible factor, paraded a little at times to soothe the vanities of some men, but as a practical factor, amounting to but little."^40

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CHAPTER II

THE ERA OF PERSUASION AND THE LEGACY OF GOMPERS

The depression which began in 1929 destroyed many things. Not the least important among them was the complex of principles, policies, and attitudes -- the intellectual baggage as it were -- with which the American Federation of Labor had embarked upon the troubled sea of Coolidge prosperity. In general, this complex consisted of two very different types of principles and attitudes. On the one hand, the Federation had clung tenaciously -- some said too much so -- to the traditional dicta of Samuel Gompers about the proper relation of organized labor to government. On the other, it had developed quite new views on the nature of industrial life and of its relationship to the business community. Neither the old nor the new survived the test of the depression, but their existence, unfortunately, made the entrance of the labor movement upon the sad and spectacular 1930's more painful than it should otherwise have been.

More specifically, the Federation reinforced those principles bequeathed by Gompers concerning social legislation, political action, and government intervention in industrial affairs which had differentiated the American labor movement from its European counterparts. At the same time it took cognizance of the changing abilities of labor to effect its ends by traditional means and evolved new principles which it hoped would make unionism more palatable to the dominating business society of the 1920's. While the Executive Council thought
it wise to report, as it did in 1928, that "at no time in its history has the trade union had greater influence in industrial circles," no one, except perhaps Matthew Doll, really believed this to be true. As a result the federation embraced a new wage policy, a new attitude toward production and scientific management, and, above all, a new interest in cooperation with its industrial foes.

In 1925, when the big boom was getting under way and businessmen and economists were beginning to feel that poverty would soon become an amusing relic in the museums of American industry, the new president of the American Federation of Labor gave an address to the Harvard Union. In it he solemnly announced that the path to economic security so deeply desired by the laboring man was to be sought in the paneled walls of the conference room rather than on the cold and dismal picket line. Labor had relied almost entirely on its economic strength in the past. Now it had moved into a new era. "Today," announced Green, "it places immeasurable value upon the convincing power of logic, facts, and the righteousness of its cause."  

What Green meant was that organized labor, beaten by management on the picket line and unable to compete with welfare capitalism in the shop, would now prove to the businessman that what was good for the

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2Reprinted as "The Problems Which Modern Trade Unionism Confronts," The American Federationist, XXXII (April, 1925), 299. See also William Green, "Labor's Duties and Obligations," The American Federationist, XXXII (February, 1925), 106-7.
American Federation of Labor was good for industry as well. This was to be the primary answer of organized labor to the new conditions of the 1920's. It was given an elaborate economic underpinning and a name --union-management cooperation. To many it also seemed an epitaph for the traditional trade unionism.

The officials of the AFL recognized that the employer offensive and the economic climate of the twenties had reduced the appeal of unionism. They realized that the postwar wave of radicalism had made unions unpopular; proponents of the American Plan had suggested with some success that they were unpatriotic. They were fearful of government intervention particularly after the widespread use of injunctions in the early years of the decade. In this situation the idea of cooperation seemed more attractive and less dangerous to the conservative leadership of the Federation than expensive organizing drives which, in all probability, would not succeed anyway. With economic action inadequate and government assistance remote, and both of questionable desirability, the cooperative approach seemed most promising. The union could become primarily an educational institution. In its dealings with employers, it would emphasize the constructive elements of its nature. The task of union leaders would be to persuade hard-headed businessmen that unions increased efficiency and thus raised profits.3

Although the term union-management cooperation was not used officially until 1924, Samuel Gompers had talked vaguely in similar terms for several years. During the war he had come to appreciate the problems of management and to perceive the value of cooperation among industry, labor, and government. Like many unionists, he had been impressed by the Carton and Whitely Reports issued in England in 1917-18 which had recommended the establishment in each industry and at every level of joint works councils in order to improve industrial relations. Moreover, he recognized the need to create a new public image of trade unionism to offset the charge of radicalism which had been hurled so recklessly at labor after the war. As a result he began a tentative campaign for industrial cooperation by which he meant the cooperation of management and labor in jointly solving the problems of production.⁴

As originally conceived by labor, union-management cooperation was an aggressive force, that is, it extended the power of unions beyond the question of wages and hours to the broader field of basic industrial decisions. It was based upon the premise that the union and the company had already settled the usual problems of recognition and work standards and were free to enter a new and more mature phase of industrial relations. Sidney Hillman, whose Amalgamated Clothing Workers was especially

active in this field, explained this concept of cooperation.

A realistic labor program ... must be related to the facts of industry and to the needs of both the workers and industry. Changes in American industrial life are all too rapid and their effect on labor conditions all too drastic to allow labor to stand by idly and uninterestedly. The workers are interested in the success of the business enterprise in which they find employment. ... After we in our organization have given a stubborn concern all the fight it wants and after we have brought them to recognize the status of labor in an orderly, constitutionalized industry, we send our best heads to put the firm's productive strength in shape. 5

After 1924, however, a far different concept of union-management cooperation came into existence. Where once it had been a sign of union strength—perhaps even a threat to management prerogative—it now became an admission of weakness. As enunciated by Green and his aides, union cooperation was a bonus accruing to management upon the signing of a collective bargaining agreement. 6 In exchange for permission to organize a plant, the union would assist management in increasing plant efficiency and in raising output. In AFL literature of the time this "cooperation" was dangled before employers as a highly desirable adjunct to plant operation which would quickly pay for itself. Where once union-management cooperation had followed the successful


6So far as the AFL is concerned, there is little doubt that William Green was the person chiefly responsible for its support of union-management cooperation." McKelvey, AFL Attitudes, pp. 120-21. Gompers' secretary in an interview said she felt the AFL would not have gone so far toward "respectability" if Gompers had lived. Ibid., p. 121, n. 16; see also William Green, Labor and Democracy (Princeton: Princeton University Press, 1939), p. 104.
unionization of a company, it now preceded that unionization. It was no longer an agreement between equals, but rather a humble offering from an excluded union to an invincible employer. To the great detriment of the trade-union movement, union-management cooperation, in the late 1920's, came to be considered a substitute, rather than a supplement, for normal trade-union economic activity.

The greatest success for union-management cooperation appeared in the shops of the Baltimore and Ohio Railroad where an agreement of this type was negotiated in 1924. The B & O Plan provided for joint committees throughout the line with a Joint System Cooperative Committee at the top which met every three months to consider the improvement of service, utilization of equipment, and similar matters. In return for union help, the railroad granted full recognition to the machinists union in its shops. When grievances declined and employment became more stable, AFL officials fondly pointed to the B & O Plan as the guiding principle of a new era.7

This idea spread to railroads in Canada as well as to other lines in the United States. Various forms of cooperation were adopted by the Amalgamated Clothing Workers, the Full Fashioned Hosiery Workers, and the United Textile Workers, all of whom had a large stake in protecting unionized firms from the competition of nonunion factories. However, except where the union had been strong before these measures were introduced, the plans usually collapsed during the depression.8

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7Perelman and Taft, Labor Movements, pp. 582-85.
The weakness of union-management cooperation as a weapon was obvious. It was one thing to insist upon a voice in production after a plant was strongly unionized; it was quite another to offer an efficiency service to a nonunion plant where a consulting engineer and welfare capitalism could do the job better. Cooperation had some value in preserving unionism where it already existed; it had very little in organizing new workers. It proved impossible to convince the General Motors Corporation that profits would go up and industrial relations improve if all its factories had good, strong unions.

Union-management cooperation in the late 1920's was symptomatic of a certain malaise which was gripping the labor movement under the placid conservatism of the day. So far as many of the leaders of the AFL were concerned, their function had become chiefly exhortative. They were constantly hurling challenges to the better nature of employers. "The constructive policies of organized labor in the United States," wrote Green, "challenge the owners and management of industry to cooperate with it in the establishment and maintenance of sound economic standards and industrial peace." They asked questions of industry to which they expected impossible answers. "Corporations can experiment with company unions and various brands of welfare plans and in this way can oppose the standard, independent trade unions . . . or they can accept our offer of cooperation and service. Which shall it be?"9

9The American Federationist, XXXV (February, 1928), 152.
For some labor leaders there seemed to be little doubt that management was now ready to accept such challenges. Apparently the speeches and articles about the "Responsibilities of Business" and "Service" with which the 1920's were filled had done their work. "Industry today," wrote Matthew Woll in 1928, "has come to realize that low wages do not mean a prosperous industry. The labor movement has at last convinced the employers almost universally that high wages is the solution for a prosperous industry . . . ." The future looked even brighter, announced Woll, since employers were beginning to recognize that their position was one of responsibility for the public and the worker as well as for the investor.  

Green lauded a speech on "Team Play for Prosperity" delivered at the annual meeting of the United States Chamber of Commerce. Happily he noted the new industrial atmosphere. Once employers had thought that profits must come from destroying competition or cutting wages. "The newer idea," explained Green, "is that profits are due to superior management and that cooperation of all concerned in a producing establishment is necessary to make better management effective." Eventually persuasion and education would triumph. "Good businessmen," said the Executive Council, "can not permanently resist cooperative relations with an agency that offers results in elimination of industrial wastes, higher quality standards of production, improvements in operating machinery, and constructive suggestions based on experience.

\[\text{10Ibid., XXXV (April, 1928), 469-75.}\]

\[\text{11Ibid., XXXV (June, 1928), 657-58.}\]
Cooperation was, in itself, better than conflict for it was neither wasteful nor immature. Strikes particularly were to be abhorred. "A strike is like war --to be feared and avoided if humanly possible," reported Green. "It is a destructive period which interrupts orderly progress."\(^{13}\) Clearly, the old militant unionism was out of date. The Executive Council contrasted the traditional with the new. "There are two opposing policies of making progress—one which makes force alone its agency for progress, and the other [which] endeavors through intelligent strategy to make progress without strife." The wise proponents of the latter were seeking to develop a strategy which would make strikes unnecessary. "These economic statesmen of the labor movement," noted the Council approvingly, "realize that the spirit of conflict prevents clear thinking and retards progress."\(^{14}\)

According to the AFL in its new helpful mood, the chief trouble with company unions was that they were quite inferior in promoting efficiency. Company unions were based upon a faulty conception of human nature. Workers performed far better when organized into unions of their own choosing. It was therefore the task of unions to educate employers to this basic psychological fact. "The time is ripe," said the Resolutions Committee in 1926, "for the American labor movement to work progressively for the substitution of union-management cooperation

\(^{12}\)AFL, Proceedings (1928), p. 115.

\(^{13}\)The American Federationist, XXXVII (February, 1930), 149-50.

\(^{14}\)AFL, Proceedings (1928), p. 23.
for company unions.\textsuperscript{15} The new era required a modernization of organizational techniques. "We need something much more convincing than recitals of wrong and personal attacks upon those responsible," said the Executive Council. "We need organizers who can demonstrate that the union is a good business proposition for wage earners and employers jointly. We need representatives who know the facts and know how to present these facts in a convincing manner."\textsuperscript{16}

Attacks on these policies of the Federation, while not frequent in the 1920's, were often bitter and usually elicited a reply. To the charge that the AFL had become meek and ingratiating, its leaders merely pointed out that new problems required new solutions. Although sensitive about the Federation's weakness, they were seldom apologetic about the new policies nor did they deny the decline in aggressiveness. On the contrary, they blandly admitted the new tack.

Instead of evaluating a union according to standards of militancy in terms of fight, we judge it by its resourcefulness in making suggestions, its intelligent strategy in determining when and how to act, its efficiency in advancing the interests of its members... its ability to counsel its members in cooperating for more efficient production. Such a union is virile, resourceful, efficient, 'militant' in the use of facts and experience, dedicated to the advancement of wage earners.

Such a union is not a weakling. It is dealing with new problems and conditions in ways that will be


\textsuperscript{16}AFL, \textit{Proceedings of the 50th Annual Convention} (1930), pp. 82-83.
Closely associated with this conciliatory spirit and with the union-management cooperation of which it was a part was the new concern of the American Federation of Labor with production. The traditional policy of the American labor movement had been to seek a greater share for labor in the existing wealth of the country. Labor had been interested almost exclusively in the distribution of income. No one in the AFL had bothered with the problems of production or with the question of efficiency, and indeed Samuel Gompers had regularly denounced the professors who sought to tie wages to productivity. In labor circles it was axiomatic that more for labor meant less for capital. Existing wealth was inequitably distributed and the worker's task was merely to secure a greater proportion of this wealth for himself.

Along these same lines organized labor before World War I had bitterly opposed the new industrial development known as scientific management. A product of the fertile mind of Frederick W. Taylor, scientific management sought to ascertain through measurement the one best way to perform every task in a plant. By similar scientific means Taylor felt he could determine the proper hours of labor and a fair wage geared to efficiency and output. To the leaders of labor Taylor

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17William Green, "Changing Conditions," The American Federationist, XXXV (July, 1928), 785-86. During the 1920's The Federationist accepted advertisements submitted by nonunion firms. For example, in October, 1926, it carried a full page Westinghouse ad in which the company extolled its welfare devices —insurance, savings funds, suggestion program, technical training, a transfer system, etc. "Not a little of the orderliness and efficiency in the works," reported the ad, "is due to the well-trained, capable, uniformed police under the direction of Major William S. Mair."
and his hated stop watch reduced noble toil to mechanized slavery.
Moreover, the result of his measures often bore a strong resemblance to the speedup. Taylor himself had said that trade unions were "unscientific" and obstructive to efficiency.

After World War I, however, a new attitude emerged and the pattern was not unlike that which had developed with union-management cooperation. As noted earlier, Gompers, for a variety of reasons, began to talk of industrial democracy and joint participation in industrial decisions. In 1923, in a statement known as "The Portland Manifesto", the AFL called for "an American industry in which it shall be possible for all to give of their best through the orderly processes of democratic, representative organization." Elsewhere, the manifesto urged the organization of workers not merely to gain certain concrete ends but in order that they might participate in "a democracy of industry, whose purpose must be the extension of freedom, the enfranchisement of the producer as such."18

At the same time, Gompers softened his opposition to scientific management. While this was in part due to the more conciliatory approach of Taylor's disciples, it was primarily an attempt to exploit popular concern with efficiency. Numerous articles on efficiency and the elimination of waste appeared in the pages of labor publications. Gompers himself pointed out the need for more scientific methods of production. Under William Green this campaign continued with undiminished

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18 AFL, Proceedings of the 43rd Annual Convention (1923), pp. 31-34; Reed, Labor Philosophy, pp. 38-39.
fervor, culminating, at least symbolically, in his appearance before the Taylor Society where he told the assembled experts that labor now understood that high wages could be achieved through greater efficiency.19

This emphasis on production rather than distribution fitted in well with the new philosophy of union-management cooperation and like it was a recognition both of weakness and of the need for alternative methods of action. If labor could not cut for itself a larger piece of the industrial pie, then perhaps it could help create a larger pie and preserve at least its proportionate share.

As a consequence, the AFL in 1925 announced a new wage policy which it claimed would open new vistas for trade-union progress. In a complete reversal of Somers' prewar position, the Federation now asserted that wages must increase in proportion to the increases in labor productivity. No longer need a higher standard of living for the workers be extracted from profits; instead, it could be drawn from increased production. To get more, labor must produce more. The chief conflict between labor and capital could thus be ignored since higher wages and greater profits could be obtained by concerted effort —by increasing productivity.20

19Nadworny, Scientific Management, passim; McKelvey, AFL Attitudes, passim.

The leaders of the AFL assumed that businessmen would eventually recognize the wisdom of maintaining this connection. Indeed those of a more optimistic cast were firmly convinced that businessmen already understood that increased wages meant increased purchasing power and a resulting expansion of sales and profits. As in the case of union-management cooperation, it was all a matter of educating industry to the facts of economic life. 21

Since these new policies depended largely upon the voluntary action of employers, it was not surprising that they proved ineffective. Management showed little interest in accepting the tender of cooperation, and the unorganized were not particularly moved by a doctrine which promised them higher wages for longer and harder work. In the one major organizing campaign undertaken by AFL headquarters in the twenties, President Green attempted to put into practice the policy of persuasion. The results were not especially encouraging.

In the spring of 1929, a series of spontaneous strikes swept through the mill villages of the South in protest against low pay, long hours, and the stretch-out system with which operators had tried to meet bitter competition. The American Federation of Labor entered the cam-

paign after an AFL official and an organizer for the Full-Fashioned Hosiery Workers were driven out of Elizabethtown, Tennessee, where they were trying to help mill girls striking against a sixteen cent hourly wage. Green issued several calls for funds and, in 1930, made a personal tour of the South to win support with the public and the mill owners for unionism.

His appeal was to common sense, to fair play, and to self-interest. Green said to one audience: "We come not with the mailed fist but with the open hand to the employers of the South appealing to them to give us the opportunity, to try us out and see whether we can help this industrial situation in the South." Elsewhere, he said, "We come preaching the doctrine of cooperation and good will . . . . We are reasonable men and women, reasonable in our outlook and reasonable in our conclusions." In his tour Green spoke to Kiwanians, Rotarians, mayors, and even three state legislatures. He probably made friends for the labor movement, but he had no success whatsoever with the mill owners. It was, of course, unlikely that any campaign would have succeeded. The AFL had very little money, the workers lived in mill villages at the mercy of the employers, and the depression came in the middle of the drive. 22

These, then, were the new policies with which organized labor sought to extricate itself from the mire of the twenties. For the time being at least, the warfare between capital and labor, the problems of

22Iorwin, The AF of L, pp. 249-58; Freen, Labor and Democracy, pp. 122 ff.; for the quotations from Green's speeches see McKelvey, AFL Attitudes, pp. 102, 105.
inequitable distribution of income, and the threat of the insistent
stop watch would be put aside. Lacking the means as well as the desire
to achieve its ends by traditional methods, the Federation sought by
exhortation to gain for labor its rightful share in an expanding economy.

If these new policies had been merely tactical weapons to be dis­
carded when no longer necessary, they might have had a measure of value.
Unfortunately, however, those who were responsible for their formulation
came to believe in their own propaganda. Having been exposed for nearly
a decade to the fulsome praise of business leadership which so marked
the 1920's, having themselves spent nearly as long exhorting businessmen
to the higher glories of cooperation, and having vigorously extracted
every kernel of information to prove the success of these policies, the
leaders of the AFL in the end believed that business leaders could be
moved by facts to selfless action on behalf of the public and their
employees. By the time of the depression they were fully committed to
this view and they spoke of the one quality whose existence every re­
former denied and every conservative affirmed. They had, unhappily,
come to believe in the power of moral suasion.

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Nearly every year the British Trade Union Congress sent two fraternal
deleges to the annual AFL convention. Usually the British visitors
managed in their remarks to convey the impression that their American
cousins were rather foolish in opposing a labor party and welfare legis­
lation. On one such occasion William Green chose to answer these re­
marks with a simple, abrupt statement: "We want the government to keep its hands off our throats; we do not want more of government but we want less of government."\textsuperscript{23} With this he summed up the legacy of Gompers to the twenties and the rigid uncompromising position with which the Federation would greet the challenge of the depression.

The faith of the AFL in the power of exhortation led to many problems for labor in the depression period, but these were small when compared with those created by its attitude toward the government. In a large measure, the problem of adjusting to the new need for state action after 1929 was more difficult for organized labor than for the American public as a whole. The reason lies in what had become a deep and pervasive aversion, particularly within the AFL hierarchy but in many unions as well, to governmental action in both the industrial and social spheres. An understanding of this attitude is crucial to any assessment of the impact of the depression on organized labor.\textsuperscript{24}

The policy of the American Federation of Labor toward the government was rooted in the traditional laissez-faire attitude which it shared with the majority of the population. This policy was, with considerable logic, called voluntarism. Although voluntarism was more a

\textsuperscript{23}AFL, Proceedings (1928), p. 175.

\textsuperscript{24}The difficulty in ascertaining the "attitude" of labor is illustrated by the following statement of Matthew Woll in his Labor, Industry and Government, p. 204. "Labor views the business of the nation as a private matter, but at the same time it regards that private business is charged with an ever-increasing public trust. It therefore rejects all wholesale theoretical planning but insists that the evil in our system calls for fundamental and radical remedies to be gradually and carefully worked out through experience."
complex of ideas than a policy, fundamentally it meant the acceptance of the institution of capitalism, although not the existing distribution of wealth within the system, and reliance upon the economic power of trade unions to eradicate inequities. It assumed with considerable justification that governmental intervention in economic affairs would generally be to the detriment of unions. Therefore, in the legislative realm, government must be urged to perform the purely negative function of restraining the courts and the police from interfering in union activities. It should not be asked to fulfill a positive role in the field of social welfare (with certain exceptions) since the worker must be brought to depend upon the union for his economic salvation. Because positive legislation was undesirable, labor did not require an independent political party. Its relatively slight requirements could be met by supporting sympathetic candidates from the major parties.

The American Federation of Labor generally supported legislation of a humanitarian nature except where such legislation might become a threat to unionism. Thus it backed the child labor amendment but consistently opposed legislative establishment of minimum wages or maximum hours except for women, children, and government employees. It was instrumental in obtaining state workmen's compensation laws but vigorously condemned all forms of compulsory social insurance.

In explanation of this position on social legislation, the Federation usually provided ideological slogans, i.e., "self-help is the American way," "wards of the state are never free." But its primary concern was the effect of such legislation on unionism. In 1913, the AFL convention
recommnded the enactment of state eight-hour laws for women and children
and, where these already existed, agitation for a general eight-hour law.
But the next year it reversed its position and adopted a resolution
specifically opposing the legislative regulation of the hours of labor
for men after President Gompers announced that "if we can get an eight
hour law for the working people, then you will find that the working
people will fail to have any interest in your economic organization . . . ."
Significantly, the unions which supported Gompers on this issue were
those in whose direction the center of power was gravitating during the
late 1920's. 25

In a more general sense, the AFL viewed with suspicion any attempts
of the government to intervene in industrial life. Its chief legislative
goal throughout the decade was relief from the use of the injunction in
labor disputes, but this was a purely negative end intended to widen
the permissible area of industrial conflict. It also supported measures
to protect the labor market, including immigration restriction and
prohibition of the sale of convict-made goods. Beyond this, however, it
refused to go. It even refused to support a bill introduced in Congress
in 1920 requiring employers to bargain collectively. "In the demand
for collective bargaining labor has never asked that it be gained by
law," reported the Executive Council. "It must come through the evolu-
tion in the minds of employers, who will be induced to accept it because

Labour in the United States, ed. John R. Commons and Assoc. (4 vols.;
of its advantages. The AFL's extreme position on this measure illustrated how far it was willing to go in maintaining antistate principles.

Voluntarism did not die with Goefers. If anything, it was reinforced after his death. In 1925, Green explained that the AFL was the only national labor group to oppose government intervention in the economy "because American labor is more fundamentally democratic than labor in most other countries." Matthew Woll urged repeal of the anti-trust laws since "the present democratic political State cannot assume an overlordship of industry without losing the great essentials of democracy . . . [and becoming] inevitably and finally little more than a thinly veiled dictatorship . . . ." State regulation, he warned, was fraught with danger. "Once we accept this power of compulsory regulation of conduct we begin to travel a pathway which has no ending . . . ." And in 1928, the AFL Weekly News Service called legislative establishment of the eight-hour day a modern counterpart of serfdom. "American unionists believe wage-working citizens have the same right as other citizens to develop their lives without government interference or guidance by uplifters or other supposed superior persons."  

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Of more significance than its opposition to particular aspects of government intervention—a largely negative affair—was the Federation's blindness to the ways in which government might improve the lot of the working class. Accepting as final the doctrine that government had no place in industrial life, the Federation refused to explore the possibilities of legislative solutions to industrial problems. It was not so much opposition as neglect. In no way was this better illustrated than in its approach to the problem of unemployment before 1929.

The Federation's leaders felt that the problem of unemployment was one which must in the main be worked out by management with some assistance from labor and the government. Management was expected to shoulder the responsibility for stabilizing income by intelligent planning of production and by the use of such devices as joint union-management unemployment insurance. The Federation expected the government to gather statistics (which management could use), maintain employment services, and provide public works. But the leaders of the Federation failed to investigate further the possible uses of governmental authority nor were they at all certain to what use labor would put the government services it did support. In December, 1928, the chairman of a Senate committee asked Green what the AFL would do with the unemployment statistics he thought the government should collect. He replied:

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"Nothing of any moment, but it is necessary for us to have the facts for us to approach the problem in that broad and constructive way that we ought to in order for us to consider it in its full effect and full meaning." 29

In all fairness, it must be noted that few people expected the government to take more extensive action. The report of the Senate committee on its 1928-29 hearings on unemployment was not particularly suggestive. It recommended collection of statistics, planning of public works, employment exchanges, old age pensions, and some form of unemployment insurance. Its chief recommendation, however, was that private industry recognize its responsibility to stabilize employment. This recognition should be encouraged by the government "through sponsoring national conferences, through publishing information . . . , and through watching every opportunity to keep the thought of stability uppermost in the minds of employers." 30 At the same time, however, one might have expected organized labor, with its very special concerns, to be more aggressive than the general public in seeking ways to utilize governmental power in dealing with unemployment. But the AFL managed only to keep abreast of public opinion despite its greater responsibilities in meeting the problem.

The traditional AFL policy toward politics was, in the often quoted refrain, "reward labor's friends and punish labor's enemies." Comper

30 Ibid., p. xv.
had insisted that the Federation support individual candidates within the major parties rather than organize its own labor party. By this "nonpartisan" policy, Gompers did not mean avoidance of politics. On the contrary, he devoted a considerable portion of his talents to the political field, especially after 1906, when the AFL began to lay more emphasis on electing friendly candidates and less on pressuring those already in office. Normally the AFL circulated comparisons of the party platforms, voting records, and public utterances of the presidential candidates. In 1920, for example, such a comparison of Harding and Cox made the former appear so reactionary that it was a virtual endorsement of the Democratic nominee. In the same campaign the Federation issued thousands of pamphlets and urged members to participate actively in congressional contests.

In the following year the AFL Non-Partisan Political Campaign Committee was established on a permanent basis. In the 1922 congressional election the Federation again campaigned actively and claimed victory for 23 out of 27 senators, 170 congressmen, and 12 governors, all favorable to labor. In 1924, the AFL presented to each party an extensive legislative program calling for the repeal of antitrust laws and encouragement of trade associations, anti-injunction legislation, passage of the child labor amendment, public works to end unemployment, repeal of the Volstead Act, and a law permitting Congress by a two-thirds vote to put in force an act declared unconstitutional by the Supreme Court. When Gompers found both Davis and Coolidge unsatisfactory, the AFL endorsed La Follette, although it was careful to point out this did not
mean endorsement of a separate labor party.31

After 1925, however, there was a slackening of political activity. Inexorably, the same forces which had twisted union-management cooperation acted upon the nonpartisan policy of the Federation and turned it into a weird caricature of Gompers' principle. This may have been a reaction to the defeat of LaFollette in 1924, or perhaps a consequence of the change in leadership, but whatever the reason, the AFL was far less energetic politically than it had been in the past. In the 1926 congressional elections, the Non-Partisan Committee limited its activities to the dissemination of voting records. Little was done to get out the vote on the local level, and Green failed to use The Federationist to stimulate political action. In 1928, the American Federation of Labor for the first time in twenty years declined to compare the relative merits of the platforms and candidates and merely circulated the labor planks and speeches of the nominees without comment.32

At the same time the Federation began a sustained attack upon the party system of government, perhaps as a result of the rise of a pro-


gressive bloc in Congress. According to the AFL, nonpartisanship was the American way of approaching the problems of government. The system of political parties was inherently evil. It was therefore with gratification that the Federation observed that the system "had gone the way of the dodo" and was no longer a major force in American life.\(^{33}\) In 1928, in particular, the Federation claimed that one of the major features of the presidential campaign was the breakdown of party lines. "The American is suspicious of government when in the hands of a strong political party. In Europe the citizen wants a strong political party to 'do things.' In America the citizen wants to 'do things' himself." The next summer the Federation was happy to report the complete success of its principles. "There is no party spirit in America. Our people have faith not in government -- as in Europe -- but in themselves."\(^{34}\)

In a short period of time the Federation had converted its aggressive campaign organization of the past into little more than a record distribution service. Shortly before the 1928 election Green announced for the Federation that in accordance with the philosophy of voluntarism it would not attempt to influence the votes of its members. "Two matters which American traditions have made inviolate are the individual's rights to choose his church and cast his ballot in accord with his own best judgment." Labor solidarity depended upon not attempting to dictate matters which were clearly in the realm of personal preference. "Should the American Federation of Labor endorse a specific

\(^{33}\text{AFL, Weekly News Service, February 7, April 3, May 29, September 25, 1926.}\)

\(^{34}\text{Ibid., February 4, September 15, 1928, and July 13, 1929.}\)
party representative or platform," wrote Green solemnly, "such action would in effect constitute a notification to union members that the movement expected them to vote accordingly." This was clearly not in the American tradition. "The American Federation of Labor has no votes to deliver, but it renders trade unionists the advisory service of furnishing the labor records of candidates." Shortly thereafter the Executive Council reported that it had in the campaign endeavored to "respect and protect the rights of the workingmen to vote in accordance with the dictates of their conscience . . . without interference on the part of the American Federation of Labor." The AFL had moved from nonpartisanship to neutrality.

For a brief time immediately after World War I the conservative policies of the American Federation of Labor were challenged by progressives within the movement. While the rebels were concerned with everything from worker education to nationalization of basic industries, most of their demands in the last analysis called for a basic revision of Federation policy toward the government. Generally they were willing to seek political solutions to industrial problems when the economic power of organized labor seemed inadequate. This challenged the very heart of voluntarism and was bitterly opposed by Gompers. Nevertheless they were successful in attracting a majority of the rank and file although the conservative Executive Council usually was able to block the implementation of decisions. In 1920, over the objection of

35 The American Federationist, XXXV (September, 1928), pp. 1042-43.
36 AFL, Proceedings (1928), p. 76.
Gompers, the AFL convention voted by a margin of better than three to one to endorse the Plumb Plan for nationalization of the railroads. William Green was one of the chief proponents of the measure. At the same convention the Federation backed the United Mine Workers' demand for nationalization of the mines. By 1921 dissatisfaction with the conservative leadership had become so intense that the progressives tried to unseat Gompers. Their candidate was John L. Lewis whose chief qualification for leadership of the progressives was his presidency of the largest union in the Federation. Although Lewis was defeated, he received about 12,000 of the 37,000 votes cast.

This radicalism proved to be of short duration and by 1922 Gompers was again firmly in control. He recognized the need, however, for placating the rebels while convincing the Red hunters that the AFL was not infiltrated with Bolshevism. By 1923 he was talking of extending the concern of trade unionism into the field of production and he at least explored the possibilities of seeking industrial democracy. But he coupled this advanced view with an implacable opposition to government intervention in industrial affairs, to nationalization, to social legislation, and to a labor party. He refused under any circumstances to permit the government that coercive power which might in the future be used either to coerce labor or to provide workers with benefits which would weaken the attraction of unionism.  

One of the more unfortunate consequences of this struggle with the

progressives was to identify Gompers' views on statism with the newer policies of union-management cooperation. Since most of those who criticized the weak and fawning policies introduced in the 1929's also believed in seeking governmental solutions, conservatives like Matthew Woll found it easy to denounce anyone who opposed union-management cooperation as a "Red." John L. Lewis used the same tactic in crushing opposition in the UMW. The result was the complete estrangement of the intellectuals from the movement and the stifling of dissent within the Federation. Cause celebre in this regard was the decision of the Federation, after an investigation by Woll, to drop its support of the Brookwood Labor College. Brookwood was directed by A. J. Muste, a left-wing socialist, and although the Federation had assisted the college, it was not particularly loyal to the policies of the Federation. When the 1928 convention accepted Woll's recommendations, a bitter verbal battle began between the Federation's leaders and the left.

The Federation was savage in its attacks on progressives. In an editorial entitled "'Liberalism' Takes Its Historic anti-union Stand," the Federation Weekly News Service denounced the liberal for having a "European outlook." "The trade unions welcome the warm sympathy of citizens who appreciate labor's objective, but labor refuses to sit in awe before the word-mongering 'liberal' who believes he is qualified to rule. Labor considers this element far more dangerous than the hostile employer who frankly avows his autocracy."

38 Again and again liberals

38 March 2, 1929.
were denounced as European and statist — as men who wanted to make labor a ward of the government. The chief liberal criticism — namely that the Federation was simply too passive — was buried under a torrent of rhetoric all having to do with their attitude toward government. It was charged that organization of the unskilled was being hampered by those who did not agree with the reigning conservatives, by "revolutionists, the intelligentsia, labor experts, and like advisors, who would save the workers instead of permitting them to save themselves." Such persons were not truly American. "The A.F. of L. stands for individual freedom through collective bargaining. This angers the 'reds' and other labor saviors . . . . They have the European complex — that the state should protect workers. They would be the state."39

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This then was the intellectual outlook with which the AFL approached the depression. Unable to achieve its ends through traditional economic action and controlled by a hierarchy which believed in the efficacy of persuasion, the Federation had developed new policies which depended for their success upon the creation of a new public image of the labor move-

ment. It tried to integrate the functions of the trade-union movement into the seemingly infinite prosperity of the decade and the growing belief that American genius could abolish poverty from the land. In the last analysis, however, these devices amounted to little more than a hasty retreat from the aggressive policies of an earlier era.

At the same time, the Federation reinforced its hostility toward governmental involvement in economic life. While maintaining its opposition to social legislation, it reduced its participation in politics to an absolute minimum. As a consequence of the close connection between its new policies toward business and its traditional views toward the government, it forfeited much of the support it might have gained from the noncommunist left. At the same time, the rigidity of its position on state action took from it the possibility of discovering new methods by which the government might help solve economic problems.

Louis Reed wrote a book about Samuel Gompers in 1930 in which he assessed the meaningfulness of AFL policy. His conclusion was not hopeful. "It has almost come to the point," wrote Reed, "where one may say that the labor movement in this country will either change its basic policies, or there will be no labor movement worth talking about." Reed had not yet witnessed the depression. It was to provide a new challenge to the reeling labor movement and make the decision on his alternatives more imminent than he had expected.

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40 Labor Philosophy, p. 7.
CHAPTER III

LABOR AND THE CRASH: 1929-30

It was unfortunate from the standpoint of the American Federation of Labor that the stock market crash so closely followed the celebration of Labor Day and the Federation's annual convention. In retrospect the optimistic statements uttered upon those occasions have a ludicrous ring. But perhaps it is unfair to have expected of labor leaders a greater vision than that shown by the acknowledged masters of America. They merely accepted the promise of the New Era; their mistake was in remaining loyal to it too long. Like the speculators of the Coolidge Bull Market, the leaders of the AFL had invested heavily in the prospects of the twenties, putting down on margin a vain hope that industry would maintain prosperity and eventually see the value of unions and welcome organization.

Herbert Hoover was the intellectual broker of the prosperity decade and when the depression came he demanded of labor an additional commitment to save what it had already invested. The AFL dutifully paid more, made more obeisances to the leadership of business, to the wisdom of voluntary action. In the end it lost everything. Some thought labor should have written off its investment in the New Era in 1930 and wondered why it persisted in its course for so long. But they did not understand the depth of the commitment nor the problems attendant upon adjusting to an intellectual revolution.

This was all in the future. In the fall of 1929 organized labor
was doing quite well according to its leaders. Unemployment existed but was not serious. Herbert Hoover, whom labor considered an enlightened businessman with an acute understanding of economic problems, was in the White House. While union membership was not what it had been during the Great War, trade-union consciousness was at least increasing. As the AFL's Weekly News Service put it, "There may have been times when there was more emotion, but at no time was knowledge of trade-union philosophy and tactics more widely diffused." The backers of the open shop, company unions, welfare plans, and the like were currently "wavering before the logic of organized labor."  

Shortly before Labor Day, 1929, the News Service could point to what it called the general acceptance of labor's high-wage theory, gains in the five-day work week, and increased understanding of the dignity of work. "At no previous Labor Day, asserted the News Service, could we announce more substantial progress." President William Green uttered similar sentiments in his Labor Day message. It had, he said, been a good year for labor. In Congress, there were 39 senators and 135 representatives with a 100 per cent record on labor matters. The five-day week was making headway. The number of strikes continued to decline — clear proof of the progress of collective bargaining. "To give labor's victories in detail," reported Green, "would fill pages."
The next month the officers of the AFL Metal Trades Department announced that they were "tremendously optimistic for the future ... of the trade union movement."¹

While many of these statements did not, of course, reflect the true thoughts of the leaders of the AFL—they could not admit past failure or predict future disaster—they contained a strong element of complacency which boded ill for labor should the current prosperity end abruptly.

The fact was that criticism of AFL policies had been increasing in the late twenties. The Federation had not lacked detractors in the past. For many years there had been sporadic sallies from socialists and others who demanded a labor party, militant organizing particularly in the mass-production and basic industries, an increased role for the state in industrial affairs, and at least verbal recognition of the conflict of interest between labor and capital. But criticism from the left was expected. It was the adverse comments from the friends of the Federation which made tempers wear thin and which accounted for the rash of brave pronouncements on the eve of the depression.

Green alluded to this criticism in a speech to labor newspaper editors shortly before the 1929 convention. In particular he singled out the Scripps-Howard newspaper chain which had recently chided the AFL for failing to meet economic issues squarely. In an editorial sent to its affiliates, the chain asserted that the AFL had never been weaker and that it was failing miserably in its responsibilities. Green was shocked. The Scripps-Howard papers had always been friendly. "I cannot

¹ AFL Metal Trades Department, Proceedings of 21st Annual Convention (1929), p. 4.
understand," he said, "what is behind it all. We were never more mili-
tant, aggressive or stronger than we are now." 5

The Scripps-Howard editorial came up repeatedly during the 1929
convention. Daniel Tobin, president of the teamsters union, shook in
righteous indignation as he read to the delegates that while southern
mill workers faced hostile employers, the "sleek A.F. of L. officials
sit twiddling their thumbs at mahogany desks in Washington." William Z.
Foster might have written the editorial, charged Tobin. No one worked
harder than the AFL officers. The Federation had tried for years to
organize the South. Green wired Roy Howard that he could not believe
that a man with his record of friendship with labor could have approved
such an attack. A resolution condemning the newspaper chain was even
introduced, although the printing unions quickly sidetracked it since
Scripps-Howard had a union shop. 6

Only grizzled Andrew Furuseth, long-time president of the seaman's
union, openly expressed doubts. It was too bad, he said, that labor's
friends were now attacking the Federation. The opinions expressed in
the editorial had coincided with certain things he had heard in
Washington. "Some of the things in there -- unquestionably there is a
basis of truth in them," said Furuseth. 7 The furor over the editorial

5International Labor Press of America, Proceedings of 20th Annual
Convention (1929), p. 16.

6American Federation of Labor, Proceedings of the 49th Annual
Convention (1929), pp. 222-43.

7Ibid., p. 163. Also see the criticism in The Nation, CXXIX
(October 23, 1929), 455-56.
tended to prove the point.

There were many observers, however, who thought that perhaps the AFL was changing for the better. The proceedings of the 1929 convention offered some grounds for this optimism. For one thing, there was the interest—even enthusiasm—generated by the various reports of labor uprisings in the southern textile area. One observer said the convention turned into a revival meeting as delegate after delegate called for sacrifices to save the exploited girls in the mill villages. The New York Times reported an almost religious fervor gripped the delegates. Everyone seemed moved by Margaret Bowen, a young girl from North Carolina, who talked about the horrible conditions in the mills.

In addition, the Executive Council, after many years of vacillation, finally recommended enactment of compulsory state laws to provide old age pensions for those over sixty-five and promised to draw up a model bill. The Resolutions Committee, dominated by Matthew Woll, approved the Council's recommendation and the convention went on record in favor of the plan. Moreover, there was less red-bating than usual at the convention and Green delivered a mild rebuff to the American Legion, with whom the Federation had always had close ties, for its interest in conscription legislation. Louis Stark of the New York Times felt that Green desired to make reforms in the Federation as

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8 AFL, Proceedings (1929), p. 50. It must be remembered that "old age pensions" to the AFL meant relief for the indigent aged rather than an earned retirement as provided in social security. See William Green, "Old Age Pensions," The American Federationist, XXXVII (April, 1930), 404; "Old Age Pensions Finally Favorer by A. F. of L.," American Labor Legislation Review, XXX (December, 1929), 354-55.
soon as possible but was handicapped by the voluntary nature of the organization. All in all it had been a good convention from the standpoint of the progressives.

In reality, however, the Federation had not changed to any great degree. The great drive to organize southern textiles fizzled and sputtered and in the end failed. While this was in large measure a consequence of the depression and the almost impregnable position of the employers, the response of AFL unions to the drive was in itself discouraging. Green reported to the Executive Council in January, 1930, that the $114,000 thus far contributed to the campaign was really inconsequential. Many of the internationals had not even sent representatives to the organizational meeting. "It is very significant," Green told the Council, "that the convention would unanimously decide to do a thing and then the organizations make such a poor showing . . . . I hope the time will come in our conventions when we will stand up if we think a thing is not right and say so instead of voting for it and then letting...

9Reports and comments can be found in the New York Times, October 16 and 17, 1929; "Is the A.F. of L. Awakening?", The World Tomorrow, XII (December, 1929), 486-87; Louis Stark, "Labor looks at Itsel", The Survey, LXIII (November 15, 1929), 201-202; and David J. Saposs, "Labor", The American Journal of Sociology, XXXV (May, 1930), 923-34. However, a correspondent for the London Daily Herald who was with Prime Minister Ramsay MacDonald's party when it visited the convention had a different impression. He reported that the delegates were expensively dressed, smoked cigars or chewed gum, and wore horn-rimmed glasses and that they scarcely differed from the U. S. Senators whom MacDonald had recently addressed. New York Times, October 18, 1929.
Old age pensions met a similar fate. Although the Executive Council had pushed through a recommendation to establish such pensions, a year later it reported that it had not yet found a measure it could support as a model bill among the pension laws of ten states and one territory. While it urged at the 1930 convention continued efforts to gain legislation "to provide old age pensions for persons needing relief," the Council failed to complete a model bill until August, 1931. This measure provided for a maximum benefit of $9.00 per week to persons over sixty-five with property valued at less than $3,000 and no child able to support them.

Two well-known delegates had opposed old age pensions at the 1929 convention, reflecting the lukewarm support which perhaps accounted for this delay. Andrew Furuseth, who fifteen years before had led the fight for the LaFollette Seaman's Bill, denounced social legislation as nothing more than sentiment which blocked real union fighting. The labor movement was like an army, said Furuseth, which must sometimes leave behind and even destroy the wounded to prevent their falling under enemy control. "We must first of all preserve our ... capacity to

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10 American Federation of Labor, Executive Council, Minutes, January 10, 1930. Between April, 1929, and October, 1929, the AFL gave the textile workers over $19,000 and from October, 1929, to May, 1930, an additional $21,800. AFL, Executive Council, Minutes, May 8, 1930.


12 Text is given in AFL Weekly News Service, August 22, 1931.
fight . . . and for that reason it is necessary to feed the lions some raw meat once in a while.  

John P. Frey, the able Secretary-Treasurer of the Metal Trades Department and former leader in the Ohio Federation of Labor, was also disturbed by the possible effect of pensions on unionism. "There is something which lulls to sleep in some of this social legislation," he said. "It has the same effect on some men's minds as the promises made by the managers, the highly paid directors of the personnel departments of the company unions." If workers became dependent upon the government for benefits, they would no longer look to trade unions for salvation. He was, he said, opposed to any plan which would admit that the problems of sickness, old age, or unemployment were so far beyond the capacity of trade unions as to require government intervention.  

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In the fall of 1929, the market broke and the great depression

\footnote{AFL, \textit{Proceedings} (1929), pp. 260-61.}

\footnote{Ibid., pp. 258-59. Frey and Furuseth were critics from the right --they disliked the policies of the twenties as much as they did statism. Moreover, much of the opposition of men like Frey to social legislation lay in the past association of such legislation with the cause of the socialists. To support pensions or unemployment insurance was virtual betrayal of the victory won by Gompers over the proponents of a labor party and nationalization. Frey wrote to economist Sumner Slichter on May 21, 1930, "... I find myself in rather vigorous opposition to certain forms of suggested social legislation, for several reasons --one of these being that my social and political, as well as my economic understanding, are practically the opposite of those held by socialists." John P. Frey Papers, Library of Congress, Container 15.}
although no one knew it—had begun. Few people seemed worried at first. The early pronouncements of the American Federation of Labor sounded exactly like those of Herbert Hoover and the business men who led America. The Federation's Monthly Survey of Business in November announced that "business is on a sound basis," and the crash would probably not have "a seriously depressing effect." Green, in an editorial in The American Federationist, reported that so long as purchasing power was maintained, the country would recover. "The crash," he said, "occurred at a time when business was fundamentally sound . . . ." Drawing upon the rhetoric of the day, Green announced that "if confidence is maintained, business expansion will follow."

In the same spirit, Green and other labor leaders attended the conference to stabilize business called by President Hoover on November 21. Hoover told business leaders he was absolutely opposed to the "liquidation" of labor and that the first shock of the crash must fall on profits rather than wages. At the same time, he noted that the cost of living would decline as a result of intensified competition, and if wages were later reduced at a rate equal to this decline, labor would not be the primary sufferer. For the time being, however, he urged that wages be maintained. The industrialists accepted Hoover's recommendations and promised not to cut wages and to urge other employers to do the same. Henry Ford even announced a wage

15 The American Federationist, XXXVI (December, 1929), 1130.

Green and the other labor leaders, having received this assurance, promised that labor in return would seek no new wage increases. Amplifying on his formal statement, Green explained that the pledge amounted merely to a temporary suspension of activity. "Within a few months," he said, "industrial conditions will become normal, confidence and stability in industry and finance will be restored . . . ." Then labor would once again be in a position to demand higher wages and greater leisure. Wage increases could not be obtained in a period of alarm; confidence must first be restored. "We are living in a new era," reported the AFL News Service, "and the term 'confidence' is but a realization of that fact." A week later, Green assured the annual convention of the International Ladies Garment Workers Union that he expected economic activity to return to its normal level within a few months. He praised Hoover's leadership in rallying business to meet the crisis and predicted a new era of prosperity. In his New Year's Day editorial, Green hailed 1930 as a year of opportunity for the American wage earner, a year in which there might be great technical advances, increased leisure, higher standards of living, and even control over time and space. Indeed, the events of the recent past presaged a final

17 New York Times, November 22, 1929; shortly thereafter Ford shut down his plants for retooling.


19 AFL Weekly News Service, November 30, 1929.

victory for the policies of the twenties.

In the recent months the world has got a firmer grip on the fact that the interests of all groups are inter-dependent . . . . It is indeed truly a great gain that hard-headed men of affairs and responsible leaders of organizations realize their permanent progress comes through building up in cooperation with others instead of trying to outwit or dispossess others. It is this broader vision of cooperation that is the hope of 1930.

The White House conferences sponsored by President Hoover reflected the spirit of aggressive inaction which was to be the mark of governmental policy during the first two years of the depression. Unable to ignore the stock market crash yet opposed to all but the most minimal government intervention, Hoover succeeded, at the conferences, in giving the appearance of action where none actually occurred. It was a triumph for veiled laissez faire. With great fanfare labor leaders and industrialists solemnly pledged not to do anything. To describe these meetings, John K. Galbraith coined the felicitous term "no-business meeting." For a time they appeared to succeed. The gathering of the titans and tycoons was truly impressive, and few noticed that the government had not in any way departed from its strict hands-off policy. By 1929 the public expected the government to do something; it had not yet decided that something should mean positive and aggressive action. To bring together in one room those who had almost banished poverty from the land seemed enough in November, 1929.

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21 The American Federationist, XXXVII (January, 1930), 17-18.

Were the leaders of the Federation wise in exchanging pledges with the great business leaders? Viewed against the background of the previous depression of 1920-21, it seemed a logical defense against the danger of wage cutting. The earlier depression had been marked by wholesale reductions in wage rates plus a concerted effort to obliterate unions as the bearers of unsound economic practices. Moreover, the pledge seemed effective. Although a number of companies did cut wages, the larger corporations held the line for nearly two years. It was not until September, 1931, when United States Steel ordered an across-the-board slash, that the bottom fell out of the Hoover program.

On the other hand, there was reason to doubt the efficacy of this policy. One of the proudest boasts of the AFL was that business had at last accepted the Federation's philosophy of wages. Time and again it asserted that business now recognized the necessity of maintaining wages so as to buttress the key to prosperity—high purchasing power. If this assumption were true, why then was it necessary for the AFL to give business a hostage—to pledge not to seek higher wages? Would it not have been better to have denounced the payment of low wages and called for immediate and militant action to raise wages and hence purchasing power?

Moreover, the Federation's acceptance of Hoover's program and its

stubborn adherence to it as the depression deepened, tended to weaken
the AFL with the unorganized and, later, with the unemployed. Its
willingness to give business a chance to end the depression amounted
to a virtual abdication of whatever leadership it might have offered.
In effect, it was saying: "Trust in business to maintain the status
quo -- it knows what it is doing." While no one expected the vast
increase in unemployment which would develop within the year, the AFL
should perhaps have had the vision to see that its already shaky reputa-
tion would suffer further damage when it cheerfully pledged itself
not to seek higher wages.

In another sense, too, the pledge was unfortunate. Although in
1930 labor gradually began to develop its own recovery program, it
had in a sense put all its eggs in one basket at the White House con-
ference. Insisting that business was fundamentally sound, the AFL
committed itself to a largely negative recovery program consisting of
the maintenance of wages and the restoration of confidence. It had
therefore to depend upon these solutions and to refrain from interfer-
ing with their operation. In the end labor lost the initiative.
Committed to a voluntary approach to recovery, the Federation was for
a considerable time unable to propose realistic measures for meeting
the obvious needs of its membership.²¹

²¹Green remained optimistic about this program well into the depres-
sion. In August, 1930, he told Hoover that the stabilising effect of the
conference was becoming more and more apparent. "Through this kind of
cooperation and Service," said Green, "we will ultimately bring about a
return to normal conditions and overcome the evil of unemployment."
AFL Weekly News Service, August 9, 1930.
William Green unveiled the Federation's first specific depression program on April 1, 1930, while testifying before a Senate committee on three bills introduced by Senator Robert F. Wagner of New York. The first Wagner bill authorized the Bureau of Labor Statistics to collect and publish monthly figures on employment, wages, and hours. A second provided for a Federal Employment Stabilization Board to advise the President of approaching unemployment and embodied a deferred public works feature whereby projects amounting to $150,000,000 would be programmed in advance for use during depression situations. The third measure would have established the U. S. Employment Service as a bureau of the Department of Labor with an annual appropriation of $2,000,000 to be used in encouraging states to set up employment services.25

In his testimony, Green outlined the action he considered necessary to meet the problem of unemployment. First, he recommended certain governmental fact-finding measures including a census of the unemployed, a national clearing house for current unemployment data, and improvement in the methods for collecting statistics. In addition, he proposed utilization of the federal employment service to help connect

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25 These bills are summarized in The American Labor Legislation Review, XX (March, 1930), 2h; for Hoover's position on these matters in the 1920's see George H. Trafton, "Hoover and Unemployment," The American Labor Legislation Review, XII (September, 1929), 267-69. Hoover also asked Congress for a small amount of public works money and an additional sum for the employment service.
workers to job opportunities, special employment and vocational assistance for workers displaced by technology, job analysis for men dropped by industry because of age, and a deferred program of public works to meet cyclical unemployment. Lastly, Green urged that industry recognize its responsibilities for providing workers with fair wages and reasonable hours. Management must stabilize employment by reducing seasonal fluctuations and by regularizing production as the B & O Railroad had already done. It must during periods of interrupted production reduce hours and distribute existing work.26

From the presentation of Green, it was clear that as yet the Federation had assigned to the government only certain restricted functions in dealing with unemployment, namely, providing public works, collecting data on unemployment, and operating an employment service. These were, roughly, the same measures the Federation had advocated since 1920. The Federation's chief solution to the insipient depression --the sharing of work-- it left to the voluntary efforts of business.

The early summer of 1930 was largely taken up with the struggle in Congress over the Wagner bills. The AFL cheered from the sidelines. Eventually all three measures passed the Senate with the sole strong opposition coming from the National Association of Manufacturers which opposed the bill to strengthen the employment service. In the House, however, the measures ran into trouble. When Congress finally adjourned,

26 U. S., Congress, Senate, Committee on Commerce, Hearings, Unemployment in the United States, 71st Cong., 2nd Sess., 1930, pp. 62-63. This program was quite similar to that proposed by the NAM at the same time. See Monthly Labor Review, XXX (June, 1930), 1253-56.
it had passed only the bill to collect employment statistics and this without the necessary appropriation. Green attacked Congress for its failures. Wagner blamed the White House. But Matthew Woll reported that labor had never been more prosperous save during the "abnormal" period after the World War. "Our fundamental principles," he reported, "have been completely justified by results and by public support in these post-war years."28

Although unemployment continued to rise, approaching the four million mark by midyear, relative quiet settled upon the industrial scene. The number of strikes fell sharply. A few demonstrations occurred but these were not serious. The American Federation of Labor waited patiently for President Hoover's policies to end the depression and for confidence to reassert itself. Hoover, himself, assured the nation that the worst of the crisis was over and recovery had begun. The Federation's expert on union-management cooperation and the productivity theory of wages reported all was well with the unions. "The principle of collective bargaining," he said, "has become firmly imbedded now in the social mind of America, and ultimate unionization of American industry on an unprecedented scale is only a matter of time."29


Clearly everything was normal.

There were, of course, a few disquieting signs. The Household Finance Corporation began taking double-page spreads in The American Federationist. And in September the Lotion Picture Producers and distributors ran an advertisement in The Federationist which suggested the appearance of a new clientele. Under the word RELEASE which appeared in large letters at the top of the page, the ad announced that the unemployed worker, facing the grim realities of life, must be alert and dauntless in looking for a job. "Scientists now recognize," said the movie makers, "what the wage earner and his family have long known instinctively, that inside the door of the motion picture theater worries take wing." Later Gilbert Seldes was to say of 1930 that while the rich could still go to the South Seas and the intellectuals to Mexico, the poor went to the movies.30

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A quiet autumn followed a quiet summer. In early October delegates began to arrive in Boston for the annual American Federation of Labor convention. As was the custom, the convention was preceded by meetings of the various departments of the AFL. That of the Metal Trades Department attracted a measure of public attention. Following the recommendations contained in the report of their officers, the delegates voted unanimously to seek AFL endorsement of the five-hour day and the five-day

week. The New York Times said that if this proposal for the twenty-five hour week were accepted by the AFL (it was not), it would mark a turning point in labor history. Just why it felt this is not certain.

Another section of the report of the officers of the Metal Trades Department, while it received no publicity, was far more significant. Dealing with unemployment and prepared by Secretary-Treasurer John Frey, it illustrated to a striking degree that curiously ambivalent attitude toward government and business leadership which was to be the distinguishing mark of 1931. It began with a criticism of industrial leadership—a mild criticism to be sure, but one of the first to appear.

"Unless those who finance and direct our industries show themselves more competent than they have," said the report, "there may develop a widespread effort to regulate industry more drastically by legislation." This was to be avoided if at all possible. "Far reaching legislation which drastically interferes with the management of finance and production, has invariably proven futile." There was only one alternative to government intervention—cooperation. "Legislation cannot make men friendly toward each other .... Cooperation can only come through voluntary action and voluntary action can not be created through compulsory legislation." One of the purposes of the trade-union movement, declared the report, was to establish cooperation with industry. The report ended with a plea for voluntary conferences of representative

industrial leaders and union officials to deal with the problem of unemployment.32

Here, in his clear and honest prose, John Frey prefigured that nascent uncertainty about the competence and integrity of business leadership, that nagging distrust of government intervention, and that great desire to be a part of industrial decisions which were to trouble the mind of labor in the coming year. The leadership of the American Federation of Labor had not yet lost its faith in business nor was it yet concerned, except in a theoretical sense, with government intervention. But Frey, sensing the alternatives, spelled out in unmistakable terms the dilemma which would confront labor when recovery failed to materialize.

The only unusual event at the Boston convention of the American Federation of Labor was the appearance of President Hoover. For the first time since 1919, a president of the United States addressed the delegates.33 Hoover was cheered by throngs of people as he drove through the streets. In the morning he addressed the American Legion convention; in the afternoon, the AFL.

Hoover's address to the AFL delegates summed up the business thought of the New Era. In a sense it was an epitaph to that era. But at the time neither he nor his audience knew that this was the voice of the

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32 AFL Metal Trades Department, Proceedings of 22nd Annual Convention (1930), p. 11. The report, unlike that of the AFL itself, asserted frankly that the tide had been moving against labor --p. 4.

33 The President's speech was not heard on radio because it would have interfered with the World Series. According to CBS, Hoover urged that the network not cancel the baseball broadcast. New York Times, September 30 and October 7, 1930.
past. The delegates heard that cooperation among management, labor, and government had reduced the hardships of the depression. They learned that the absence of strikes and the presence of team play had made the industrial structure more wholesome. They heard themselves complimented for maintaining industrial peace and were assured that individual efficiency was never higher. They were treated to fulsome praise of the industrialists who had cooperated and who had played on the team.

"In the face of decreasing prices," said Hoover, "it has required great courage, resolution and devotion to the interest of their employees and the public on the part of our great manufacturers, our railways, utilities, business houses, and public officials." He talked about the great need for further cooperation and for scientific research. He asserted that the greatest economic problem facing the nation was stability of employment. He was, he said, certain that the country must have mass consumption and that there was a mutuality of interest among all elements of society. Finally, Hoover assured the delegates that even from the tragedy of depression some good could come for in these times people discovered sympathy and fortitude. "We find inspiration in the courage of our employers . . . ," declared the President.34

34 The text can be found in AFL Proceedings (1930), pp. 16-18, and in William Starr Myers, ed., The State Papers and Other Public Writings of Herbert Hoover (Garden City: Doubleday, Doran and Co., 1934), I, 396-95. See also Louis Stark's dispatch in the New York Times, October 7, 1930.
On the day Hoover addressed the convention, the AFL released the annual report of the Executive Council. The Council proposed a ten-point program for meeting the problem of unemployment. It urged reduction in the hours of work. It called for the "stabilization of industry" by individual firms, by industries, and, where necessary, by "team work" among all industries. To this end, it recommended "comprehensive planning by an advisory body" -- a national economic council devoted to planning for "economic equilibrium" and charged with securing the cooperation of various voluntary associations and governmental agencies in the task. It urged industries with seasonal employment to develop means for assisting those out of work, noting that some companies and unions had already created joint funds to help workers during periods of cyclical unemployment. It appealed for more efficiency in production and sales policies since "the higher the profits the greater the amount that can be given the producers."

The Council called for a nation-wide system of employment bureaus and recommended that the federal government unify its statistics-gathering process and that Congress increase appropriations to improve this service. It also urged the use of public works to deal with cyclical unemployment, vocational guidance and retraining for those displaced by new machinery or processes, and a special Presidential study of technological unemployment.

The Council asked that it be empowered to study all existing plans for providing relief in order that a suitable method might be found to take care of the unemployed. While it did not endorse public relief,
it promised to consider all plans "legislative and otherwise." Later in the convention, the delegates adopted a resolution calling upon the President to appoint a national committee to recommend relief measures which could be instituted by private and public agencies.

This unemployment program differed from the one presented by Green to Congress in April in two main particulars. First, it called in rather vague terms for a national advisory council to plan regularization of the economy. While this measure was to have a rather full life in the AFL gallery of unemployment remedies, it seemed geared toward long-term control of industrial ups and downs rather than toward solution of the immediate problem. The other noteworthy point was the promise to study relief proposals. Providing relief for the mounting numbers of jobless was rapidly becoming the most compelling national problem. But here too the Federation refused to make a definite commitment or to challenge the voluntary approach laid down by President Hoover.

* * *

Three salient features distinguished the early AFL program for dealing with the depression. They bore witness to the pervasiveness of the intellectual currents which had captivated labor thought during the prosperity decade.

First of all, the leaders of the Federation said a great deal about ends and very little about means. They were quite certain that business

\[35\text{AFL, Proceedings (1930), pp. 60-64.}\]

\[36\text{ibid., p. 305.}\]
should "stabilize" employment and "regularize" production and that wages should be maintained and hours reduced. But these programs never seemed to stimulate the development of a corresponding series of methods for bringing them about. As a consequence, much of the Federation's early depression policy seemed curiously disembodied from the context of the depression situation itself.

This was demonstrated in the Federation's approach to the problem of maintaining wages --its chief panacea during 1930. According to the AFL, the depression had resulted from a failure to increase purchasing power in line with increased productivity. To arrest the depression, therefore, wages must be maintained until certain adjustments had been made in the economy. Later, wages should be increased so that the nation might again enjoy prosperity. Edward F. McGrady, an AFL lobbyist and later an official in the Roosevelt administration, set forth in very simple terms the way out of the depression. Wage earners and salary workers earned $50,000,000 in 1927; in the same year, industry produced manufactured and agricultural goods worth $72,500,000, leaving $22,500,000 in products the public could not buy. "The solution," said McGrady, "is to increase wages of workers so that their purchasing power will be increased enough to buy the difference shown. Any amateur economist can figure this out." 37 Neither he nor his superiors suggested how this might be accomplished.

This leads to the second major aspect of AFL depression policy in 1930 and the greater part of 1931. The Federation assumed that business leaders had both the ability to manipulate the economy and the capacity for self-discipline necessary to bring about recovery. Governmental intervention, except for some fact finding and minor pump priming, would not better the situation and might indeed worsen it. Recovery could not be legislated. When the nation resumed its journey up the high road of prosperity, it would be as a consequence of the voluntary application of sound recovery measures by management. This approach to the depression had its roots in those policies of exhortation and persuasion with which labor had sought to deal with the problems of the twenties. It explained to a considerable degree why labor could specify no means by which its ends could be achieved. The means were dependent upon the prescience and selflessness of business.

The third feature of the AFL program, unlike the others, survived the entire Hoover administration. Fundamentally, it involved the unwillingness of the leaders of the Federation to assume the initiative in proposing realistic measures for dealing with the depression. While at first this was closely linked to the feeling that recovery must come on its own, it remained strongly in evidence even after labor in 1932 turned to legislative solutions. As a result, leadership quickly passed to a few men in Congress, who were themselves uncertain, and the Federation, despite considerable feverish declamation by O'reon and others, confined itself to supporting or opposing programs proposed by someone else.
It would be unfair to suggest that the AFL had a monopoly on uncertainty. Only those who were determined to block federal relief for the unemployed seemed to have a clear idea of what they intended to do. At the same time, it was regrettable that the voice of organized labor should have been so weak. A year after the stock market crash, William Green announced that the Federation would channel its efforts to relieve unemployment in one direction—it would seek a better distribution of work opportunities. "In crises," said Green, "that is all that can be done, to see that the work is distributed as widely as possible among the people who are entitled to an opportunity to do it." 38

As the winter of 1930-31 approached, demands for public relief and even for federal assistance to the jobless mounted. The American Federation of Labor took no part in this movement. The White House entrusted its unemployment program to an organization called the President's Emergency Committee for Employment, headed by Colonel Arthur Woods, which, throughout its short life, insisted that the responsibility for relief belonged to private charities, local communities, or, these failing, with the states. This was in line with the wishes of the President. In his annual message to Congress in December, 1930, Hoover said sternly that "the best contribution of government lies in encouragement of . . . voluntary cooperation in the community." After recounting the cooperative measures already initiated by the gov-

ernment, he acknowledged the continuance of unemployment and the approach of winter. To deal with this, said Hoover, he had already taken positive action—"he had, he said, established "a more extensive organization to stimulate more intensive cooperation."39

And so the year 1930 ended. With winter upon the country and depression gnawing at the economic order, the President had urged self-help. The leaders of labor showed no indignation. William Green sounded the death knell of the last full year of the old order. "Local charities," wrote Green, "must raise larger sums than last year."40


In 1931 the reduction of working hours became the chief remedy of organized labor for unemployment. In January William Green called the five-day week the most constructive single measure for dealing with the crisis. He declared that practically all existing unemployment would be absorbed if both the government and industry inaugurated the shorter work week. By August he was asserting that the introduction of shorter hours was the only permanent solution to the problem of unemployment.¹

Labor had for many years sought a shorter work day and work week to meet the problems of technological unemployment. As the depression deepened, however, this measure assumed the proportions of a panacea. It was offered not only to meet the long range challenge of industrial change but to provide relief for the unemployed and stimulate the beginning of recovery. In time it almost blotted out all other depression programs.

Economists take a dim view of this method as a cure for severe depression and massive unemployment. Spreading or sharing work tends to flatten out purchasing power so that more and more people can buy only the bare essentials of food, clothing, and shelter which in turn reduces the market for those goods upon whose purchase recovery depends.

¹The American Federationist, XXXVIII (January, 1931), 22-23, and (February, 1931), 145-46; AFL Weekly News Service, January 17 and August 1, 1931.
Well into the Roosevelt administration, however, the shorter work week, both as a relief and a recovery measure, was to be a continuing labor demand. Yet it was significant that until the end of 1932, the AFL said almost nothing about how this reduction could be obtained.

Meanwhile the leaders of the Federation walked a tightrope of indecision, unwilling to seek more than limited objectives from the government, confused about what to do with the growing numbers of jobless, looking hopefully first to Hoover, then to Congress for leadership. Stubbornly they waited for confidence to reappear, fearful lest they disturb the natural evolution of recovery. This is well illustrated in the Federation's handling of the question of a special session of Congress.

Shortly after the elections of November, 1930, various progressive senators, i.e., insurgent Republicans and independent Democrats like Norris, Borah, and Walsh, began to urge the calling of a special session of Congress to follow the lame duck session which would adjourn in March, 1931. The progressives wanted the newly-elected Congress to consider the Muscle Shoals bills, the lame duck amendment, the anti-injunction bill, and the Wagner unemployment bills, all of which they felt had little chance of passage in the short session.

The Executive Council of the AFL, meeting in Miami, Florida, in the latter part of January, 1931, discussed the position it should take on this matter. President Green read a telegram he had received from John L. Lewis in which the latter suggested it might be better if the new Congress did not meet so that "industrial uncertainties" might be
Federation Vice-President T. A. Rickert of the United Clothing Workers reported that many clothing manufacturers were having difficulty in obtaining credit, presumably because bankers were disturbed over possible congressional action. For this reason Rickert suggested the Federation oppose a special session unless it seemed likely labor would obtain favorable legislation.

Green admitted he too was unsure of the proper course. A number of "outstanding people" had asked him to call for a legislative rest. Indeed he had been surprised over the apprehension felt by employers over the prospect of another session. They felt that continued special sessions created uncertainty in business and actually retarded recovery.

"On the other hand," said Green, "I have thought of it in this way--After all, these men represent industry and employers. They have not always been friendly to us along legislative lines. The men who would favor a special session in Congress are the men we consider our friends... They are the fellows who stand up and fight for us."

While he himself felt it might be wise if Congress did go home in March, he had refrained from taking a position because it might offend labor's allies.

After discussion, the Council issued a statement announcing that while the Federation was not opposed to a special session, it hoped one could be avoided. It was assuming this position, it said, because it wanted to take from management "any excuse for a delay in a revival of industrial activity," and because the owners and managers of industry and many public-spirited individuals felt that a legislative rest
was essential to recovery and was in the interest of the working people.²

This statement did not speak well for either the courage or wisdom of the leaders of the Federation. Accepting the advice of business leaders whose interests were antithetical to those of the labor movement, they refused to support the only chance for remedial action. After a year of depression, they still preferred to give Hoover and the masters of industry a chance to talk the nation into recovery. In the end, by trying to side-step the issue, they found themselves bedfellows of the National Association of Manufacturers and the Chamber of Commerce and opponents of a special session. As it was, the lame duck session ended on March 4 and the Seventy-second Congress did not meet for another nine months.

At its January meeting, the Executive Council also considered another matter closely related to the calling of a special session. Arthur Wharton, president of the International Association of Machinists and a Federation vice-president, read to the assembled leaders a long and forceful letter from B. M. Jewell, president of the AFL Railroad Employees Department. In his letter, Jewell attacked President Hoover for his stand on relief and for his continued reliance upon the Red Cross to meet suffering.

It is the duty of government, wrote Jewell, to take whatever action is necessary to see that people do not starve. The government should provide work where possible and where not, relief. Jewell recommended

that the Executive Council issue a statement declaring it to be the responsibility of government to provide the necessary food, clothing, and shelter to sustain those impoverished by the depression. "Let the Council," wrote Jewell, "call upon the President, and the Congress to enact a law authorizing the appropriation of at least one million dollars a day for the next one hundred days." To stimulate this action, the AFL should initiate a great campaign of parades, mass meetings, and demonstrations.

Jewell urged the Federation to take this action for two reasons. First, if the AFL continued to bury its head in the sand and do nothing, there would be radical outbreaks damaging to organized labor before the winter was over. Second, unemployment demonstrations under AFL auspices would provide "unassailable proof to the unorganized workers that we are the one force in this country who can deal with this, or any other problem vitally affecting the workers." In this way, the AFL could take advantage of the situation to further the interests of the organized labor movement.⁴

The Council took no action on Jewell's letter. It felt that it would be impossible to control such mass meetings as Jewell proposed.

The calling of a special session and the convocation of mass meetings demanding relief basically concerned the same problem. Each required recognition of the bankruptcy of the wait-and-see approach to recovery. Each demanded the advocacy of positive measures to meet the

⁴AFL, Executive Council, Minutes, January 22, 1931.
problems of depression. The reasons both stated and implicit for the failure of the Federation's leaders to act on these matters demonstrated their inability to deal with a new situation. While the AFL grumbled about low purchasing power and the shorter work week, it ignored both the needs of the unemployed and the requirements of the Federation. Instead of being in the forefront of those demanding federal relief for the unemployed, the national leaders of labor remained silent, leaving this task to the long-despised intellectuals and party politicians.

Unfortunately, the question of relief became entangled with what should have been a separate issue, unemployment insurance. As the demand for federal aid grew, its opponents skillfully linked all federal (but not local or state) grants with the British unemployment insurance system which had broken under the strain of mass unemployment. The leaders of labor joined loudly in the campaign to equate federal relief with the British "dole" and fully supported the contention of Hoover that granting of federal relief monies was morally harmful to American labor.¹

Meanwhile, the spring brought expectations of some improvement in the unemployment situation. In March, the AFL cautiously announced that the country might be at the bottom of the depression; in April, that there was new evidence things were no longer getting worse and that the decline was probably at an end. In May, it reported that business was showing "more resistance to depression forces."²

¹See Chapter VIII.

²AFL Monthly Survey of Business, March, April, and May, 1931.
At the same time, however, the Federation's faith in President Hoover was undergoing a severe trial. In February the House of Representatives passed and sent to the President the Wagner bill to furnish funds to the states on a matching basis for the establishment of employment agencies in cooperation with the federal government. At the same time, it defeated a substitute proposed by Secretary of Labor Doak which provided for a modest expansion of the existing federal employment service but no assistance to the states. In March, President Hoover killed the Wagner bill with a pocket veto.

In his veto message, Hoover charged that the Wagner measure would destroy the federal employment service and substitute forty-eight, semi-independent agencies under state control. The federal service, said the President, was currently doing the job satisfactorily. Moreover, Hoover felt the true intention of the measure was to "Tammanyize" employment agencies by placing them in the hands of local party bosses.

The veto elicited angry protests from liberals and even from some of the President's supporters. It was charged that his true reason was an unwillingness to give Wagner credit for the reform. Green, in less energetic language, called the veto unjustified. He pointed to the granting of funds to states for other purposes and asked why the same

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policy was not in this instance acceptable to the Administration. As expected, Hoover ignored the protests and expanded the United States Employment Service along the lines recommended by Secretary Doak, placing John R. Alpine, a one-time labor leader, in charge.\(^8\)

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In the summer of 1931, faint glimmerings of a shift in AFL policy appeared. The Federation continued to demand maintenance of wages and reduction of hours. It followed Hoover's lead and deplored hoarding, and it advocated repeal of the Volstead Act as a great impetus to recovery.\(^9\) But while its specific depression program remained the same, its tone became a little sharper, its emphasis more pointed.

When an organization feels it may have to make a radical change in policy, it often finds it helpful to announce that the change is being forced upon it. So it was with the AFL. In the summer of 1931, the American Federation of Labor began to warn of the possible intrusion of a foreign element--the government--into industrial life. It

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\(^9\)The American Federationist, XXXVIII (July, 1931), 808; New York Times, August 11, 1931.
always pointed to the alternatives: if management did not end the depression, then an irresistible demand would compel enactment of legislation to accomplish this end. It made clear that it desired as little as management a turn toward legislative solutions.

As early as June, Green, in an address to the Tennessee State Legislature, urged higher inheritance taxes to provide for a more equitable distribution of wealth and hence recovery from depression. "The protection of property," said Green, "depends on social sanction. The power to change rests in the sovereignty of our citizenship."10 Two months later he pointed to the possibility of rebellion by the growing army of unemployed, asking darkly, "Can the financiers and the wealthy feel secure in their homes when millions are hungry?"11

This tendency in Federation policy was most clearly shown during the quarterly meeting of the Executive Council held in Atlantic City in early August. Four leaders of the Pennsylvania labor movement, including the president of the state federation, presented to the Executive Council a resolution adopted by the Philadelphia Central Labor Union. The resolution urged that the Council demand a special session of Congress to provide funds, through the states, for relief of those in distress. It urged a three billion dollar bond issue to finance a massive public works program. The delegation demanded "a clear cut criticism of the present policy of the administration in seeking to postpone the inevitable enactment of compulsory unemployment

10AFL Weekly News Service, June 20, 1931.
11Ibid., August 8, 1931.
measures, by talks of private unemployment schemes, which cannot and will not work." It further asked for a national economic conference and continuance of the Federation stand against wage cuts.12

This demand was not an isolated one. The clamor for federal action to relieve distress had been increasing for some time. It was inevitable that, barring a sudden upswing in the economy, public sentiment along these lines would continue to grow, especially as winter approached.

The next day the Executive Council issued a statement urging the usual nostrums—the five-day week and perhaps the six-hour day, more public works, economic planning, and a national conference of labor and industry.

Then it announced the alternatives.

It is the opinion of the Executive Council that industry and the Government must face this issue by providing work for the unemployed or have imposed upon them, through legislation, plans for unemployment relief and human sustenance.

The cry of distress is so increasing in volume and the sympathies of the workers and their friends are becoming so aroused as to create an irresistible demand for work for all willing and able to work ... or relief through legislative enactment.

The Council sums up the situation as a choice between employment work ... or the development of an irresistible demand for unemployment relief legislation. Industry cannot prevent unemployment relief legislation if it refuses to supply work.13

The Federation used this device not only to deal with the demand for relief but also to meet the call for unemployment insurance. Solemn warnings of dire alternatives served to bridge the gap between the old

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12 AFL, Executive Council, Minutes, August 12, 1931.

and the new, between voluntarism and coercion.

In the fall of 1931, as winter approached, progressives and conservatives alike, for different reasons, joined labor in warning of the consequences of inaction. Senator Borah said that if the wealthy did not voluntarily contribute to the feeding of the unemployed, they would be to blame for the institution of the public dole system. A month later Thomas W. Lamont told 250 of New York's leading businessmen and financiers that if private organizations and individuals failed to aid the unemployed, the dole would become inevitable. Former Governor Al Smith told the same gathering that riots and disorder might follow if private sources did not contribute generously. 14

Even Herbert Hoover now recognized the existence of the depression by replacing his Emergency Committee for Employment with an Organization on Unemployment Relief. The latter, under industrialist Walter S. Gifford, was directed to assist and cooperate with all agencies in providing adequate relief during the winter. As expected the new organization emphasized private and local aid and its personnel remained hostile to the use of federal funds for relief purposes. 15

Senator Robert Wagner summed up the bitterness many felt toward those who continued to rely on private aid for the unemployed. In a Labor Day speech, Wagner accused the administration of consigning the unemployed to the "sorry solace of charity." He demanded a two billion


dollar public works program, establishment of employment bureaus, and
dollar public works program, establishment of employment bureaus, and
expansion of other governmental functions. He ridiculed Hoover for
expansion of other governmental functions. He ridiculed Hoover for
claiming that voluntary gifts were consistent with the national spirit
claiming that voluntary gifts were consistent with the national spirit
of America. "To laud the breadline, the soup kitchen, the hand-out
of America. "To laud the breadline, the soup kitchen, the hand-out
as American," said Wagner, "is a calumny against America. The out-
as American," said Wagner, "is a calumny against America. The out-
stretched arm and averted eye have never been and must not become an
stretched arm and averted eye have never been and must not become an
American posture." He too was against giving people something for
American posture." He too was against giving people something for
nothing. But he was tired of the pretense of an administration which
nothing. But he was tired of the pretense of an administration which
planned nothing more for the winter than stimulation of local and pri-
planned nothing more for the winter than stimulation of local and pri-

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the leaders of the American Federation of Labor. First he recognized
the leaders of the American Federation of Labor. First he recognized
that private charity was at least as demeaning as public assistance.
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appropriated money for relief. In the public press there was recurring
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insistence that the federal government must do something this winter. Moreover, unemployment which had leveled off for a time at about seven million again began to mount rapidly.\footnote{Eleven different estimates of the incidence of unemployment are given in Broadus Mitchell, Depression Decade (New York: Rinehart and Co., 1947), pp. 451-53.} In addition, the Hoover system of pledges collapsed. In the last four months of 1931, over 400,000 workers suffered wage reductions. Almost twice as many firms cut wages in October as had in the previous month.\footnote{Selig Perlman and Philip Taft, Labor Movements, Vol. IV of History of Labour in the United States, ed. John R. Commons and Assoc. (4 vols.; New York: Macmillan Co., 1918-1935), 617; National Industrial Conference Board, Salary and Wage Policy in the Depression (New York: 1932), passim.} In the given situation, the question of public versus private relief seemed irrelevant. As one group put it, "To the man in the water it is immaterial whether it is a life-boat or any other floating object which keeps him from sinking."\footnote{Report of Officers, AFL Metal Trades Department, Proceedings of 23rd Annual Convention (1931), p. 21}

Against this background the delegates gathered for the fifty-first annual convention of the American Federation of Labor. It was to be a convention of violent argument, fiery oratory, and challenge to the Executive Council and the hierarchy such as had not been seen in many years. The debate on unemployment insurance, discussed in a later chapter, brought tempers to the boiling point. The keynote address by President Green was perhaps the bitterest and most inflammatory that rather mild gentleman had ever made. Underlying the whole convention, however, was one basic question: would the American Federation of Labor
formulate a new program to meet the depression or would it adhere to its policies of the previous two years?

When the convention opened, the Executive Council presented two reports dealing with unemployment, one concerning immediate action, the other long term preventive measures.

The "Emergency Unemployment Program for Winter 1931-32" contained nine recommendations for meeting the existing critical situation. In keeping with past Federation policy, the Council demanded that wages be maintained and working hours be shortened (the thirty-six hour week it was said would absorb all unemployment). It called upon every employer to take on additional workers during the winter. It urged that young people be kept in school so as to reduce the labor market and that persons with dependents be given preference in hiring. It asked that work be created by public undertakings, presumably public works, although it did not specify the quantity or type. Again it urged the strengthening of employment agencies, primarily on the local level but with state and federal encouragement.

The Council also demanded what it called "employment assurance." Intended as an alternative to unemployment insurance, this measure required that employers publicly "assure" the twenty million hard-core employees that they would not be discharged during the winter, i.e., from November to April. This would, it was claimed, restore confidence and thus prosperity since unworried employees would immediately begin spending their money.

Lastly, the Council urged financial relief from "public and private
funds." Said the report, "Ample funds should be provided in every community, both from private and municipal sources." These funds should be collected and administered by boards on which labor was represented. The Council did not mention the burning national issue of federal relief.

It will be noted that of these nine measures, five rested solely upon voluntary employer action, two upon government action, one -- the providing of relief -- on joint or multiple action, and the other, keeping young people in school, demanded self-denial upon the part of workers. Not one of them embodied a new idea. The bulk of the measures required, as they had in the past, a degree of self-abnegation among employers which has rarely been found in any group of men. The employers were asked, apparently with an expectation of success, to hire additional workers, maintain wages and guarantee employment at a time when there were no markets for their products and profits had all but disappeared.

The long-term unemployment program, called "Unemployment Prevention by Coordinating Economic Development," contained most of the old AFL nostrums plus a few new ones. First and foremost, it recommended the institution of national economic planning through the creation of a "coordinating group" of all elements in production to gather the facts necessary for both individual and concerted action. To this end Hoover was urged to call a national economic conference. The report cautioned, however, that "nothing more definite should be imposed upon any national

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economic council" than the responsibilities outlined in this rather vague statement.21

To provide long-range economic stability the Council again called for a public employment service in every community; vocational counseling and guidance for all workers; and collection and coordination of data on hours, wages, and productivity by a Federal Labor Board so that labor and industry might be warned of any developing imbalance in the economy. It further urged the organization of workers into trade unions and the providing of job security.

The report called for the maintenance of a balance between working time and wages as against productivity. According to AFL figures, productivity in manufacturing increased 54 per cent between 1919 and 1929 while real wages increased only 36 per cent. As a result the rich were getting richer and the worker was getting relatively poorer. The nation, therefore, needed a central fact-finding agency to measure the increase in producing power against buying power.

One point in the program was distinctly new. The Council asked that all employers be required to make regular reports on their businesses to the federal government. These reports must be open to "responsible organizations." The facts of business, said the Executive Council, should be public property. In no other way could a true estimate of the state of the economy be made.22

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21See Chapter V.

22AFL, Proceedings (1931), pp. 81-87.
It happened that the day before the Executive Council made its report another organization issued its recommendations in the same field. A committee of the Chamber of Commerce of the United States, studying measures to stabilize industry, advocated such tried and true AFL remedies as shortening of working hours, an advisory economic council, individual planning to stabilize employment and production, and public works. It further urged modification of the anti-trust laws and establishment of private systems of unemployment benefits. The similarity between this program and that of the Federation was remarkable. Seldom had labor and management been more in agreement.

Yet even the cautious AFL program aroused opposition within the labor hierarchy. This appeared in the report of the powerful Resolutions Committee. To the Resolutions Committee were usually assigned the majority of important matters to be discussed at the convention including much of the report of the Executive Council. For a number of years the chairman of the committee had been Matthew Woll, long-time member of the Executive Council and chief spokesman for the conservative forces in the Federation. Woll almost always represented the AFL on committees or commissions requiring contact with business leaders. His titles and positions were almost endless. For some time he had been acting chairman of the National Civic Federation, as well as president of the International Labor Press, head of the labor banking movement, and, more often than not, self-appointed spokesman for organ-

\[23\text{For comparisons of the two programs see New York Times, October 5, 1931; "Nothing Radical Here," Outlook, CLIX (October III, 1931), 201; and Monthly Labor Review, XXXIII (November, 1931), 43-45.}\]
ized labor.

The report of the Resolutions Committee on the Executive Council's long-range plan for unemployment prevention emphasized the stranglehold of conservative forces on the activities of the Federation. In connection with the Council's recommendation that businesses be required to make regular reports to the federal government, the Committee expressed approval of the end desired but urged "care and caution that this proposal may not lead to undue state regulation of private industry." With a solicitude for business which it did not show for the unemployed, the Committee warned that "labor is best advised to proceed slowly . . . in a field that is so highly alluring but extremely complex and perplexing."

Similarly the committee urged caution in implementing the Executive Council's recommendations for the establishment of a Federal Labor Board to gather and interpret statistics. "Your committee," said the report, "is no less bold in its urgency against the creation of any governmental agency that may have for its purpose or include in its objectives the shaping of labor policies." In summary the committee noted that while the Executive Council was clearly alert to these potential dangers, it might do well to reconsider some portions of its report.

When the Resolutions Committee reported on the emergency unemployment program of the Executive Council, it again stirred up a controversy.

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25Ibid., p. 365.
In its report, the Committee announced that the Executive Council had covered satisfactorily all resolutions presented from the floor, except for those dealing with unemployment insurance which would be considered separately. At this point delegate Nelson Alifas of the Washington, D. C., Central Labor Union rose and offered an amendment to the report to the effect that the AFL specifically endorse unemployment relief through federal appropriation.

Chairman Woll replied that both the committee and the Executive Council reports had supported relief by all agencies and the amendment would merely limit the Federation's demands. This was at best a half truth. While the Executive Council had asked for "public and private" relief, its failure to demand federal relief funds specifically had virtually placed it in the camp of those who opposed this method of aiding the jobless.

Alifas replied that in raising the issue he was attempting to get the Federation to bring pressure on Congress until it supplied relief to the unemployed. Woll again assured him he was confused about the true intention of the reports. As expected, the convention adopted the Resolutions Committee report and rejected Alifas' amendment. Again the AFL lagged behind in the very area in which it should have provided leadership.26

The question of federal relief, however, did not die with this defeat. Upon completion of the committee report, Delegate Collie Allen of the Post Office Clerks asked Woll if he felt the Executive Council report

26Ibid., pp. 362-64.
covered a resolution introduced by the quarry Workers asking to cover to call a special session of Congress to provide relief and solve the present critical problem. Well blandly assured him this was implied when the Council demanded "public and private relief." Did the Council’s report then ask Congress to give relief, inquired Allen. Well replied, "Leave it up to the Executive Council whether Congress shall call a special session or not."

Allen then asked if the report covered a second resolution submitted by the quarry Workers urging appointment of a board with equal representation from labor and industry empowered to take over essential industries for one year or until the crisis ended, to fix minimum wages, and to establish a maximum six-hour day and five-day week.

Well answered that this too had been dealt with in the Executive Council’s vague recommendations on national planning. At this point President Green intervened and ruled that Allen could not amend the committee’s report with these resolutions but must first vote down the entire report.

Allen would not be stopped. "If I am correct in my understanding...," he said acidly, "the Executive Council made a resolve to continue to resolve until it just resolves." To the argument that the Federation should wait for a more auspicious occasion to press its demands, Allen replied that "these people in the States who are hungry are not willing to wait until the next campaign for presidential election is on."

I say that the Executive Council of this organization
should be compelled to act quickly and not act in the ordinary sense of the word, but to act as though they realize the fact that this is an emergency case demanding immediate and exceptional action at their hands . . . . I could not rather from the report of the committee anything out of the ordinary at all that is to be done.

Allen's words were wasted. He was asking the convention to declare for a program under which a government-created labor and industry board would take over industry for a year or longer. Certainly, said Woll, the convention was not going to support a proposal like that. He was right. The committee report was adopted.27

This was to be the tenor of the convention. Time and again delegates challenged the reports of the Executive Council or of the Resolutions Committee. Even some of the old guard revolted against the caution and conservatism of the leaders of the federation. Indeed the debate on unemployment insurance so disturbed William Green that he took it upon himself to promise the delegates he would go to Congress and demand that the wealth of the United States be appropriated to help the unemployed. John Frey reported to a friend that he had found at the convention a militant spirit which he had not seen in many years.28

Invariably those who sought endorsement of new measures failed. And yet it was significant that they tried. While on paper the federation's program remained extremely conservative, the volume of dis-


content could not be ignored. Under such pressure some change seemed inevitable.

To some, however, the failure of the AFL to endorse federal relief, a specific public works program, and unemployment insurance presaged the Federation’s total collapse. Left-wing writer Louis Adamic reported that in his contacts with local AFL officials throughout the country he had found great discouragement with the indecision and weakness of Federation leadership. The best way to become a pessimist claimed Adamic was to visit an AFL convention. Most of the delegates, he said, were prosperous, middle-aged gentlemen, carefully barbered, and well-dressed, with gold watch chains stretched across their generous paunches. "Their hands," wrote Adamic, "are soft and pudgy, eager for the shake."29

Allowing for Adamic’s considerable exaggeration, it must be admitted that the leaders of the Federation had somehow lost touch with the rank and file in this winter of suffering. While discontent had reached a highly vocal level and some leaders of the Federation—including Green—sensed the need for a change, the program of the Federation remained attached, although not so firmly as it once had been, to the precepts of self-help and caution which had in the past two years robbed it of much of its vitality. Perhaps Green, who was clearly shocked to learn that many unionists considered the Executive Council callous in the face of misery, would be able to adjust policy

and bring the Federation face to face with reality. For the present, however, the outlook was gloomy.
CHAPTER V

LEADERSHIP OF THE TYCOONS

During the prosperous 1920's most Americans accepted the thesis that those who had achieved positions of responsibility in industry and finance were the best equipped to guide the nation's destinies. It was widely believed that enlightened capitalism as practiced in the United States would, under their tender care, soon bring the United States to a "permanent plateau" of prosperity. Under the spell of glittering success, industrial tycoons received the homage of a nation. The absence of strong presidential leadership in Washington and the conviction of Secretary of Commerce Hoover that the government existed to "serve" business heightened the illusion. The prestige of the captain of industry soared ever upward until at last his image seemed to dominate the national skyline.

The four issues of *TIME* magazine which appeared immediately before the stock market crash demonstrated the extent to which this was true. On the covers were successively pictured tycoons William Wrigley, Harry F. Guggenheim, Ivar Kreuger, and Samuel Insull. Following the market break in October, *TIME* featured Thomas Lamont, the widely acclaimed savior of Wall Street.¹ This accident of portraiture illustrated a set of values the American people had come to accept in the

¹This is pointed out in Jonathan N. Leonard, *Three Years Down* (New York: Carrick and Evans, Inc., 1939), p. 87. The next cover had Warden Lawes of Sing Sing.
1920's. Ironically it also marked the beginning of the end for those values.

Three and one-half years later this massive faith in the wisdom and public-spiritedness of the tycoons had all but disappeared. The rhetoric of the preceding decade —scientific management, stabilization, rationalization, cooperation— had fallen victim of its own inadequacies. In the United States where results mean so much, business leadership had failed. True to a materialism which had evoked despair from reformers and glowing praise from advertisers of the status quo, the American people cast into anonymity those who had promised so much and delivered so little.

In 1929 and 1930 few challenged the old leadership. The Administration hitched its recovery program to the image of confidence which it hoped the optimism of the great industrialists would create. It emphasized service and a sense of duty. Prominent figures assured the public that the men who had made America great would see the slump through and restore prosperity.

The American Federation of Labor had long been a devoted worshiper at the shrine of business leadership. On the eve of the depression, the Executive Council reported that "there is a developing sense of responsibility on the part of industry for the welfare of those who give their personal resources to production . . . . The whole business world is reaching that degree of interrelation in organization that brings appreciation of interdependence of interests . . . ."²

In succeeding months the AFL appealed to business to regularize production, stabilize employment, and end the slump by raising wages and cutting hours. Calmly it waited for industrial leaders to solve the riddle of depression. "Keen business minds," reported President Green, "are grappling with an urgent problem: how can the country lift itself out of business depression; how can we avoid such setbacks in the future?" What the country really needed, he maintained, was the creation of greater purchasing power. "The sure way to do this is to turn excess profits into higher wages . . . . Corporations themselves must have the vision to finance the demand for their products." 3

Green felt that private interests clearly had the main responsibility for making the nation's basic economic decisions. In a plea for higher wages, he reported that the destiny of America was even then being determined.

We are at a strategic moment in the development of our country. Groups of financiers, businessmen, economists in all parts of the country are discussing how to keep business continually at prosperity levels; how to provide for steady progress and growth and avoid setbacks and depressions. Their decisions will guide business policies for years to come. If rightly directed this movement may bring fundamental changes to benefit our economic and social development.

Wrote Green, "It lies in their hands to determine the means whereby . . . [economic equilibrium] may be established." 4

The AFL always insisted that industry could end the slump if it

3 The American Federationist, XXXVII (June, 1930), 660-61.
4 Ibid., pp. 713-17.
really wanted. It claimed that unemployment was a confession of managerial inefficiency, and that when an employer laid off workers, he was putting on society the burden of caring for those whom his own incompetence had made idle. On Labor Day, 1930, William Green told a New York State Fair audience that there was no valid reason why unemployment should exist. Through proper planning of production, employers could guarantee an annual wage to their workers which in turn would insure a constant demand for goods. Even in seasonal industries employers could provide a steady income by establishing unemployment funds. If industry wanted to do so, said Green, it could assure to workers a fixed annual income.

There were those outside the labor movement who questioned whether management could or would prevent unemployment. Economist Paul H. Douglas pointed out that while some firms had made great progress in reducing seasonal fluctuations of employment, these efforts would, in the end, be insufficient. He noted that most employers were indifferent to the problem, that the success so far achieved had been with standardized or quasi-monopolized products, and that technological advances would, at least in the short run, put additional men out of work. Finally, said Douglas, no individual firm could deal satisfactorily with the business cycle. Some unemployment was clearly inevitable and

5 The American Federationist, XXXVII (July, 1930), 758, 852-53; (August, 1930), 913-14; and (September, 1930), 1046.
the only remedial measure possible was unemployment insurance.7

Again and again, however, the AFL asserted that the depression could be wiped out if business leaders would only take the necessary action. In October Green advised businessmen to hasten the revival by ordering materials ahead, cutting overhead (without cutting wages), improving quality, reducing prices, and increasing advertising. "Will revival gain strength this fall?" he asked. "The answer is in the hands of the country's business leaders."8

At times the AFL criticized management in its various periodicals. An editorial in the Weekly News Service in February 1931, even scoffed at the phrase "stabilization of employment," noting that it did very little good to guarantee steady work to those employed when factories were operating at fifty per cent capacity.9 But generally speaking, the Federation in the winter of 1930-31 seemed quite willing to confine its efforts to exhorting management to new heights of self-abnegation.

As late as January, 1931, Green remained steadfast in his faith. "We feel confident," he said, "that American business has the capacity and resourcefulness to put order into our economic relations so that we


8AFL Monthly Survey of Business, October 1, 1930.

9February 14, 1931.
can avoid breakdowns."  

By the spring, however, labor leaders were showing increasing uneasiness as the number of violations of the no-wage-reduction pledge given Hoover in November, 1929, began to grow. Over three times as many industrial employees suffered wage cuts in the first third of 1931 as had in the last third of 1930. A National Industrial Conference Board survey of 1,700 large firms showed that the number reducing wages jumped from 10 in December, 1930, to 81 in January and thereafter the rate remained at a level twice that of 1930.

This uneasiness on the part of labor often appeared in the form of attacks on bankers, particularly after several prominent financiers announced that reduction of wages must precede the beginning of recovery. In March the Weekly News Service reported rumors that wage cuts in steel were imminent. In the following months it urged workers to stand fast in the face of approaching assaults on the wage structure. In April the News Service cautioned unionists to distinguish between businessmen who favored high wages and bankers who preferred lower wages. At the same time Secretary of Labor Doak told an AFL lobbyist

10New York Times, January 5, 1931. On the same page of the Times are two less optimistic stories. In one it is announced that apple sellers in Philadelphia made a profit of $54,344.45 in the last month. In the other it is reported that 300 irate farmers in England, Arkansas, received $1,500 in staples from the Red Cross after threatening to seize the goods. The Red Cross had earlier refused distribution because of a shortage of requisition blanks.

privately that the President's back was against the wall in fighting wage reductions. Doak said he felt the bankers were hoping Green would make some statement which they could use as an excuse for wholesale wage-cutting. At the same time John Frey confided to a friend that he was beginning to feel it was not enough merely to advocate collective bargaining or expound upon its advisability. Businessmen, wrote Frey unhappily, "show a definite unwillingness to accept us as an important factor in the general councils which have to do with industrial and commercial welfare."

Finally, in May, Green specifically accused the bankers of attempting to stimulate a general wage reduction, asserting that they were using their control of credit to force manufacturers to do their bidding. Herbert Hoover, Andrew Mellon, and the large employers of the nation were, according to Green, allied with labor against this vicious group.

Yet despite these statements, the leaders of the AFL retained faith in business leadership. Although they had begun to wonder if industrialists really wanted to end the depression, they were still certain that business had the ability to solve the nation's economic problems. Moreover, labor faced a serious dilemma. According to the

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12 Letter of William C. Hushing to William Green, April 22, 1931. AFL Papers, State Historical Society of Wisconsin, Legislative Committee File.


philosophy of the New Era, prosperity would return and the depression be arrested if people regained confidence. "Confidence" was thought of as an attitude one had toward industrialists and financiers. Even though more and more employers were cutting wages, the AFL had somehow to proclaim its belief in these leaders. If it denounced business, then "confidence" would be lessened and also chances for recovery; on the other hand, if it did not, it would be affirming its faith in those who were violating everything for which the AFL stood. This situation explains in large measure the confused and often contradictory position of the Federation.

Green, in June, 1931, explained to an unemployment conference at Rutgers University his abiding belief that restoration of confidence was the sine qua non to recovery. As he saw it, the great need was to encourage the exercise of existing purchasing power. Management could easily do this by assuring those still employed that they would not be discharged and that they would have a share in available employment. To further bolster confidence, employers could announce they would rehire the idle as soon as possible. The worker, thus assured of his job, would immediately expand his purchases. "The development and active use of the buying power of this great group of employed workers would have an electrifying effect," reported Green. "It would be dramatic in its consequences and powerful in its results."

With this effort put forth by the management of private industry and private enterprise, supplemented by a speeding-up of the public building and construction program, as authorized by Congress, improvement in the industrial situation ought to be quite noticeable.
within a reasonable length of time.\textsuperscript{15}

Later in the month he announced over the radio that what the country needed was a "better psychological condition." He thanked the businessmen who had publicly announced their opposition to wage reductions. "It is this group of people, who are putting the public good above personal interest," said Green, "which will eventually lift the Nation out of the industrial depression into which it was plunged more than two years ago."\textsuperscript{16}

At the same time, however, Green was elsewhere betraying an element of doubt. In an \textit{American Federationist} editorial in June, he noted that everyone had looked to the leaders of finance and industry to solve the depression. The \textit{American Bankers Association} had met and issued a statement that impersonal economic principles rule the market determining wages and profits. The \textit{United States Chamber of Commerce} at its meeting had asked freedom from governmental interference, better management, and a national planning body. The \textit{International Chamber of Commerce} had declared for security of investments and income. These suggestions were sound, Green stated, but what would become of them? "This is the time for action," he continued. "Unless business sets itself aggressively to constructive work, huge relief funds will be necessary in the coming winter and other hands will take the power from incompetent stewards."\textsuperscript{17}

\textsuperscript{15}\textit{AFL Weekly News Service}, June 13, 1931.

\textsuperscript{16}\textit{Ibid.}, June 27, 1931.

\textsuperscript{17}"Business Leadership," \textit{The American Federationist}, XX\textsuperscript{VIII} (June, 1931), 673-75.
In the summer of 1931 the balance slowly shifted. Labor leaders began to say less about the responsibilities of business and more about the failure of industrial leadership. While the old devotion to voluntary measures remained, the AFL was losing its faith in the willingness of business leaders to undertake on their own those actions necessary for recovery. Mid-1931 marked the beginning of the end for labor's reliance upon the civic responsibility and sense of service of the great tycoons.

John Frey produced one of the first indictments of business leadership in a long article in the July, 1931, issue of The American Federationist. Examining the conduct of business in the twenties he found little room for optimism. "The outstanding economic facts of the so-called period of prosperity from 1922 to the end of 1929 present a depressing picture of economically unsound and destructive business policies." Despite greater organization than ever before and the advice of staffs of technicians and economists, industrial leaders had permitted a depression. "The maldistribution of wealth . . . is an evidence that the leaders of American business proved unqualified to be trusted with the unregulated and uncontrolled management of the nation's industry and commerce . . . ."

There were only two ways to prevent another depression, reported Frey. Business could be regulated through legislation—a most unwieldy and inadequate device—or an atmosphere of cooperation could be established between "those directing the nation's activities" and the workers. It was up to business which would prevail.

Should industry fail to adjust its policies so that
future depressions . . . can be prevented; should industry refuse to meet the organized wage-earners' chosen representatives for the purpose of establishing thorough-going cooperation, then it will not be surprising if the American people insist upon the legislative method.

Rugged individualism as applied by so many American business men since 1922, can not be permitted to operate in the future as it has in the past. In too many instances rugged individualism has degenerated into ruthless exploitation. Rugged individualism must learn to control itself wisely, or the people will be fully justified in regulating it to the interest of the mass instead of the individual.18

An increasing number of official attacks on business leadership followed Frey's article. Sometimes labor leaders warned industry of the legislative consequences of continued inaction; at other times, they were simply content to denounce the stupidity of a bankrupt leadership.

President Green no longer seemed so certain that "keen business minds" would lift the nation out of depression. He announced periodically that the capitalistic system was in mortal danger and might soon collapse. In August he warned that if industrialists, financiers, and public servants failed to prevent starvation and want, workingmen could hardly be blamed if they condemned the existing social order and sought "some other form of organization which will give honest men a chance to earn an honest living."19 A few days later he told a street railway

18"The Calamity of Prosperity," The American Federationist, XXXVIII (July, 1931), 809-23.

workers convention that the captains of industry were empty of ideas
for ending the depression. "They are seemingly hoping that fate or some
unseen power will restore normal conditions," said Green. "I charge
them with failure to meet the urgent needs of the situation. There has
been nothing whatever done collectively by those who own and manage
industry to relieve the situation." He warned that the social structure
might topple if things continued as they had.20

At the same time lobbyist Edward F. McGrady told an unemployment
conference that "our present economic system is wrong and must be
changed, for mass production has brought mass poverty to the people of
the land." He cautioned against delaying recovery. "There must be a
change before it is too late to stem the tide of discontent and disorder,
the result of our American workers waiting indefinitely for some form of
relief in a nation of plenty. They will not continue to sit quietly by
in distress.21 And John L. Lewis in a Labor Day address warned indus­
try that radical changes in the nation's economic system would follow
continued inaction. "It is the duty of business," he said, "to provide
and promote efficient enterprise for the success of all our population,
and if business leaders fail . . . and regardless of the 'less govern­
ment in business' ballyhoo, the people will undertake the performance
on their own responsibility by exercising their voting strength . . . .22

20 New York Times, August 25, 1931; AFL Weekly News Service,
August 29, 1931.

21 AFL Weekly News Service, August 29, 1931. See also the attack on
bankers in the AFL Metal Trades Department, Bulletin, XIII (August, 1931).

22 New York Times, September 6, 1931.
Green summed up the alternatives in *The American Federationist*: "This [depression] is a problem that is squarely up to industry . . . . Either the present order of industry must solve this question or give way to another order."23

The denunciation of business leadership reached a climax during the annual convention which met in Vancouver in October. On the eve of the meeting, the officers of the Metal Trades Department had told their membership somewhat pathetically that "the majority of our captains of industry and finance, constantly, and apparently, deliberately refuse to take any action or adopt any policy which would give our trade union movement greater prestige, or increase its strength."24 But William Green hurled fire upon the heads of the traditional leadership.

In his opening address, he invoked the grim specter of want, the vision of the able-bodied pleading for charity, the gnawing fear that stalked the land.

Detroit are wondering whether the system itself set up by society in every nation has failed . . . . On one hand, we find the Creator of the Universe supplying us with food in abundance, and on the other four million standing starving and hungry. We may well ask the question, has capitalism failed? . . . What about a system that relegates a man in the prime of life to the human scrap heap, that knows no other remedy for economic depression than to reduce the standard of living, to depress the values already here, to reduce and impair the purchasing power to a much lower point?

23 *The American Federationist*, XXXVIII (September, 1931), 1049-50.

with millions out of work there were still employers who cut wages and kept their employees on the job six days a week.

... I warn these people who, through force and domination and dictatorship and brutality, exploit the masses of the people, forcing them down and down to the lowest depths of despair, that they can only drive them so far, and then they will turn eventually and rend those who do it.

Green reported that tremendous social discontent had developed in the country. The wage cutters had gone too far. "Read the history of the nations of the world," he said. "Revolutions grow out of unrest and hunger, and the aristocracy of these nations never learn." Labor must take the position that the right to work is as sacred a right as any found in the Declaration of Independence. "I maintain," said Green, "that life, liberty and the pursuit of happiness means little to the masses of the people unless they possess the right to work." 25

The AFL Committee on Resolutions even more vigorously denounced business leadership. It noted that prior to the depression many legislators, much of the public, and "perhaps even a number or workmen" acted as if it were best to permit captains of industry to determine labor policies. "Since 1929, the industrial debacle has thrown a white light upon the inability or unwillingness of these 'captains' ... to safely guide the nation's ... activities." Savagely the committee repudiated the past.

There never has been a time when labor was justified in depending upon the wisdom and willingness

of the employer to establish those industrial conditions to which labor was entitled.

To expect that they will willingly change their position because we advance facts and logic to support our position is to place faith in controlling groups of that sort which is not justified by a single page in the history of man's development from barbarism to civilization.26

From this blistering attack it would appear that the American Federation had at last concluded that business would not, without coercion, take the action necessary to bring about recovery. By chance it used almost the same language William Green had employed six years earlier in the heyday of union-management cooperation when he declared that the Federation now placed "immeasurable value upon the convincing power of logic, facts and the righteousness of its cause." And it was a grim parody of a Federation editorial on the eve of the depression which had complacently viewed employers as "wavering before the logic of organized labor." It seemed that the titans and tycoons had once and for all been banished from the heart and mind of labor.

There were ample reasons why the Federation's disenchantment with business leadership which had begun in the summer should reach a climax at the October convention. The economic situation was rapidly deteriorating. The promising revival of the spring had collapsed, Hoover-villes were multiplying rapidly and bread lines lengthened in all major cities. Governor Pinchot of Pennsylvania reported that one-fourth of the working population of his state was unemployed and many were actually starving. Moreover, trade-union unemployment had resumed

26 Ibid., pp. 355-56.
its upward course. While about twenty-five per cent of AFL members were jobless throughout the summer, unemployment in the building trades jumped from forty-eight per cent in June to fifty-three per cent in October and would go even higher in the winter months.

At the same time the conservative leaders of the Federation recognized that they must show a more aggressive spirit to offset the widespread dissatisfaction within the rank and file. The growth of unemployed leagues during 1931 warned of possible defections from the traditional labor organizations. Moreover, the whole atmosphere of the 1931 convention was charged with hostility toward the Federation hierarchy. At least some verbal evidence of dissatisfaction with business leadership was obviously imperative.

Both unemployment insurance and federal relief had gained many converts within the Federation. While both were still primarily in the moral stage --it was debated whether the dole would undermine American character-- the time was fast approaching when there would be no alternative. The Federation's leaders were, on ideological grounds, strongly opposed to the dole. The greater part of their attacks on business leadership in July and August consisted of feverish warnings that the policies of industry were making the dole inevitable.

But whatever may have been their tactical reasons for the change in attitude, the Federation's leaders had one compelling reason of their own. Their entire recovery program had been geared to the maintenance of wages as promised by industrial leaders in the Presidential conference in 1929. The success of this program had been the one justifica-
tion for a decade of insistence upon cooperation and two years of devotion to voluntarism. And then, on the eve of the convention, the whole system collapsed about their ears.

The AFL had begun the month of September by optimistically pointing out that between January, 1930, and July, 1931, only 16.6 per cent of the firms for which it had statistics had reduced wages as compared with 92.7 per cent of the firms in the depression of 1921. This heralded as a victory for Federation policy.

But late in the month United States Steel, Bethlehem Steel, and Youngstown Sheet and Tube announced a ten per cent wage reduction and other large corporations followed suit. In the last third of 1931, 400,000 industrial workers suffered wage cuts; in the first third of 1932, an additional 390,000. Green called the action of the steel companies a "betrayal" of a promise. President Hoover in whom he had trusted remained silent. The White House issued a statement: "Mr. Hoover's anxiety for the maintenance of the standard of living in this country has been consistent, and is unaltered."

Moreover, much of the press of the country approved Big Steel's action. Many newspapers said it was the only way that recovery might come. Jark Sullivan, a newsman close to the President, praised steel

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27. The American Federationist, XXXVIII (September, 1931), 1054-55.

28. Perlman and Taft, Labor Movements, p. 671; Hoover's apologists explained that the cost of living had fallen 15 per cent anyway and that no labor disturbances followed the cut—William Starr Myers and Walter H. Newton, The Hoover Administration (New York: Charles Scribner's Sons, 1936), p. 121; Literary Digest, CXI (October 10, 1931), 5-6.
for holding the line so long, for having been a trail-blazer in the new ideas of maintaining purchasing power. The New York Evening Post pointed to the wisdom of steel's move: "We believe that the action of the United States Steel Corporation is sound economics. We see it as an intelligent and necessary step in the return of good times."

Where, now, were those in whom labor had trusted? With good cause might the conservatives of the Federation denounce business leadership. It had made a mockery of their program.

This explained to a degree the vehemence of the assault on business leadership at the 1931 convention as well as the apparent revival of traditional Federation attitudes in succeeding months. The very bitterness of the attack stemmed from a continuing belief that employers could end unemployment. The disenchantment was with the morality of businessmen, not with their abilities. Thus in December, Green reasserted his faith in the capacity of private action, if only it could be elicited. "Policies, both economic and financial," he maintained, "are originated and applied by those who own and control industry. They must face facts and they must apply the remedies which are evidently necessary if we are to . . . bring about a return to prosperity."

Two months later the AFL Weekly News Service demanded that employers immediately end the depression, asserting that "a tremendous responsibility now rests with the industrial autocrats who, through their ownership of industry and consequently of the opportunities to work, have the

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29 Literary Digest, CXI (October 3, 1931), 5.

power to decree shorter hours and end unemployment.\textsuperscript{31}

At the same time, however, these statements should not be permitted to obscure the profound changes which had occurred in labor thought. While the Federation's leaders retained an uncertain hope that industry would awaken to its duties, quite clearly their faith in the selflessness of business leadership had been severely shaken. This portion at least of the legacy of the twenties had been rejected, and it seemed certain that labor would never again confide its future to the benevolent care of the managerial mind.

If business would not end the depression, labor could then turn in only one direction—toward the government. Perhaps the Metal Trades Department Bulletin put it most clearly when it noted that many persons had criticized Congress for interfering in the economy and the press had urged adjournment so that businessmen might be given a chance to pull the nation out of depression. Business had now had its chance and the country was in worse condition than before. "It is fortunate for the unemployed," said the Bulletin, "that Congress has convened, and those who are working will have their welfare given much more consideration than it received at the hands of those mighty men who stood on pedestals three years ago, but who are now recognized as the ones primarily responsible for the disastrous depression which has overwhelmed us."\textsuperscript{32}

By the beginning of 1932 the American people, including the reluc-

\textsuperscript{31} Ibid., February 13, 1932.

\textsuperscript{32} AFL Metal Trades Department, Bulletin, XIV (January, 1932), 6.
tant leaders of labor, were beginning to look to government for an
ultimate solution to the depression. The fabric of confidence in volun-
tary and private action, so often patched by the President, had at
last worn too thin and had given way under the stress of massive unem-
ployment. The old order had become intellectually threadbare. While
some trade unionists remained fearful of the consequence of governmental
intervention, their numbers were rapidly diminishing. The obvious in-
ability of the old leaders to meet the situation had forced a revolution
in American thinking. Of the contemporary observers, Walter Lippmann
perhaps appraised it most clearly:

It is, of course, clear that the important division of opinion is not between Republicans and Democrats but
between conservatives and progressives. . . . What divides
the two groups is a difference of feeling toward the
established financial and industrial powers: the conserva-
tive feeling is that the country must work with and through
the existing powers to set the economic machine running
again; the progressive feeling is that the existing powers
have forfeited the right to the confidence of the country
by failing to avert the breakdown of the economic machine.

It was to this progressive feeling that Governor
Roosevelt was appealing when he said the other night that
the Hoover Administration "can think in terms only of the
top of the social and economic structure" and that it had
forgotten or did not wish to remember "the infantry of
our economic army." The rejoinder of the New York Times
in asking him whether he had ever seen "an infantry which
did not need commanders" reflects the conservative feeling.
The essential difference is over the question of confidence
in the existing commanders.33

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33Walter Lippmann, "Progressives and Conservatives in Time of
Crisis," April 12, 1932, in Interpretations 1931-1932, ed. Allan
Another trend in labor thought closely paralleled and, in a way, complemented this disenchantment with business leadership. This was the growing interest of the American Federation of Labor in some form of national economic cooperation under which labor and industry, each having united, would together plan the economic future of the country.

During the 1920's the AFL had attempted to meet the problems of Coolidge prosperity by emphasizing the mutuality of the interests of capital and labor. Union-management cooperation and its interest in production and scientific management were an expression of this approach. At the same time business had turned toward trade associations and had shown an interest in cooperation and planning.

In the economic crisis after 1929 when business leaders appeared unwilling individually to lift the nation out of the depression, these ideas gained for labor increased relevance. Cooperation and conference appeared the safest way to avoid the evils of government coercion and still secure the concerted effort obviously required. Although this concept was eventually carried further than labor expected, it did, for a time, offer the best opportunity for perpetuating the freedom of action of an earlier day.

For a time the idea of cooperation was linked to the concept of a national economic council. As early as the 1930 convention the AFL recommended establishment of such a body to gain the cooperation of governmental agencies and trade associations in initiating comprehensive economic planning. In succeeding months, this idea was elaborated until it ranked with maintenance of wages and shortening of working hours as
a major recovery proposal. The AFL *Monthly Survey of Business* reported in January, 1931, that the country needed further organization of workers in unions and businessmen in trade associations "so that they may direct the economic forces that make for progress." In addition, it urged the establishment of a central planning board to furnish information for the guidance of industry as a whole. In the same month the Metal Trades Department *Bulletin* asserted that the creation of an atmosphere in which cooperation between labor and industry was possible would do far more to end the depression than the various commissions, laws, and schemes proposed by those outside the labor-management field.\(^3\)

Green wrote in March that "the primary necessity is organization of all groups. Instead of resisting and retarding organization of labor and industry, our Federal Government and public opinion should encourage constructive organization."\(^4\) The following month he again urged national economic planning, although he admitted ignorance of the best way to bring this about, and in May he suggested that President Hoover call a national economic conference to discuss the five-day week, maintenance of wages, and anti-trust laws, and taxes.\(^5\)

At the same time John Frey was pointing out that one of the major problems of modern life concerned who should control the nation's economy. Some had suggested management, others, bankers or engineers

\(^3\)AFL Metal Trades Department, *Bulletin*, XIII (January, 1931), 3.

\(^4\)The American Federationist, **XX** (March, 1931), 276.

\(^5\)Ibid. (April, 1931), pp. 403-4; *New York Times*, May 5, 1931.
or labor. Actually, said Frey, it ought to be a combination of all these groups, a true cooperative arrangement. A few people would turn to the government, but the American people were not yet ready to abandon their "conceptions of local autonomy and initiative." So far as labor was concerned, said Frey, "the problems which exist, and those which must arise in the future, can only be adjusted or regulated through a closer . . . cooperation between all of the factors who play a part in the development and the operation of our industries."37

Businessmen were also thinking along these lines. In June the Commission on Industrial Inquiry of the National Civic Federation, headed by James W. Gerard, urged a "congress of industry" to prepare a Ten-Year Plan to offset Soviet Russia's Five-Year Plan. In succeeding months the United States Chamber of Commerce and Gerard Swope of General Electric each formulated plans of a similar nature.

On July 21, 1931, William Green, on behalf of the American Federation of Labor, formally requested President Hoover to call a conference of industry and labor. In order that the conference might achieve maximum effectiveness, he suggested that employers publicly announce that all men currently employed would be retained on their jobs regardless of necessary adjustments in working hours. Following such an announcement, appeals would be made to workers to buy to the limit of their ability. This, he hoped, would release a wave of purchasing power. The conference could then consider the institution of the five-day week and

37 AFL Weekly News Service, May 21, 1931.
the shorter work day.\footnote{The text is given in U. S., Congress, Senate, Committee on Manufactures, \textit{Hearings, Establishment of National Economic Council}, 72nd Cong., 1st Sess., 1931, pp. 603-5.}

The request that President Hoover take the lead in this venture illustrated the Federation's growing recognition that at least some government action was essential. It was significant that this new approach emerged in the summer of 1931 at the very time when the AFL was beginning to criticize business leadership. Unwilling to seek governmental solutions, yet aware of the need for national action, the Federation's leaders turned to the medium of a presidential conference which would provide moral rather than legislative sanctions.

As fall approached the strictures against business leadership grew sharper, warnings more numerous, and proposals for an economic conference more frequent. The AFL Executive Council in August announced that an industrial conference "could do more to assist and remedy the distressing unemployment situation than legislative bodies could hope to accomplish." Said the Council: "It does not seem that any other agency could deal with the subject except Labor and those who own, manage and control industry."\footnote{\textit{AFL Weekly News Service}, August 15, 1931.} In the same vein Green solemnly announced that a conference could work wonders for the economy. "In such a great national emergency," he declared, "the President of the United States can bring in employers of the country who are so responsible and so representative that there would be no question that their decision
would be followed."40

The next month AFL lobbyist William C. Roberts told an American Legion meeting that a national conference would quickly release a flood of purchasing power. "Which shall it be," he asked, "continued unemployment, frozen buying power and perhaps anarchy, or work assurance through work allocation, publicly proclaimed."41 On the fiftieth anniversary of the founding of the AFL Green reasserted his faith in cooperation. "The outstanding fact of this new era is the interdependence of interests of all groups and nations. Associated activity is the method of working -- cooperation must be the spirit."42

But when, in October, the AFL convention met it became clear that its leaders were disturbed over the ramifications of their earlier proposal for a national economic council. While the Executive Council recommended a presidential conference, it refused to endorse any specific powers for an economic planning body. "We do not yet know enough," it warned, "to plan the agencies or chart the functions of economic control."43 This hesitancy was the result of a new awareness of the implications of a national economic council after publication of the Swope plan and other measures. The leaders of the Federation sensed that while they had asked for cooperation they were in danger of getting

40 New York Times, August 20, 1931.
41 AFL Weekly News Service, September 19, 1931.
42 The American Federationist, XXXVIII (October, 1931), 1177-78.
43 AFL, Proceedings (1931), pp. 81-82.
The 1931 convention was in every way a difficult one for the Federation's leaders who found themselves challenged from the floor on relief and unemployment insurance and who saw several influential national presidents openly oppose their wishes on the latter. For this reason the Executive Council was particularly anxious for a conference with those industrial leaders whom it had lately denounced. A conference seemed to offer the only alternative to statism. At a post-mortem held at the conclusion of the convention, the Council considered its future course. In a revealing statement, Green expressed the bitter frustration and numbing fears of the guardians of the movement.

The purpose of holding a conference is this, to deal with the unemployment situation. Here is the growing evidence of the unrest that prevails. It was shown in this convention they were just about to vote for unemployment insurance. That condition prevails throughout the nation. Are the owners and managers to close their eyes? . . . They can sit still and let it drift. Then when we come back in another convention I won't have strength enough or you won't have strength enough to keep the convention from putting it over.\textsuperscript{13}

For Green the alternatives were clear. Either industry, through the medium of an industrial conference called by Hoover, would solve the problem of relief and recovery, or grass roots pressure would force the leadership of the AFL to accept social legislation and other state-oriented measures. An industrial conference, provided it developed no


\textsuperscript{15}American Federation of Labor, Executive Council, Minutes, October 16, 1931.
coercive tendencies, offered the last hope for voluntarism.

Between October 22 and December 19 a subcommittee of the Senate Committee on Manufactures held hearings on the feasibility of national economic planning. In particular it considered a bill establishing a fifteen-member national economic council appointed by the President from lists provided by industrial, financial, agricultural, labor, and transportation organizations. The council would keep informed of economic problems and formulate proposals for their solution. It would have investigative powers.

Gerard Swope, president of General Electric, explained to the committee his celebrated plan for stabilizing employment. All industrial and commercial companies active in interstate commerce with fifty or more employees would be required to join a trade association. All companies would adopt standard accounting procedures and provide workmen's compensation, life, disability, and unemployment insurance, and pensions for their employees. The trade associations would outline business ethics and trade practices under the supervision of a government body. The government must necessarily relax anti-trust laws and offer "inducements" to business, perhaps by making welfare plans tax deductible.\textsuperscript{46}

Henry I. Harriman, chairman of the United States Chamber of Commerce Committee on the Continuity of Business, offered an alternative plan.

\textsuperscript{46} U.S., Congress, Senate, Committee on Manufactures, Hearings, Establishment of National Economic Council, 72nd Cong., 1st Sess., 1931, pp. 300 ff. A summary of the plan may be found in the Monthly Labor Review, XXXII (November, 1931), 45-53.
His committee preferred a three to five man national economic council appointed and paid by business. It would be independent of the government although the secretaries of commerce and agriculture and the attorney general might be members of an advisory board. Each industry would have an economic council and an advisory board. Harriman admitted that the traditional ideas of capitalism had failed. "The result is a heart breaking competition which results in business being conducted in very many lines at a loss, or at absolutely no profit." Under the circumstances, business had no choice but to cut wages and discharge employees. For the sake of the wage earner, competition must be curtailed.47

William Green testified for the AFL on December 3. He supported the general idea of a conference to plan economic policy and urged the government to take the lead. He asserted that while the government did not owe anyone a living, it did owe everyone the opportunity to earn a living. But he was extremely cautious when discussing an economic council. He suggested that such a council created by the government and clothed with advisory powers might be helpful, but he remained vague as to its actual responsibilities or powers.48

One man, at least, had a different point of view on national economic planning. Sidney Hillman, President of the Amalgamated Clothing

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48Ibid., pp. 603-10.
Workers of America, took issue with Swope, arguing that trade associations would not stabilize industry. The problem, he said, was one of leadership, and industry and finance had failed to provide it; as a result, government must do so. He admitted that the bill under consideration might be useful in the future, but insisted that for the present something more was needed. He proposed that an agency be established, representative of all interests in the nation and under the direction of Congress, with responsibility for adjusting production to the degree necessary to provide employment for all willing to work. So great was the present crisis, he said, that only the government could institute the necessary reforms.

It is impossible for industries to do it alone. They won't do it; they have not done it, and they will not do it. The only power that can put it into effect is governmental action. There have been promises of what industry will do. We know that nothing constructive from the larger point of view was done where they were in a position to do it.\(^49\)

These hearings revealed more than merely the ideas of various business, political, and labor figures toward national economic planning. Rather, they disclosed a whole spectrum of attitudes toward the relative roles of business and government in American society. From Swope and Harriman came the plea, modified as it must by the depression, for in-

\(^{49}\text{Ibid., pp. 434-38. John L. Lewis supported the bill before the committee but did not go so far as Hillman. However, by late 1932, Lewis began to propose economic controls similar to those later written into the National Industrial Recovery Act. In this he was joined by Hillman. See U. S., Congress, Senate, Finance Committee, Hearings, Investigation of Economic Problems, 72nd Cong., 2nd Sess., 1933, pp. 301, 873 ff. Saul Alinsky, John L. Lewis (New York: G. P. Putnam's Sons, 1939), pp. 65-66.}\)
Industrial autonomy, for self-regulation, for industry-sponsored employee welfare. They admitted that competition was bad and had resulted in an imbalance between consumption and production. This they claimed had necessitated curtailment of production with resultant unemployment. Competition therefore must be limited—an act which, somehow, would lead to an end of over-production and hence unemployment. The role of the government should be to assist industry in combining so that it might better plan the nation's future.

At the other end of the spectrum stood Hillman. He too realized the evils of competition. But he had little faith in the ability of business to solve America's economic problems. The government, not industry, must provide the leadership and assume the responsibility for directing the nation's economy. Voluntarism was not enough; coercion must replace it.

It was difficult to tell exactly where the American Federation of Labor stood on this question for its ideas were vague, its plans nebulous. In a sense this was the crux of the matter. Its leaders were beginning to recognize that massive government intervention was inevitable but they feared that such intervention, particularly if it involved regulation of working conditions, would damage the labor movement. Confused, uncertain, ideologically unable to endorse the inevitable, they waited for the situation to develop. They shied at an economic council which might have coercive powers, but eagerly sought a presidential conference which offered the shadow of coercion and the substance of voluntarism.
During 1932 the Federation moved strongly toward government intervention, but the ideal of voluntarism and the cooperative ideas of the twenties survived in this devotion to conferences. As late as July the AFL insisted that Hoover call a national economic conference and impress upon business leaders "not only the economic gravity of the crisis, but their patriotic obligation to meet this emergency as they would in wartime . . . ." At the same time Green announced that only an emergency representative group convoked by the president could save the nation from catastrophe. Such an agency, asserted Green, "would be able to mobilize groups to execute measures necessary for mutual protection and to turn business forces upward . . . ."  

Eventually, in the fall of 1932, President Hoover did call a conference, but it was not quite what the AFL had in mind. No labor leaders were invited. About 350 bankers and industrialists met with the President who urged them to shorten hours and divide available work. "While I heartily favor the purpose of these plans," said Hoover, "I agree with both the employers and the leaders of labor whom I have consulted that its direction is not properly the function of Government."  

At the conclusion of the conference, the president of Standard Oil of New Jersey was named chairman of a committee to promote share-the-
work plans. Commenting on the conference, Green said he felt the unemployment situation had been considered in a practical way. "The pledge ... to urge employers to spread the amount of work ... shows that the conference was determined to go to the root of the unemployment problem," 53

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Between 1930 and 1932 an economic crisis had subjected the traditional policies of the American Federation of Labor to a severe test. In the end it disclosed that labor's faith in the competence of business leadership had been largely misplaced. It forced the Federation's leaders to admit that businessmen, on their own, would not perform those actions which labor considered necessary to recovery. Into the dustbin of noble experiments went the exhortative unionism of the 1920's.

But what were labor's alternatives? At the end of 1931 no one could be quite certain. When William Green warned that unless industry solved the problems of depression "another order" would take over, he had no suggestions in mind. The leaders of the AFL had retained intact, through the many vicissitudes of 1931, their great aversion to governmental intervention into the economy.

The result was an intellectual no-man's-land. Although they had rejected one facet of their heritage from the twenties -- faith in business leadership -- the other -- hostility to government coercion -- remained to brood over the chaos. Desperately seeking an alternative to

statism, the Federation's leaders attempted first to threaten business into action and, when this failed, to secure presidential conferences. For a time the establishment of an economic council had held promise, but this too had to be abandoned as new proposals suggested governmental or industrial domination. As a consequence, the Federation tended to assert its confidence in the voluntary action of industrial leaders long after it was clear such action would not be forthcoming.

Faced with a revolutionary situation to which they were as yet unable to adjust, the Federation's leaders were forced to adopt an essentially passive role and hope that the emerging situation would be more promising. The failure of the AFL to develop new ideas was largely a consequence of the intellectual unpreparedness with which it met the demands of the depression. Knowing that government action was essential but unwilling ideologically to encourage it, the Federation faced 1932 with a hard decision: either it must change with the times and accept new governmental responsibilities or it must walk the lonely path reserved to the followers of lost causes. There was no longer a middle ground.
CHAPTER VI

LABOR TURNS TO THE GOVERNMENT

When the Seventy-second Congress met in early December, 1931, Senators LaFollette and Costigan each introduced a bill to provide federal aid to the unemployed through grants to the states. At long last the issue of federal relief -- the "dole" to many -- was before the nation.

During the last week in December and the first week in January a dreary procession of mayors, city managers, and heads of charitable foundations testified before the LaFollette committee that local relief facilities had broken down, that there was no money to feed the jobless, that starvation was an immediate problem. An angry John L. Lewis charged that reliance on the Red Cross for aid had been fruitless. "It seemingly makes no difference how many people may die as the result of starvation in America . . . if it is not caused by war, flood, fire or famine, the American Red Cross will not intervene."¹

Sidney Hillman told the committee that less than ten per cent of the workers in the New York City clothing industries were employed during the usually busy winter season. "Of those who believe that it is not quite timely as yet to give relief," said Hillman, "I would ask by what standard are we to gauge the time; must we have hundreds of thousands of people actually dead and dying from starvation; must we have

But the Administration held firm. Walter S. Gifford, President of A T & T and director of the President's Organization on Unemployment Relief, announced that the underlying principle of relief activities was that first the individual community must look after its own. If necessary, the county should help, and if this proved inadequate, then the state. "It would seem," said Gifford, "that the combined efforts of communities, counties, and States can take care of the situation this winter."

He warned the committee it would be unwise, even disastrous, if federal funds were made available. "Should such community and State responsibilities be lessened by Federal aid, the sincere and whole-hearted efforts of the hundreds of thousands of volunteers engaged both in raising and administering relief funds would doubtless be materially lessened." The result, said Gifford, might well be that the unemployed would be in worse circumstances than before.¹

Senators LaFollette and Costigan, taking a dim view of Gifford's arguments, systematically demonstrated that he had little knowledge of the actual situation. Costigan quoted from an advertisement inserted in newspapers across the country by the President's Organization: "Between October 19 and November 25 America will feel the thrill of a great spiritual experience. In those few weeks millions of dollars will be raised in cities and towns throughout the land, and the fear of cold and

¹Ibid., p. 314.

²Ibid., pp. 309-313.
hunger will be banished from the hearts of thousands." Costigan asked Gifford if he felt the fear of cold and hunger had been banished from the hearts of thousands, adding caustically, "Is it your feeling that we, as a people, ought to follow the practice of advertising ourselves into the thrill of a great spiritual experience?"

Gifford's testimony buttressed Costigan's contention that local relief had failed and that the President's Organization was out of touch with reality.

Senator Costigan: Are you among those that are satisfied that the grievous experiences through which many of our people have been passing are calculated to improve their health and well-being?

Mr. Gifford: No; but curiously enough, Senator, my telephone company statistician gave me a report that it is true in every depression since we have had public-health records, the records have shown improved health and lessened mortality. 4

On December 30, 1931, Edward F. McGrady testified before the committee on behalf of the American Federation of Labor. Scarcely two months before, the Federation, at its annual convention, had pointedly failed to endorse federal relief and had urged only that adequate funds be made available from public and private sources. Moreover, in the debate that followed, the Executive Council, led by Matthew Woll, had stubbornly refused to be more definitely committed. The hierarchy of the Federation had been obviously hostile. 5

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5 See Chapter IV.
Yet on this occasion McGrady told the LaFollette committee that the AFL strongly supported the principle of federal relief where states and cities were unable to care for the jobless. He announced that since employers refused to pay workers decent wages, the AFL felt justified in insisting that a large portion of their profits be taken through taxation and given to the destitute through relief agencies. He declared that only with the aid of the federal government would the nation be able to meet adequately the needs of the unemployed. 6

William Green had apparently made the key decision to support the LaFollette-Costigan bill. Obviously disturbed during the convention by the feeling among delegates that the Executive Council was insensitive to suffering, he had pledged that he would demand that "the wealth of the nation" be appropriated to aid the unemployed. He later told the Executive Council he had not meant to oppose relief for the hungry, only unemployment insurance which he felt would wreck unions. Moreover, unemployment figures had continued to spiral upwards in January, over sixty per cent of union members in the building trades and over thirty per cent in the metal trades were jobless. Faced with this situation, Green took upon himself the responsibility for endorsing federal relief.

Late in January the Senate reported out a combined LaFollette-Costigan bill providing for $375,000,000 in direct relief grants to the states, part to be allocated by population, part on the basis of need. The AFL threw the full weight of its prestige into the fight, using

every means at its disposal. While the measure was before the Senate, the AFL Executive Council held its regular quarterly meeting in Washington. Green told the Council on February 4 that while he had felt some hesitation, he had backed the LaFollette-Costigan bill to the limit of his ability. "I suppose I am like the other members," he said, "I feel reluctant to ask for federal relief owing to the attitude that President Hoover has assumed. Outside of that, there is no doubt that the need is tremendous." The Council decided to accept Green's action and formally endorsed the LaFollette-Costigan bill.

Throughout February the measure was before the Senate, but chances for passage dimmed as it was caught up in a three-cornered struggle between regular Republicans, Democrats, and insurgents of various types from both parties. Many legislators still opposed on principle the use of federal funds for relief. Administration supporters doggedly fought the bill. As a compromise a group of Democrats proposed a substitute measure to provide the $375,000,000 in loans rather than grants, adding an equal amount in highway construction funds. Green denounced this and similar measures as subterfuges. "It is not a question now, in midwinter, of loans to states which have no authority to borrow, or to try to develop a public works program. The real question is supplying aid immediately . . . ."

7Almost the entire February 6 Weekly News Service was devoted to the bill and speeches by its sponsors.

8American Federation of Labor, Executive Council, Minutes, February 4, 1932.

In an effort to put across its proposals, the AFL revived a technique which had invigorated the organization twenty-five years earlier. On February 9, the Executive Council and the international officers of affiliated unions met to prepare a labor legislative program and duplicate the tactics used in 1906 when Samuel Gompers had entered the political lists with labor's Bill of Grievances.

At an all-day conference, the leaders of the Federation drew up a four point plan for combating the depression together with a general legislative program. It urged the institution of the five-day week in private and public employment, an end to wage cutting, the hiring of an additional employee by every employer, and the retention of children in school. Legislatively, the AFL backed the Norris anti-injunction bill, federal aid to states adopting old age pensions, the Davis-Kelly coal stabilization bill, additional public works, higher inheritance and upper bracket income taxes, deportation of alien seamen, modification of the Volstead Act, and most importantly, the LaFollette-Costigan bill.10

Over one hundred labor leaders led by President Green marched in a body over a mile to the White House and presented their program to Hoover. He had no comment. They then proceeded to the Capitol where they explained the program to Speaker Garner and Vice-President Curtis. The Federation's appeal specifically stated that "we do not consider the appropriation of Federal relief to supply food, clothing and shelter in

10 Text may be found in the New York Times, February 10, 1932.
this great emergency to millions of starving men, women and children
as a dole." A statement that "labor is opposed to the dole for either
capital or labor" had been deleted upon the insistence of Teamster's
Union President Daniel Tobin. 11

It was a gallant gesture but doomed, at least initially, to
failure. Less than a week later, the LaFollette-Costigan relief bill
went down to defeat in a nonpartisan vote, 48-35. The jobless would
have to wait for federal relief. 12

Nevertheless, the willingness of Green and the Federation to re-
vive the political arm of labor and work for federal action in relie-
ing distress marked a distinct turn in AFL policy. Green's determina-
tion to stand by the LaFollette-Costigan bill rather than seek a com-
promise was in marked contrast with the Federation's vacillating
approach to the question of a special session eighteen months earlier.
After its endorsement of federal relief, the AFL seemed somehow free
of many of the stale nostrums which had frustrated its efforts in the
past.

Before the first session of the Seventy-second Congress adjourned
in July, the Federation became involved in a myriad of legislative
struggles. Relief, public works, taxes, balancing the budget, reduc-

11 New York Times, February 10, 1932; see also AFL Weekly News
Service, February 13, 1932; and John P. Frey, "We Must Make History
Repeat Itself," The American Federationist, XXXIX (March, 1932), 275-77.

12 See Green's comments in The American Federationist, XXXIX
(March, 1932), 257-58.
tions in pay for federal employees—all required labor action. As new relief bills were introduced in Congress, Green broadened his approach to governmental responsibility and insisted that a more pragmatic attitude was necessary. In a radio address in March he reported that "the hungry cannot draw the fine line of distinction between the alleged duties and obligations of the communities, the States and the Nation." Relief must be supplied the needy. "We know full well that it becomes the duty of society to relieve distress, to supply food to the hungry, and to thus protect our social order so that the democratic institutions of Government may remain perpetuated and secure." 13

After the defeat of the LaFollette-Costigan bill, numerous other measures were introduced to aid the unemployed. In supporting these bills the AFL employed a familiar weapon—the threat of public action. A year before, it had warned business that either it must take the necessary steps to end the depression or unnamed parties would force governmental intervention to the same end, but it made clear that labor too was opposed to such intervention. Now, in 1932, when the government had become the recalcitrant party, the Federation warned that if Congress failed to act, other unspecified forces in the country might overturn the social structure. Again the AFL implied it was doing its best to prevent such an occurrence.

In May and June, the Senate Committee on Manufactures took testimony on another Costigan bill, this one intended to provide the states with relief funds in a manner which would stimulate state appropriation.

One of the first witnesses before the committee was Edward F. McGrady who spoke grimly of "sporadic uprisings" in industrial centers during the past six months. Many people claimed these were merely communist demonstrations, but McGrady felt otherwise. "There may have been communists in those uprisings," he said, "but as a matter of fact, the great bulk of those people know nothing of communism. They want bread." He told the committee that AFL leaders had been preaching patience to restless workers, urging them to avoid drastic action. But the hour was growing late.

I say to you gentlemen, advisedly, that if something is not done and starvation is going to continue and perhaps increase the doors of revolt in this country are going to be thrown open and the leaders of this Government ought to know it and they ought to do something besides crying to the world that the most important thing to be done is to balance the Budget. There are another two B's besides balancing the Budget, and that is bread and butter. We want that bread and butter through work, but if we are not going to get it through work, gentlemen, the American people in this country are going to get it anyhow and they have pretty nearly reached the end of their patience. 14

Asked by Senator Cutting what he thought would happen if Congress adjourned without taking action, McGrady replied: "If this administration allows the Congress to adjourn without doing something to provide work for our millions of people . . . I would do nothing to close the doors of revolt if it starts. It would not be a revolt against the

14U.S., Congress, Senate, Committee on Manufactures, Hearing, Federal Cooperation in Unemployment Relief, 72nd Cong., 1st Sess., 1932, pp. 36-37. In a memorable statement at the beginning of the hearing, Costigan lashed out at those who had defeated the first La Follette-Costigan bill: "Wealth . . . is calling upon destitution to gird up its shrunken loins with patriotic self-restraint while awaiting the uncertain far-off gleams of another industrial dawn." p. 4.
Government but against the administration." Three weeks later Green announced that if Congress went home without providing relief it was his judgement that "social unrest will increase and that indignation meetings will be held in all the stricken cities of the nation." He told a meeting at AFL headquarters that there was a frightening atmosphere present. "I don't know how long labor can maintain industrial peace," he said, adding grimly, "I'm apprehensive of the coming winter."16

On June 20, LaFollette and Costigan again held hearings, this time on a bill to appropriate over $1,000,000,000 for public works construction to be financed by the issuance of emergency construction bonds. Again McGrady appeared to warn of impending disaster should Congress fail to act. "Next winter," he said, "it will not be a cry to save the hungry but it will be a cry to save the government."17

By June the most promising relief measure in the upper house was a bill sponsored by Senator Wagner authorizing the Reconstruction Finance Corporation to loan $300,000,000 to the states for work relief and another $1,460,000,000 to political subdivisions, public and quasi-public corporations, and private corporations to finance the construc-

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15Ibid., p. 37. The AFL repeatedly assailed the budget-conscious position of the Administration, often using McGrady's technique, i.e., asking which was more desirable, the prevention of revolution or a balanced budget. See, for example, Green's speech to the Washington Chamber of Commerce, quoted in the AFL Weekly News Service, May 21, 1932.


tion of self-liquidating projects. It also provided for a $500,000,000 bond issue to finance additional public works. 18

The Administration was strongly opposed to the public works feature, considering it ineffective and necessarily leading to an unbalanced budget. Hoover favored "self-liquidating" projects, i.e., those which returned the investment, and disliked "non-productive public works" such as public buildings which did not produce revenue. 19 He also disapproved the ease with which states might obtain loans under provisions of the bill.

Secretary of the Treasury Mills, testifying before a Senate committee on this measure, noted other objections. He felt that instead of providing for public works, the bill should make available to the RFC additional funds to be loaned to private corporations for capital improvements. "There is nothing the matter with the United States," said the Secretary, "except that it has the worst case of 'nerves' in history; and therefore it is necessary for the time being to provide Government credit indirectly so that people will do the things they would normally do if they were not beset with fear." 20

18 The Wagner Bill was backed by the Democrats. It grew out of a measure suggested by Bernard Baruch and Owen D. Young and originally introduced by Senator Robinson. At the same time Senators Barbour, Cutting, and Davis offered other bills for either public works or relief.


Late in June the Senate passed without a roll call vote the Wagner relief bill. Earlier, House Democrats, joined by a number of Republicans led by Representative LaGuardia, had pushed through the so-called Garner bill which provided for $100,000,000 in direct relief to the states, $1,000,000,000 for self-liquidating construction, and $1,200,000,000 for public works. The large public works feature had elicited moans of anguish from the Administration which declared it a "fearful price to pay" for putting a few thousand people to work.

After a Senate-House conference, the Wagner-Garner relief and emergency construction bill was passed by both houses. In its final form the measure called for an expenditure of about $2,100,000,000. While it closely resembled the Wagner bill, the amount authorized for public works had been reduced to $300,000,000. The RFC was provided with $1,500,000,000 for loans to states, municipalities, and under certain conditions to private corporations for self-liquidating construction projects. Another $300,000,000 was authorized for loans to the states to provide relief for the unemployed.

On July 11, President Hoover vetoed the measure charging that it made the RFC a gigantic pawnbroking business and permitted the states and cities to "dump their responsibilities upon the Federal government." Congress immediately drafted a measure removing most of the objectionable features. The small amount available to the states for relief (at three per cent interest) was to be loaned on the basis of need and after evidence of financial exhaustion. "I do not expect any State to resort to it except as a last extremity," said the President. Moreover, of
the slightly over $300,000,000 provided for public works, the government was required to spend only about one-third. The remainder could be disbursed only if the Secretary of the Treasury certified the money was available. In this form Hoover signed the bill on July 21. He had won a considerable victory. In the fields of both relief and public works the President had been able to block all but the most minor federal expenditures.

The American Federation of Labor considered the new relief act completely inadequate. Not only would the loan feature take too long to become effective, but it would not in any event create sufficient jobs. The $300,000,000 provided for direct relief would be exhausted even before winter. Furthermore, responsibility for administering the fund remained primarily in the hands of the states and cities while the Federation felt that relief efforts should be coordinated by a federal body.21

Throughout the struggle the Federation had persevered in seeking federal relief and a large public works program. Denouncing as "sickening" the many delays encountered in the passage of relief legislation, it had warned that the people would take what was rightfully theirs if Congress failed to act quickly.22 In July Green cautioned that there were signs of serious unrest. "While I do not think there is any danger that constituted authority may be overthrown," he said, "the situation

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22 AFL Monthly Survey of Business, June, 1932.
is disturbing. Food riots may lead to social disorder.\textsuperscript{23}

Moreover, the Federation had supported the broader plans for federal assistance rather than more conservative alternatives. It had backed the sweeping Garner bill as well as a measure introduced by Senator LaFollette for a five billion dollar bond issue to finance a massive construction program. It had even supported a bill initiated by the railway unions to provide for the loan of federal funds directly to unemployed individuals.

The significance of these actions should not be underestimated. The Federation had at long last supported measures more advanced than those proposed by the middle-of-the-road leadership in Congress. One of the marks of the AFL's early depression program had been its reluctance to back openly proposals which lacked a solid support in business and political circles. Moreover, the Federation had clearly broken with President Hoover on the issues of federal relief and public works. This was in itself a sign of the changing times.

Perhaps Green described the new approach most clearly in his testimony in January, 1933, on still another LaFollette-Costigan relief bill. In the course of the hearings, he was asked to comment on the familiar argument that federal aid would dry up assistance to the unemployed normally appropriated by states and municipalities. Green replied that he did not think local authorities would suddenly end their welfare programs. "I think that even those who looked upon Federal contributions as a violation of . . . sacred principles have been forced to compromise

\textsuperscript{23} New York Times, July 18, 1932.
their views . . . ," adding somberly, "Experience is a great teacher
and it has shown us that we can not take care of this terrible load with-
out coming to the powerful Federal Government."

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When the American Federation of Labor became embroiled in the battle
to obtain federal assistance for the unemployed, it was forced in the
process to forego its traditional strictures against government inter-
ference in the economy. Almost of necessity it began to proclaim the
duty of government to look out for the welfare of the citizenry. Inas-
much as its opponents claimed that federal aid violated traditional
American ideals of self-help, the AFL had to explain to its membership
that the government was really only the collective voice of the people
and not an ogre to be repelled; it would hardly have seemed sensible to
demand relief and at the same time assert the tenets of voluntarism.
Slowly, as it struggled in Congress and in the area of propaganda to
gain aid for the distressed, the AFL built up a case for governmental
intervention in the economy. In the end it breached its own intellec-
tual defenses. Its leaders found that once they had asserted that the
government had a responsibility to aid the unemployed, they could not
logically oppose other aspects of state action. It was now only a
matter of degree.

21U. S., Congress, Senate, Committee on Manufactures, Hearings,
Federal Aid for Unemployment Relief, 72nd Cong., 2nd Sess., 1933,
p. 447.
The new direction of Federation policy was apparent even at the beginning of 1932 when the AFL Weekly News Service noted that if all the bills proposed for government regulation of industry were enacted, "the regimentation of employers would not be a hundredth part as much as the regimentation which they, themselves, have already imposed on the workers." 25

It was in May, however, that William Green began to write a series of editorials for The American Federationist explaining the new role of government in industrial life. In the first of these, he quoted at length from the dissent of Justice Brandeis in New State Ice Company v. Liebmann in which the majority of the court had held unconstitutional an Oklahoma law requiring the licensing of all makers and sellers of ice. In particular he cited the section of the dissent in which Brandeis defended the right of the state to control, in the public interest, the number of competitors. Wrote Green, "Because we have developed the capacity to produce surplus quantities . . . it becomes necessary to redefine the application of individual rights and balance them against the rights of society." Brandeis had said that the state's power extended to every regulation reasonably required and appropriate for public protection. "Clearly the Brandeis principle," wrote Green, "makes of law a flexible medium of according justice." 26 The acceptance by Green, at least on paper, of this sweeping affirmation of governmental power was indicative of the new attitude toward government.

26 The American Federationist, XXXI (May, 1932), b97-99.
In June Green sought to allay any doubts which might exist among the membership over the broadening of governmental functions and the expansion of governmental powers. He noted that in recent years businessmen had attacked government interference in business while reformers had assailed business domination of government. Others had expressed concern that government action might weaken individual initiative.

"These fears," said Green, "are based on confusion of the functions of a democratic government with those of an autocratic government."

Governmental activities must change with the times. "Fifty years ago," he explained, "we would not have expected the Federal Government to take a responsible part in checking depression. Now it is imperative." In the past the federal government had mobilized the resources of the nation only during wartime. "Today," said Green, "we expect the Federal Government to assume responsibility for advancing general welfare."

Unionists should not be concerned over the expansion of governmental activities, nor should private action necessarily be considered preferable to legislative action.

It is necessary for the government to provide necessary services in this area that were formerly left to individual initiative if provided at all . . . . The amount appropriated for governmental activities is not the standard of wisdom or unwisdom, nor the fact that it is governmental as distinguished from private initiative. The purpose . . . and the quality of results should be the standard.27

27Ibid. (June, 1932), pp. 620-21.
To this broad assertion of pragmatism, Green in the following month added an expanded concept of the responsibilities of government. He noted that heretofore industrialists and financiers had been the real masters of American life. Unfortunately, they had used this opportunity to further their own selfish ends, to seize the product of other people's toil, and had thus proved unworthy of the trust.

The course for labor was clear. "We must turn to some group or agency," announced Green, "that represents concern both for production and distribution, that knows how to integrate individual and group interests and to advance the interests of all." Where was this wisdom to be found? "The only unifying coordinating agency we have," wrote Green, is our Federal Government—it is from this source we expect the necessary leadership."

The more conservative leaders of the labor movement were still attached to the old doctrines. John Frey in July, 1932, wrote to a friend that his experiences with Hoover's cabinet confirmed a distaste for legislation. "It seems to me," wrote Frey, "that dangerous as the employer's tyranny may be and powerful as his position may become, that this does not involve the danger which is inherent where legislation endeavors to do those things for wage earners which can only be accomplished through collective action."\(^{29}\)

A month later Frey wrote to fellow unionist Victor A. Olander that

\(^{28}\)Ibid. (July, 1932), 730-31.

the machinations of bankers would make necessary new tactics, probably a turn toward legislation. Yet he admitted to continuing misgivings about "adventures" in this field. Olander, who was a leader in the Illinois Federation of Labor and secretary of the Resolutions Committee of the AFL convention, replied that sooner or later Frey would have to accept legislation. "Industry and commerce," said Olander, "have not developed the sort of leadership that is likely to bring about a voluntary adjustment . . . . Therefore, whether we like it or not, there remains only the Government as an available regulatory power."31

Explanations of why government intervention was now salutary continued throughout 1932. In September the Federation announced that expansion of governmental power had grown out of "the absolute inability or refusal of those who own and control our financial, commercial, and industrial institutions to operate them primarily for the interests of the great mass of the people . . . ."32 In December the AFL bitterly attacked industrial leadership. "Every seller of spurious goods, every bank wrecker, and every Kreuger and Insull promoter sings the same song --there must be no Government interference with the activities of the businessman." A nation-wide campaign had been initiated demanding that government cease its meddling in business affairs. With this campaign


the AFL had little sympathy.

...Thoughtful and progressive people can have nothing but contempt for reactionaries who, with "No Government in business" as their slogan, embark in a campaign against the continuance of those governmental services and functions which patriotic citizens recognize as fundamentally concerned with public welfare.\(^{33}\)

The American Federation of Labor now seemed firmly committed to the concept of governmental leadership in economic affairs. If its leaders did not really want permanent intervention, they were at least forced to seek temporary assistance and thus gave tacit consent to burgeoning governmental encroachments.

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Endorsement of federal relief and the subsequent struggle to obtain federal assistance for the jobless marked another milestone in the evolution of labor thought. Like the disillusionment with business leadership, they were a part of a massive reappraisal—tunes unconscious—of the relative roles of government and private enterprise in American society.

By mid-1932 the outlines of a new labor attitude were becoming clear. The American Federation of Labor had moved from diffident respect to outspoken contempt for the once-ruling business mentality. If the leaders of the Federation were not completely certain of the impotence of this mentality, they were at least convinced of its selfishness. At the same time they had accepted —indeed invited— a degree of governmental inter-

\(^{33}\)Ibid., December 24, 1932.
vention in the economy which would have been unthinkable a few years before. They may have been uneasy about the future direction of this intervention, but they recognized the current need for public action to meet the nation's economic crisis.

These developments laid the intellectual foundation for the more significant changes in Federation policy which were to follow in succeeding months. The struggle for federal relief forced the Federation to make certain commitments to legislative solutions which were essential if it were to meet realistically the demands of the coming decade. Now that it had assigned to the government broad responsibilities for national welfare, the Federation was prepared at last to consider on the basis of merit rather than doctrine the wisdom or unwisdom of compulsory social insurance and governmental regulation of working conditions. Once again the depression had been a powerful solvent upon the hardened policies of an earlier day.
CHAPTER VII

THE INJUNCTION AND THE JUDICIARY

It was perhaps only fitting that the Norris-LaGuardia Anti-Injunction Act should become law in March, 1932, when the American Federation of Labor was beginning to look kindly upon the employment of governmental power. For it was the frequent and often flagrant use of the injunction which had, more than anything else, created labor's traditionally hostile attitude toward government intervention in industrial affairs. Almost symbolically the prime cause for the old antagonisms disappeared as the need for a rapprochement emerged.

Since the 1890's, the injunction had been used extensively to block attempts of labor organizations to enlarge their membership or to employ their self-help devices. This was accomplished in the states under certain common law principles and in the federal courts by application of both these principles and the Sherman Anti-Trust Act of 1890.1

The Sherman Act did not specifically mention unions nor were unions in themselves considered illegal conspiracies or combinations in restraint of trade. But where it could be shown that their strikes or boycotts obstructed the flow of interstate commerce, their activities

were enjoinable. It was not difficult to make this point to the satisfaction of many judges. While the injunction granted in 1894 against Eugene V. Debs was based in part upon the Sherman Act, it was not until 1908 in the Danbury Hatters' case\(^2\) that the Supreme Court specifically held that the anti-trust act applied to labor organizations. Thereafter, the Sherman Act served as a major restraint on the unions.

Injunctions could also be issued by courts sitting in equity to protect property rights from actual or threatened damage when there was no other remedy at law. In labor cases the issuance of the injunction hinged upon the definition of property which the courts desired to apply. As Felix Frankfurter has noted, "The term 'property' has been the lattice-work upon which the labor injunction has climbed."\(^3\) Although Justice Holmes protested that "you cannot give \(\text{business}\) definiteness of contour by calling it a thing," the courts held that a business and the use of business constituted property and as such must be protected under the Fourteenth Amendment.\(^4\) Under this formula a great variety of trade-union actions were enjoinable, and while higher courts refused to uphold certain injunctions which barred clearly lawful acts, their action often came too late to offset the damage done to a striking union by an unfriendly lower court judge.

At the same time the courts issued injunctions to restrain secondary boycotts, one of the unions' more effective weapons. In the

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\(^4\) In his dissent in *Truax v. Corrigan*, 257 U. S. 312 (1921).
Bucks Stove and Range case, for example, Samuel Gompers was even enjoined from placing an employer on a "We don't patronize list." This further narrowed the scope of permissible labor action.

With the passage of the Clayton Act in 1914, labor thought it had achieved relief from the Sherman Act and from the more flagrant abuses of the injunctive power. The courts, however, soon demonstrated that labor had gained little. In 1921 in *Duplex Printing Company v. Deering* the Supreme Court set the pattern for future decisions by narrowly interpreting the protections of the Clayton Act and holding that the act did not legalize the secondary boycott. In the same year in *American Steel Foundries v. Tri-City Central Trades Council* the court refused to upset an injunction against picketing and ruled that the Clayton Act had made lawful no act which was not previously lawful but had merely codified accepted judicial practices.

The Supreme Court in 1927 even invoked the Sherman Act to enjoin union members from refusing to work upon stone cut in nonunion quarries. This led Justice Brandeis to remark in his dissent that if refusing to work could be enjoined, then Congress in the anti-trust acts had created a device for restraining labor which suggested involuntary servitude.

Finally, in *Truax v. Corrigan* the Supreme Court held unconstitu-

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5221 U. S. 418 (1911).
6254 U. S. 143 (1921).
7257 U. S. 184 (1921).
9257 U. S. 312 (1921).
tional the application of an Arizona anti-injunction law in a picketing case on the grounds that it deprived the employer of equal protection of the laws. It was in this case that Chief Justice Taft defined property so broadly that it included such items as the "good-will" a business had developed. Under such circumstances all union action was severely circumscribed. By the late 1920's the Clayton Act was an empty shell which, if anything, made the injunction more oppressive than before since it permitted private parties to seek injunctions against those conspiring to restrain trade, a right previously limited to the government.

While it is not known how many injunctions were granted by the courts, the number was certainly high. Their scope varied considerably. If the purpose of the union was unlawful—say to restrain trade—then the courts could enjoin all actions which tended to fulfill this purpose. One of the more sweeping injunctions, for example, enjoined the railroad shopmen's union in 1922 from "in any manner, by letters, printed or other circulars, telegrams, telephones, word of mouth, oral persuasion, or suggestion, or through interviews to be published in newspapers or otherwise in any manner whatsoever, encourage or command any person . . . to abandon the employment of said railroad companies . . . ."

10 While between 1901 and 1931 there were only 100 reported federal cases where labor injunctions were granted, this includes only decrees which were challenged. In the 1922 Railroad Strike alone 300 injunctions were issued, although only 12 were officially reported. Green provided a list of nearly 400 in 1928. Frankfurter and Greene, The Labor Injunction, pp. 49-52.

11 Ibid., Appendix 4, p. 258.
At the end of World War I a new and more sinister application of the injunction appeared which threatened to bar forever the unionization of certain groups of workers. This was a consequence of the decision of the Supreme Court in Hitchman Coal and Coke Company v. Mitchell in which it upheld the issuance of an injunction to enforce a yellow-dog contract. 12

Employers had for many years used the yellow-dog contract—a promise not to join a union as a condition of employment—as a device to block organizational activities. Until 1917, however, the effect had been primarily psychological since the penalty for violation was discharge, a right the company already had. But in 1917 the Supreme Court in the Hitchman case ruled that it was unlawful and enjoinable for a union—as a third party—to induce workers to break this contract. Henceforth, the yellow-dog agreement became a legal weapon against unions. In industries such as mining where the company had a captive labor supply and controlled food and housing, the workers had no choice (if they wanted to survive) but to sign the contract. For the United Mine Workers, which saw its agreements with owners broken throughout the 1920's because of the competition of nonunion mines, the Hitchman decision virtually destroyed chances for dealing realistically with the situation.

In its ruling the Supreme Court came close to declaring that a strike in the mining industry was in itself illegal.

... We are constrained to hold that the purpose entertained by defendants to bring about a strike at plaintiff's mine in order to compel plaintiff, through fear of financial loss, to consent to the unionization of the mine as the lesser evil, was an unlawful purpose, and that the methods resorted to by Hughes [the organizer] - the inducing of employees to unite with the Union in an effort to subvert the system of employment at the mine by concerted breaches of the contracts of employment known to be in force there, not to mention misrepresentation, deceptive statements, and threats of pecuniary loss communicated by Hughes to the men—were unlawful and malicious methods, and not to be justified as a fair exercise of the right to increase the membership of the Union. 13

This led Mr. Justice Brandeis in his dissent to charge that the mine owner's whole case rested upon the enforcement of contracts wrung from employees who had no free choice: "If it is coercion to threaten to strike unless the plaintiff consents to a closed union shop, it is coercion also to threaten not to give employment unless the applicant will consent to a closed nonunion shop."

The net effect of this decision was to insulate large bodies of workers from organization. The Court assumed that the employees and employer had freely agreed to maintain an open shop and that the union, a third party, was, for its own interests, seeking to subvert this contractual arrangement. The Court rejected completely the argument that the parties were not equal in power. This, said the Court, was true in any contract.

Relief from the yellow-dog contract, and particularly the injunction

13Hitchman Coal and Coke Company v. Mitchell, Individually, et al., 245 U. S. 229 (1917), 259. William Green, as president of UMW District No. 6, was one of the defendants.
upon which both this and other anti-union measures depended for their force, became the chief legislative goal of the AFL as well as of independent unions. In 1925 and again in 1927 the Ohio State Federation of Labor attempted to have the yellow-dog contract made illegal. Although its bill, which was drawn up by a committee of outstanding lawyers and economists, failed of passage, it provided the basis for action in other states. Wisconsin succeeded in enacting an anti-yellow-dog measure in 1929; within a few years four other states took similar steps.

At the same time, the need for federal intercession in this field was clear. State action was at best piecemeal, and the interstate nature of certain industries made federal guarantees to labor essential. During the 1920's a number of bills were introduced in Congress to free organized labor from the injunctive restraint or at least to limit its application. None were endorsed by the AFL and none passed. Late in 1927, however, Senator Henrik Shipstead of Minnesota introduced an anti-injunction bill, prepared by the venerable Andrew Furuseth, President of the International Seamen's Union, which did receive the support of the American Federation of Labor. The Shipstead bill was short and to the point. "Equity courts shall have jurisdiction to protect property when there is no remedy at law; for the purpose of determining such jurisdiction, nothing shall be held to be property unless it is tangible and transferable, and all laws and parts of laws inconsistent herewith are hereby repealed."

Basically there were two possible ways to obtain relief for labor from the injunction. One was that chosen by Furuseth and Shipstead, namely, to circumscribe the jurisdiction of equity courts as it applied
in all cases by defining narrowly the object which might be protected. The other method was to treat equity jurisdiction as a legitimate and necessary function of the courts, but to limit specifically this jurisdiction as it applied to trade-union action. While the former had the advantage of avoiding the stigma of "special" legislation, the latter skirted the pitfalls inherent in removing the only legal safeguard in certain types of cases.

The weaknesses of the Shipstead bill were immediately apparent when Senator Norris, chairman of the Judiciary Committee, and the two friendly legislators whom he appointed to join him on the subcommittee—Walsh of Montana and Blaine of Wisconsin—began hearings in February, 1928. By defining property as "tangible and transferable" the bill deprived the courts of the use of the injunction in cases far removed from labor disputes. The protection of the courts in a great variety of matters would be affected. A representative of the National Association for the Advancement of Colored People, for example, testified that enactment of this law would deprive Negroes of their only recourse. "The group I represent has not got very much physical or tangible property and their biggest asset is their right to a job . . . an intangible right." A patent attorney told the committee that such a law would destroy the very foundations of patent, trademark and copyright laws. Other witnesses testified to similar adverse effects in their fields. Moreover, the constitutionality of such a measure was highly questionable.\[H_2]

\[H_2\] U.S. Congress, Senate, Judiciary Committee, Hearings, Limiting Scope of Injunctions in Labor Disputes, 70th Cong., 1st Sess. 1928.
In view of these shortcomings the subcommittee decided to prepare a substitute. After the conclusion of the hearings in March, 1928, Norris called in a distinguished group of lawyers and economists including Felix Frankfurter, Herman Oliphant, Donald Richberg, E. E. Witte, and Francis B. Sayre. According to Norris, these men locked themselves in a room for forty-eight hours and hammered out a new anti-injunction measure, drawn with particular care to meet the test of constitutionality. Their bill, which closely resembled the Norris-LaGuardia Act passed four years later, declared it the public policy of the United States that workers have full freedom to organize and bargain without interference or coercion by employers. It denied to the courts power to issue injunctions in labor disputes except under certain conditions and where such injunctions were not contrary to this public policy. It made the yellow-dog contract unenforceable in the courts and defined a labor dispute so that an organizer could be a party and therefore protected by the law. The substitute bill was presented to the full Judiciary Committee in May, 1928, shortly before adjournment.

That fall at the annual AFL convention in New Orleans, the question of anti-injunction legislation was discussed. The Executive Council, side-stepping the issue, declined to choose between the original Shipstead bill and the Norris substitute. The Resolutions Committee, how-

ever, encouraged by Furuseth, recommended that the AFL pledge its support to the Shipstead bill even though it had already been repudiated by the Senate Judiciary subcommittee. The convention accepted the recommendation.16

In December when the second session of the Seventieth Congress convened, Senator Norris was forced by the full Judiciary Committee to reopen the hearings. Opponents of the measure had demanded additional time and the Committee, which was hostile to anti-injunction legislation, insisted they be given another opportunity since the substitute bore little resemblance to the Shipstead bill. Furuseth again appeared before the subcommittee, this time insisting that only the original bill would meet the needs of labor. Furuseth, who considered himself an expert in the field of medieval English constitutional law and in the development of the equity power, contended that in 1789, when the Constitution was placed in force, property in equity meant tangible goods. Since that time the courts had perverted this definition to cover a host of other matters. The only remedy, therefore, was to turn back the judicial clock to 1789 and restore the true meaning of the word.17

The American Federation of Labor was in an awkward position. Three senators, friendly to labor, had joined with a group of university


people, also friends of labor, to draft a bill relieving the unions of their most damaging legal bar to expansion. Yet, at its 1928 convention, the Federation had refused to endorse their efforts and committed itself to a bill which the subcommittee would not accept, which the Congress would never pass, and which the courts would undoubtedly declare unconstitutional. Furuseth had told the subcommittee the AFL was opposed to the Norris bill making it necessary for Green to visit the members and assure them that the Federation appreciated their efforts on its behalf. The whole affair pointed up the weak and divided leadership of the Federation, and its dangerous proclivity to permit itself to be placed in untenable positions.

The Federation had little choice but to abandon its support of the old Shipstead bill with a little evidence of retreat as possible. After Green assured the Executive Council that it would be impossible to obtain approval of the original measure, the Council, in February, 1929, authorized the resident officers to draft a new anti-injunction bill. Green, together with Matthew Woll, Victor Olander, and John Frey, prepared the new bill after conferring with Senator Norris. In August the Executive Council approved the draft and a few months later the volte face was ratified by the membership at the annual convention, but only after a long and bitter debate between Woll and Furuseth. The bill resembled closely the Norris substitute. At last the Federation

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18 American Federation of Labor, Executive Council, Minutes, February 19, 1929.
was moving in the right direction. 19

Nevertheless, considerable damage had already been done. For a full year— from the fall of 1928 to the fall of 1929— the American Federation of Labor stood officially opposed to favorable action on the Norris anti-injunction bill. Had the Congress been prepared to consider the measure, this would have destroyed its chances of passage.

The second session of the Seventy-first Congress met in December, 1929, after only a short holiday. It immediately became embroiled in a controversy over the tariff and it appeared that the anti-injunction bill would have to be deferred. 20 The Norris subcommittee held no hearings and made no report to the full Judiciary Committee.

But then, a totally unexpected development suddenly altered the status of the anti-injunction bill and enhanced chances for its future favorable consideration. As a result of President Hoover's political ineptness (upon which reformers could usually depend) the evils of the yellow-dog contract and the injunction were dramatically thrust before the public in a manner which neither Norris nor Labor could ever have hoped to achieve. This followed when President Hoover made the mistake of nominating Judge John J. Parker for elevation to the Supreme Court.

19 Ibid., August 25, 1929; AFL, Proceedings of the 69th Annual Convention (1929), pp. 194 ff., 317 ff. Turuseth continued to oppose the bill at both the 1930 and 1931 conventions.

Because of the injunction issue, the AFL had always been deeply concerned with judicial appointments. Green had discussed this question with Hoover during 1929 and urged that labor's views be considered before any major appointments were made. Early in 1930 Chief Justice Taft resigned from the Supreme Court and Green wired Hoover urging the appointment of a liberal judge to replace him. Hoover, however, nominated Charles Evans Hughes and informed Green that the selection had been made before the receipt of Green's message. A short time later Justice Sanford died. This time Green waited only until the funeral and then made an appointment to see Hoover. He urged the President to name Judge Kenyon to the bench or at least someone of his liberal views. Hoover refused to make any commitment.\(^\text{21}\)

Shortly thereafter, on March 21, Hoover nominated Judge John J. Parker of the Fourth U. S. Circuit Court of Appeals to fill the vacancy created by Sanford's death. The press almost unanimously announced that Parker would easily be confirmed. The conservative *New York Times* reported that "from all indications the nomination will meet little or no opposition in the vote on confirmation," and the liberal *Nation* declared that "there will apparently be no opposition for the good reason that there is nothing in particular to object to." The *New Republic* saw nothing especially objectionable about Parker except that he was "competent" rather than "inspired." At any rate, said the magazine, Parker was only forty-four and might well become a first-rate judge over

\(^{21}\)AFL, Executive Council, Minutes, May 6, 1930.
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the years. Other periodicals hailed the appointment because of Parker's youth and energy. 22

Hoover seemed to have made a wise choice. Parker was indeed young (the average age of the remaining justices was seventy), and he had prior judicial experience at the level just below the Supreme Court. He was from North Carolina and his appointment would therefore give the South two seats on the court which it had had before Sanford's death. There was no reason to doubt that he was an able judge. 23

The nomination, however, was not universally popular. To veterans of the West Virginia coal wars, Parker symbolized all that was evil in the suppression of unions by court-made law. He was what laboring men called an "injunction judge." Only three years before in the Red Jacket case he had upheld a district court injunction restraining the United Mine Workers from trying to persuade workers who had signed a yellow-dog contract to join the union. 24 The effect of the decision had been to insulate forty thousand coal miners from any possibility of unionization. A few days after the nomination was made William Green, who had been one of those enjoined, filed an official protest on behalf of the American Federation of Labor alleging that Parker was


unfit to serve on the highest court of the land.

On April 5, a subcommittee of the Senate Judiciary Committee, presided over by Senator Overman of North Carolina, a warm supporter of Judge Parker, heard testimony on the nomination. It soon became clear that Parker's advocates felt he had been bound to uphold the yellow-dog contract by prior Supreme Court rulings, chiefly the Hitchman decision. Parker had, it was asserted, no latitude for private judgement and merely enforced what the Supreme Court had held was the law.

Green, however, attempted to distinguish Parker's ruling in the Red Jacket case from the Hitchman decision and to show that, even if he were bound by the Supreme Court, he was "in sympathy with" the type of restraint contained in the yellow-dog contract. The United Mine Workers had asked Parker to modify that portion of the injunction restraining it from "persuading" employees to break their contract on the grounds that peaceful activities were not unlawful. This Parker refused to do stating that any interference by a third party with a contract was prohibited by the Hitchman decision. "To make a speech or to circulate an agreement under ordinary circumstances dwelling upon the advantage of union membership is one thing," he stated. "To approach a company's employees, working under a contract not to join the union while remaining in the company's service, and induce them, in violation of their contracts, to join the union and go on a strike for the purpose of forcing the company to recognize the union or of impair-

ing its power of production, is another and a very different thing."
Inasmuch as all the miners involved had signed a yellow-dog contract, labor felt this was a tortured distinction. The net effect was to close these mines permanently to unionization.

Green also claimed that in the Hitchman case secretive activities had much to do with the decision. In that instance, the organizer had made it clear that the workers were secretly joining the union in violation of their contracts and would then strike when enough men had been so organized. Moreover, the organizer used deception with the workers. Neither of these had been alleged in the Red Jacket case. Furthermore, in a 1921 case Chief Justice Taft had held that only on two grounds was persuading employees to leave an employer actionable — malice or absence of lawful excuse and actual injury. In the Hitchman case, said Taft, "the unlawful and deceitful means were quite enough to sustain the decision of the court without more."²⁶ This, claimed Green, showed that Parker had gone further than was necessary.

On the basis of the facts, however, Green did not have a good case. The Supreme Court in the Hitchman decision had, as Parker said, declared that any violation of the company's rights, even by peaceful means, was unlawful. Moreover, the core of the issue was whether or not the union had a right to induce workers to join a union in violation of their contracts. On this the Supreme Court had spoken clearly. There could be no doubt that when Parker decided the Red Jacket case, the

yellow-dog contract was legal and enforceable in the courts.

In spite of the legal aspects of the case, however, Green successfully made the point that Parker had shown a mental bias in favor of the great corporations, that he had not been sufficiently reluctant to render the decision, and that he was in sympathy with the yellow-dog contract. This way or may not have been true, but for progressive senators it was a red flag. There seemed to be something immoral in a legal document like the Red Jacket injunction which barred a union from giving financial assistance to striking workers who were being ejected from their company-owned houses. Yet Parker had justified this on the ground that West Virginia law said that after a miner quit work, i.e., went on strike, he became a trespasser in his own home. Perhaps the law did say this, but to the progressives it did not seem right for a man to uphold such an action without at least excusing himself.27

Organized labor was not, however, the only group to oppose the Parker appointment. The National Association for the Advancement of Colored People also had reason to question his fitness. Parker was a leader in what was known as the "lily-white" wing of the Republican party in the South. This group sought to eliminate the Negro as an element in the party so as to place it in a position to compete actively

27 Parker approached the question from management's point of view and with little understanding of the coercive nature of the company town. "It is clear that no more effective way of shutting down the mines could be devised than to get the houses of the mine villages in possession of persons who refuse to work in the mines and withhold possession of the houses from persons who are willing to work." International Organization, United Mine Workers of America, et al., v. Red Jacket Consolidated Coal and Coke Company, 18 Fed (2d) 539 (1927), 850.
for votes with the Democrats. In the 1928 election, North Carolina, Parker's home state, had cast its presidential vote for Hoover and the President was clearly in sympathy with the "lily-white" movement which might make permanent this breach in the solid South.28

In 1920 Parker had been the Republican candidate for governor of North Carolina. In the course of the campaign, he had made a statement which not only struck a blow at Negro participation in the Republican party but also seemed to place him in the camp of those who wished the Negro to occupy permanently an inferior position in the nation. Parker was quoted as saying that "the Negro as a class does not desire to enter politics. The Republican party of North Carolina does not desire him to do so . . . . The participation of the Negro in politics is a source of evil and danger to both races and is not desired by the wise men in either race or by the Republican party of North Carolina." While this could be interpreted to mean that Parker wished to eliminate racial issues and the use of demagogic appeals to hatred, the Negroes did not draw this conclusion.

Walter White, director of the NAACP, based his opposition to Parker solely on this statement. At the time it seemed little would come of his objection. Senator Overman subjected White to considerable badgering during the subcommittee hearing, and afterward, the newspapers generally ignored his appearance. Green went out of his way to disasso-

ciate his opposition to Parker from that of White, perhaps because he feared adverse results among the southern senators.\(^\text{29}\) It soon developed, however, that the Negroes were to be far more strenuous in their opposition than the AFL although they lacked the friendly support in Congress which labor generally commanded. The NAACP decided to apply strong political pressure in northern and border states where Negroes were permitted to vote and where they made up a substantial proportion of the electorate. A key factor was that the overwhelming majority of Negroes were Republicans which placed representatives of the President's party in the uncomfortable position of endangering "sure" votes in the next election should they support Parker. The NAACP embarked upon a massive, grass roots campaign, urging local chapters and individuals to write to their senators and even providing blank telegraph forms to members. Soon a flood of protest descended upon Washington.\(^\text{30}\)

On April 11 Senator James E. Watson of Indiana, Republican floor leader, told Hoover that a number of Republican senators were wavering in their support of the President because Negroes in their states were politically strong and were up in arms. He asked that Hoover either get Parker to issue a denial of anti-Negro sentiment or withdraw his nomination. A few days later the chairman of the Republican party in


Missouri wired Senator Patterson of his state that if Parker were confirmed the Republican party might just as well ignore Missouri for the next two or three elections. Finally, on April 17, Watson and sixteen other Republican senators seeking re-election declared their opposition to Parker because of Negro and labor hostility and asked the President to withdraw the nomination. Hoover refused.31

Senator Norris, who had fought the confirmation of McReynolds in 1914, Butler in 1922, Stone in 1925, and Hughes earlier in 1930, emerged as the leader of the opposition to the confirmation of Parker. As head of the progressive bloc in the Senate, his opposition was based on what he conceived to be the need for a more liberal court. Parker's position on the yellow-dog contract, regardless of the Supreme Court precedents, made him highly suspect to Norris who had no intention of permitting the appointment of another McReynolds or Butler. The Red Jacket decision marked Parker, rightly or wrongly, as a reactionary who would, while on the court, side with the opponents of all social and regulatory legislation.

In order to defeat Parker the progressives had to win over regular Democratic votes. Normally this would not have been difficult, given the political implications of the question and the progressive sympathies of a number of Democrats. But the injection of the racial issue,

31New York Times, April 12, 13, 17, 18, 1930; James E. Watson, As I Knew Them (Indianapolis: Bobbs-Merrill Co., 1936), p. 265. Among this group were senators from West Virginia, Indiana, Ohio, Kentucky, New Jersey, Missouri, Illinois, Delaware, Michigan, Kansas, and Rhode Island. Later, under Administration pressure, several senators changed their minds.
effective as it was in the North, created immediate problems in the South. Partisans of Parker cornered Southern senators and asked if they were going to be told what to do by a bunch of "niggers." The campaign seemed to be effective.

Fortunately for labor, another consideration, well-exploited, offset to a degree this defection. Friends of the NAACP asked wavering southern Democrats if they intended to help Hoover reward North Carolina for going Republican in 1928. At the same time, senators hostile to the appointment unearthed a letter from a high official in the Interior Department to one of Hoover's secretaries urging the appointment of Parker as a shrewd political move to consolidate the 1928 Republican victory in North Carolina. The letter had been dated shortly before the nomination. Southern Democrats were thus caught between two fires—a desire to squelch what appeared to be a strictly political appointment and an unwillingness to risk being accused of selling out to the NAACP.32

On April 21 the Judiciary Committee adversely reported the nomination to the floor by a vote of ten to six. During the last days of April and in early May the issue of Parker's confirmation was debated in the Senate with Norris and Senator Borah leading the opposition. Borah was particularly disturbed by the sanction given the yellow-dog contract which he felt perverted the intent of the equity power. He

32 White, A Man Called White, p. 108; AFL, Executive Council, Minutes, May 6, 1930; A New York Times editorial blamed the imminent rejection of Parker on Negro "agitators." April 21, 1930.
argued there were serious differences between the Hitchman and Red Jacket cases and that Parker had gone much further than the Supreme Court when he restrained the UMWA from discussing the contract with the workers. Moreover, he felt that the Hitchman decision actually made more urgent a careful surveillance of appointments; for if the Senate permitted the elevation of men who believed in the yellow dog, then the nation could expect more anti-labor decisions. The prior action of the Supreme Court was no defense for Parker; it was proof of the pudding.  

Parker was defended by Senator Overman of North Carolina and Senator Simeon Fess of Ohio who suggested that the opposition was chiefly a socialist attack on the sanctity of the judiciary. Senator Ashhurst countered with the charge that another member of the Senate had been offered a judgeship if he would vote to confirm. Almost no one defended the yellow-dog contract.

It was significant that of the opposition only Senator Robert Wagner of New York chose to inject the Negro issue into the debate. To most politicians this was needless harassing of the South; indeed for a time it may have cost the progressives some votes. Wagner, however, found the two issues inextricably joined. "I see a deep and fundamental consistency between Judge Parker's view of labor relations and his reported attitude toward the colored people of the United States," he said.


they both spring from a single trait of character. Judged by the available record, he is obviously incapable of viewing with sympathy the aspirations of those who are aiming for a higher and better place in the world. His sympathies naturally flow out to those who are already on top, and he has used the authority of his office and the influence of his opinion to keep them on top and to restrain the strivings of the others whether they be an exploited economic group or a minority racial group."\(^{35}\)

This mention of the racial issue led Senator Stephens of Mississippi to accuse Wagner of slandering the South. "There is not an honest, decent respectable white man in the South," he said, "who does not hold the same views on that question that Judge Parker holds."

President Hoover did everything he could to retrieve some of his erring Republican stalwarts. He later observed that they ran like white mice.\(^{36}\) On May 7, before packed galleries and with House members lining the walls three deep, the Senate by a vote of 41 to 39 rejected for the first time in thirty-six years a nomination to the Supreme Court.

\(^{35}\)U. S., Congressional Record, 71st Cong., 2nd Sess., 1930, LXII, Part 8, 8039.

\(^{36}\)Herbert Hoover, The Memoirs of Herbert Hoover (New York: Macmillan Co., 1951), II, 288-89. Hoover's account of the Parker affair contains so many errors of fact as to cast doubt upon the integrity of the author. Green told the Executive Council, sadly, on the day before the vote that "when you come to review the President's administration you can not find anything in the record where he has done much for labor." This was a surprising statement in light of the AFL's willingness for two years to follow Hoover's lead in recovery matters. AFL, Executive Council, Minutes, May 6, 1930.
An analysis of the vote is instructive. Voting against confirmation were 17 Republicans, one Farmer-Laborite, and 23 Democrats; supporting the President were 29 Republicans and 10 Democrats. Of the 16 senators not voting but paired, 5 Republicans and 3 Democrats voted on each side. This meant that the Republicans stood 31 to 22 for Parker, and the Democrats 26 to 13 against. However, party affiliation was clearly not the main division. The coalition which defeated Parker had at its core a group of Republican progressives—Borah, Norris, Blaine, LaFollette, Cutting, Frazier, Nye, Howell, and Brookhart. They were joined by Democrats as dissimilar as Walter George of Georgia, Tom Heflin of Alabama, and Robert Wagner of New York. To these were added a number of Republicans usually considered regulars including Capper of Kansas, Vandenberg and Couzens of Michigan, Deneen and Glenn of Illinois, McNary and Steiger of Oregon, Pine of Oklahoma, Robinson of Indiana, and Robsion of Kentucky.

On the other side, the Republicans picked up 13 Democratic supporters, all but one from the South. However, many southern Democrats opposed confirmation showing that the exigencies of politics coupled with a belief that the Supreme Court had become reactionary outweighed the injection of the racial issue. Moreover, a number of southerners would have voted for Parker even if the Negro issue had never been raised as shown by their later opposition to the Norris anti-injunction bill.37

37 For a perceptive analysis see R. V. Oulahan in New York Times, III, May 11, 1930. See also C. O. Johnson, Borah of Idaho (New York:
This was a victory for the progressive bloc in Congress rather than for labor. Only a few months before, the bloc had mustered twenty-six votes against the confirmation of Charles Evans Hughes. This time it had the support of forty-nine members. Although many factors were involved in the victory, the overriding issue had been the conservative nature of the Supreme Court, the strong feeling that the Senate could not afford to further reinforce the opponents of change. Nevertheless, labor was the chief beneficiary. Not only did it obtain a massive hearing for its case against the injunction and yellow-dog contract, but it also received an opportunity to test its political strength. It is surprising that it did not make more of that opportunity in the immediate future.38

Senator Norris, who could be counted upon to take advantage of every opening, chose to hold a hearing on the proposed anti-injunction, anti-yellow-dog bill on April 22 in the midst of the debate over

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38 David J. Sapos, "Labor," American Journal of Sociology, XXXVI (May, 1931), 917-18. Years later Walter White noted that since his rejection, Judge Parker had been "above reproach" in cases involving both labor and the Negro. In light of this, it is interesting to speculate what would have happened to New Deal legislation if Parker, rather than Owen J. Roberts whom Hoover nominated in his stead, had been elevated to the Supreme Court. Roberts was the crucial "swing man" upon whose vote so much New Deal legislation depended.
Judge Parker. A few days later the subcommittee of Norris, Blaine, and Walsh—all opposed to Parker—reported out the substitute Norris bill to the full Judiciary Committee. The original hearings had been held two years before and the Judiciary Committee had once returned the measure to the subcommittee for additional hearings. Now, Norris at last had the bill before the committee at a time when nearly everyone, regardless of his position on Parker, seemed hostile to yellow-dog and injunction law.

Unfortunately, Norris' hopes were due to be shortlived. The hostile majority on the Judiciary Committee caused a further delay by referring the bill to the Attorney-General for an opinion on its constitutionality, a most unusual move. Attorney-General Mitchell returned the bill without action on the ground that he had no legal right to furnish Congress with an opinion. The committee then adversely reported the measure by a vote of ten to seven. This effectively ended any possibility for an anti-injunction bill during the remainder of this session and, since the personnel of the Judiciary Committee would not change, during the short session of 1930-31.

The obvious remedy, so far as labor was concerned, was to change the political complexion of the Congress. As early as April, 1930, Green had declared that the injunction would be the most important, if


41 Ibid., May 29, June 10, 21, 1930.
not the only issue in the fall off-year elections. Every candidate was to be asked if he would vote for a bill to the effect that "no court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute." In addition, special letters were sent to all state federations giving the records of senators who had voted to confirm Judge Parker. 42

After the election, Green reported that labor had been more effective in this campaign than in any other. The Federation attributed the defeat of six senators to their support of Judge Parker and noted slyly that four other senators in the same camp had not stood for re-election. 43 On closer examination, however, it is clear that the Federation did little to mobilize labor votes despite the serious issues involved. While it endorsed a few candidates and announced its opposition to a few others, it failed to implement these declarations. Before the campaign the Federation had solemnly announced that the answers of the candidates to the injunction questionnaires would determine labor help or hostility. But only twenty-two state federations took the trouble to distribute the questionnaires and notify AFL headquarters of the results. Fourteen other groups informed the AFL they had not bothered to


send them to the candidates. The other twelve did not even report. 

The election of 1930 was a distinct defeat for President Hoover and for the conservatives in the Republican party. It was not, of course, a referendum on the injunction. It reflected a rather more pervasive dissatisfaction with the tenor of traditional policies after a year of depression. At the same time it provided hope for favorable consideration of anti-injunction legislation in the coming year.

As expected, the short session of Congress produced no action on the Norris bill. The lame ducks had never been sympathetic with the measure and were not inclined to change their views after labor had opposed them in the election. Moreover, the progressive group had bills of more urgency it hoped to enact. On the advice of Senators Norris and Blaine, the Federation decided to wait until the new Congress met. 

They had to wait nine months. President Hoover did not call the Congress elected in November, 1930, into session until required by statute, in December, 1931. For over a year the results of the election meant nothing. When at last the new Congress convened, Senator Norris immediately introduced the same bill which had been rejected by the Judiciary Committee eighteen months before. This time it was favorably reported to the floor, eleven to five. Several of those who had opposed the bill in 1930 had been defeated for re-election. Several others had decided to change their minds. Of the five senators opposed

\[44\] AFL, Executive Council, Minutes, January 19, 1931.

\[45\] Ibid., January 15, 19, 1931.
in the committee, only one was a new member.\textsuperscript{46}

After nearly five years of patient infighting, the political climate was at last right. In February the Norris bill passed the Senate with only five dissenting votes. In the House an almost identical bill introduced by Representative Fiorello H. LaGuardia was quickly reported out of committee and passed 363 to 13. In March, 1932, an unenthusiastic President Hoover signed the historic Norris-LaGuardia Anti-Injunction Act into law.\textsuperscript{47}

The Norris-LaGuardia Act marked a turning point in labor history. For the first time legitimate trade-union practices had been defined by the legislature. Because the body of labor law created by the courts had been highly restrictive, the new act had the effect of widening the area of permissible industrial conflict. Basically it sought to reduce rather than expand governmental intervention into industrial affairs. It gave to labor what the AFL had traditionally insisted was

\textsuperscript{46}Norris, Fighting Liberal, p. 314; New York Times, February 5, 1932.

\textsuperscript{47}"Labor Wins 14-year Fight for Norris Injunction Bill," The Business Week, March 16, 1932, p. 20; Norris, Fighting Liberal, pp. 314-15. The charge was later made that the Secretary of Labor tried to get Donald Richberg to oppose the bill by the offer of a judgeship. This the Secretary denied —New York Times, October 20, 1932. Hoover's chroniclers, Byers and Newton (The Hoover Administration, p. 451), say that the President approved the act and was carrying out ideas he had expressed when he opposed the use of the injunction by Attorney-General Daugherty in 1921. However, in January, 1932, Hoover, with his usual political sagacity, nominated District Court Judge James H. Wilkerson for the U. S. Court of Appeals. In 1922 Wilkerson had issued, upon Daugherty's application, one of the most infamous injunctions ever to anger a unionist. His very name was anathema to the AFL and especially the railroad unions. Wilkerson was never confirmed.
its only demand upon government --freedom to use its self-help devices in achieving a larger share of the nation's wealth.

Specifically the Norris-LaGuardia Act denied federal courts the right in labor disputes to enjoin a long list of practices including strikes, aiding those on strike, giving publicity to a strike, and many others except where there was evidence of fraud or violence. Even in cases where injunctions could be issued, certain judicial forms must be observed to insure a fair hearing for both parties. No injunction could be issued where the damage done to the union in granting the injunction was greater than the damage done to the employer by not granting it. A labor dispute was so defined that a third party, i.e., a union organizer, would be protected by the act. Finally the yellow-dog contract was made nonenforceable in the courts.

The net effect of the measure was to make possible the growth of union strength in fields, like mining, which had for years been closed to organization. It freed organized labor at long last from the judicial restrictions which had deprived it of many of its most effective economic weapons.

The act was passed at a time when the American Federation of Labor was turning desperately to the government for a way out of the depression. While not directly connected with the economic disaster, it was another evidence to the Federation of the need for federal assistance. The successful conclusion of the long struggle was so obviously the consequence of a changed congressional membership that the AFL could not have missed the lesson. At the same time it was a victory of sorts for
the Federation policy of persuasion. Public opinion by 1932 had become hostile to unrestricted use of the injunction and the type of coercion inherent in the yellow-dog contract. This attitude was in large measure the consequence of steady labor propaganda.

There were, however, certain disturbing notes, particularly in the early phases of the battle. It was evident that the leaders of labor were unable to present a united front on the injunction as the conflict with Furuseth so clearly indicated. Similarly there was an inflexibility, apparent in many other areas, which led the Federation into untenable, even impossible positions. Finally, there was that narrow, uninformed point of view which some writers called conservative but which was actually only parochial. The fact was that in the struggles for the anti-injunction bill and the defeat of Judge Parker, the AFL had gained the fruits of victory without demonstrating much initiative or knowledge of the broader issues. It had quibbled with its friends like Norris, snubbed its possible allies like Walter White. It had not shown an understanding of the uses of its position as leader of the working people and had pursued a narrow, largely permissive course. It seemed at least questionable whether an organization with this type of leadership could, without a change, successfully meet the challenge of the new era where flexible and imaginative exploitation of governmentally-created opportunities would determine survival and growth.
CHAPTER VIII

UNEMPLOYMENT INSURANCE

The growing preoccupation of the American Federation of Labor with the legislative process, so apparent by 1932, stemmed only in part from labor's disillusionment with business leadership. It was also a concomitant of the inexorable shift in the locus of power to Washington. As the economy ground to a near halt, as cities failed to meet payrolls and the unemployed went without food, as apple sellers appeared on street corners, the nation began to grope for an instrumentality whereby relief might be provided and recovery started. It discovered the existence of an enormous vacuum, not apparent before, between the needs of twentieth-century life and the accepted functions of the federal government. At the first sign of pressure, the thin wall of doctrinal devotion to laissez faire gave way and governmental activities flowed in to meet these needs. Federal responsibilities multiplied not by design but by the absence of alternatives. Almost without realizing it, America turned to Washington not alone for functions once reserved to private initiative but for services previously considered personal responsibilities.

The new search for governmental solutions was destined to have profound and lasting consequences for the nation. And yet it is quite possible that the appropriation of federal relief funds, the construction of public works, federal intervention in agricultural marketing and elsewhere, at least on the scale of the Hoover administration, might
have had little permanent effect. Like the massive federal intervention of the first World War, these measures might have provided precedents for later action without permanently altering the fundamentals of American society. This did not happen, largely because the depression lasted much longer than anyone had expected and because the New Deal was concerned with reform as well as with recovery. In 1932, however, one might well have supported temporary federal relief and similar measures for humanitarian reasons without abandoning a sincere opposition to all that is implied in the term welfare state.

On one measure, however, there was a clear-cut choice -- this was unemployment insurance. Since unemployment insurance ran counter to everything Samuel Gompers had taught and because it rudely flouted all the commitments of the 1920's, organized labor was more severely tried by this question than was any other social group.

The Federation's leaders understood that unemployment insurance, unlike other measures of the early depression, committed the nation to a fundamental alteration of the role of the state in society. Workmen's compensation and child labor laws might be justified as humanitarian, old age pensions as assistance for the destitute elderly, and public relief as a very temporary expedient. But unemployment insurance meant an acceptance of two fundamental premises heretofore alien to the mainstream of American thought: the inability of the worker individually or collectively to protect himself from major economic disaster; and the responsibility of the government to provide for certain minimal needs of the entire population regardless of the restraints such action might
impose upon individual liberty. It marked the point of departure from the individualistic, self-reliant, laissez-faire past toward the security-oriented welfare state of the future.

The American public as a whole generally shared the attitude of the American Federation of Labor toward compulsory unemployment insurance. Public leaders in the 1920's tended to approach unemployment as either an individual problem or as a matter to be worked out by private industry. This was even true of the most influential and successful exponents of unemployment insurance, the group which followed the lead of Professor John R. Commons in Wisconsin. They agreed with conservatives that industry had both the obligation and the ability to regularize production; they differed only on whether industry would do so without coercion. Thus their efforts were devoted to forcing industry to provide full employment, and their plans always included incentives to business to undertake this task. They considered unemployment insurance primarily a preventive measure. For them, as for the rest of America, the responsibility for insuring economic prosperity lay not with government but with private interests.

In this approach there was a clear, unbroken line deriving from the Progressive Era and quite at variance with what became the primary bent of the New Deal. The progressives had been deeply concerned with what Theodore Roosevelt called the "malefactors of great wealth." There had been a moral tone to the revolt of the first two decades of the century, a righteous indignation with the new industrialism and its heartless chieftains who left starvation where they might have created plenty.
Always there was the sense of evil, the feeling that the malefactors were not only antisocial but willfully sinful.

The progressive period was also one in which regulation seemed to offer the best method of dealing with the new problems. Although the difference between the New Freedom and the New Nationalism was considerable, they both assumed that the function of government was to provide the ground rules under which individual liberty might best function. Wilsonians wanted to restore the halcyon days of free competition; Theodore Roosevelt in his later years stressed the supervisory role of government. But for both, the crucial issue of the age was the withering away of the individual's control of his own destiny before the twin assaults of urbanism and corporate monopoly. To arrest or turn back these powerful new forces (if one were a Wilsonian) or bridle and control them (if one were a Rooseveltian) was thus the chief task of the government. Both functions were primarily regulative, concerned less with promoting welfare than with restoring liberty.

By contrast the 1930's offer a far different picture. While the second Roosevelt continued to invoke demoniac furies upon the heads of "economic royalists," he and his advisers were basically more concerned with impersonal economic forces. The reformers forgot for a time the unwillingness of industrial tycoons to provide the nation with plenty; it was understood that they could not do so even if they wanted. The sins of big business had now become private transgressions. Industrialists were ignored, or mocked for their impotence, not assailed for their callousness. It was clearly government's task to restore full employ-
ment, a task only it was able to perform.

Similarly, emphasis shifted from the providing or restoring of individual freedom of action to the ensuring of a degree of security from the disasters so often visited upon the common man. Here there was a link with certain aspects of the progressive movement, but the method of providing this security was markedly different. No longer did employers "owe" their workers jobs, or an income, as the progressives had so long insisted. Rather each person had a "right" to a job and an income, quite apart from any social responsibility business might be expected to have. Indeed, the "responsibilities of business" were relegated to the inbred pages of manufacturers' journals and trade magazines. No one expected business to worry about its employees. They were not even employees; they were citizens who deserved and must receive from their government protection from certain impersonal forces. The end was security, not liberty; the responsibility was governmental, not private; and the means coercive, not voluntary.

* * *

Early in 1929 a committee of the United States Senate reported on its recent hearings into the problem of unemployment. Its summary of the testimony on unemployment insurance illustrated the general attitude of the American people in the twilight hours of the era of prosperity.

We think it is generally agreed by the witnesses that at the present time the following conclusions would be drawn from the evidence:

1. Government interference in the establishment and direction of unemployment insurance is not necessary
and not advisable at this time.

2. Neither the time nor the condition has arrived in this country where the systems of unemployment insurance now in vogue under foreign governments should be adopted by this Government.

3. Private employers should adopt a system of unemployment insurance and should be permitted and encouraged to adopt the system which is best suited to the particular industry.

Judging from the interest shown in such measures during the 1920's, it seemed unlikely that the United States would have social insurance in the near future. Between 1916 and 1929 only twenty bills dealing with unemployment insurance were introduced in the legislatures of seven states. Only one had found its way into Congress. None had passed. Although greater interest appeared in the states the following year and Senator Wagner and Representative LaGuardia introduced measures in Congress in 1931, progress was painfully slow. Moreover, nongovernmental insurance or benefit plans were few in number and limited in coverage. In April, 1931, there were seventy-nine such plans in existence, fifteen sponsored by corporations, sixteen jointly by unions and management chiefly in the garment industry, and forty-eight by trade unions, almost all on the local level. In all only 160,000 persons were covered on the eve of the depression.  


Until the summer of 1930 unemployment insurance had attracted little public support. The opposition of the AFL was largely formal and its leaders had found little cause to prepare a reasoned position. When in April, 1930, President Green was asked if he favored unemployment insurance, he gave a vague negative reply. He would, he said, prefer a system of insurance established by collective action rather than a compulsory state measure. Unfortunately, he added, the unremitting hostility of corporations to unionism had made this impossible.3

In the summer, however, the small band of economists who had supported the measure were for the first time joined by a major political figure -- Governor Franklin D. Roosevelt of New York. In a speech to the Governor's Conference in Salt Lake City, Roosevelt not only endorsed unemployment insurance (although he was not specific as to type) but announced that it would inevitably become a part of American life.4 This stimulated a small amount of interest in the proposal and the New York State Federation of Labor endorsed the measure.

That fall the AFL Executive Council took up the matter at its quarterly meeting in Atlantic City. During the session Green issued a statement to the press denouncing compulsory insurance as one step from the hated dole. "The American workman resents the idea of being compelled to make a fixed contribution to a fund," he announced. Labor, he said, wanted joint unemployment funds in seasonal industries, shorter


hours to deal with technological unemployment, and a sharing of the work to meet cyclical downturns. Blending the issue of unemployment insurance with that of relief, Green intimated that the alternatives were full employment or the dole, shorter hours and balanced production or unemployment insurance. To accept the need for insurance was to admit that industry could not regularize production. This the AFL vigorously denied. "The obligation rests upon industry to promote employment. If the dole is established the employers will be to blame ...."5

Green did, however, recognize the difficulties inherent in opposing a measure which was being supported by a number of labor's political friends, particularly Governor Roosevelt. For himself he was certain that such legislation would demoralize the workers, blight hope, and crush ambition since it would admit the inevitability of unemployment. His public attack on insurance had been undertaken on his own initiative and he asked the Council to accept his view. After discussion within the Council, it was decided to remain cautious and reserve judgement. "The opinion was expressed," report the Council minutes, "that we cannot afford to commit the Federation to any definite conclusion until the subject is thoroughly studied."6

The report of the Executive Council to the convention which met in October, 1930, reflected this caution. It contained no reference to unemployment insurance. Its unemployment program limited the functions


6American Federation of Labor, Executive Council, Minutes, September 12, 1930.
of government chiefly to the providing of facts upon whose basis labor and management might make adjustments. Furthermore, the president of the New York State Federation of Labor refused to introduce a resolution supporting unemployment insurance although his organization was on record in support of the plan. He explained that he was not authorized to carry the issue to the convention and that the state federation preferred to support the request of the Executive Council for authority to study all plans for meeting unemployment. Lacking this support, unemployment insurance lost whatever slight chance it might have had for sympathetic treatment.

Several resolutions were introduced from the floor, the most important being those of the United Textile Workers and the American Federation of Teachers. The textile workers cited the breakdown of relief, the endorsement of the plan by a large number of social scientists and social workers, and the apparent permanency of unemployment. The teachers gave similar reasons, noting the permanent aspect of the situation "no matter what measures for stabilization of employment may be taken" and arguing that the problem could be handled only through governmental action.

These proposals were referred to the Resolutions Committee headed by the archfessor of social insurance, Matthew Woll. Unlike the Executive

7New York Times, October 8, 1930.

8AFL, Proceedings of the 50th Annual Convention (1930), pp. 309-10. The teachers' plan called for contributions solely by industry with graduated payments by businesses depending upon the incidence of unemployment.
Council, the Resolutions Committee preferred a showdown. In its report
the committee defined the issue: "It involves the question of whether
the American Federation of Labor shall continue to hew to the line in
demanding a greater freedom of action for the working people of America,
or whether liberty shall be sacrificed in a degree sufficient to enable
the workers to obtain a small measure of unemployment relief under gov-
ernment supervision and control."

The committee consequently felt that the Federation should endorse
President Green's recent attack on compulsory unemployment insurance,
or the dole. "Shall we discard the system under which we move freely
from one end of our great country to the other. . . . Have we lost
courage to the point where we regard freedom no longer as the greatest
essential of life. . . . Is it not true that unemployment schemes of
the sort advocated. . . . will tend to prevent the workers from joining
in movements to increase wages. . . . ?"

Unemployment insurance was alien, "European," and not suited to
American trade unionism. The Resolutions Committee recommended that
the whole matter be referred to the Executive Council to be considered
with other unemployment plans. 9

There were protests from the floor. Delegate Ohl of the Wisconsin
Federation of Labor argued that unemployment insurance need not be a
dole any more than old age pensions were a dole. He admitted, however,
that it was useless to expect the convention to act at the present time
since there was always a time lag between the proposals of the state

9Ibid., pp. 311-12.
federations and action by the AFL.

Thomas Slavens of the Newport, Rhode Island, Central Labor Union also denied that unemployment insurance was charity. The worker was being returned a portion of the wealth which he had produced, and to compel industry to set aside some of its profits hardly seemed to violate trade-union principles. Voicing what was perhaps uppermost in the minds of all present, Slavens urged new ideas to solve new problems. "We have evolved into a new social structure, evolved so quickly that we are all more or less bewildered. We try to apply the laws of yesterday, of the individualistic age, to our problems of today, and can arrive at no solution of our ills."

President Green, however, soothed ruffled tempers with words of understanding and sympathy. He realized, he said, that many young men in the labor movement were in a hurry and were looking for short cuts to a better life. They expected the American labor movement to achieve a system of unemployment insurance under which the worker paid nothing, and yet the British unions, with much more experience, had failed to gain this end. Could then the AFL do so "by a wave of our hands?"

Green analyzed the British system, pointing out that the workers contributed almost as much as the employers. Would American labor stand for that? And what about registering for a job? Does the American worker want to be told, "Here is your job, take it or lose your benefits"?

In the United States, unlike Britain, the mass-production industries were unorganized. Would the American unionist like to be told to go to work in a nonunion mass-production plant or face the loss of in-
urance? No, said Green, such was not the quality of our unionists. "The American worker, proud of his freedom and his liberty, is not yet willing to make himself a ward of the state and a ward of the government." He was not really opposed to the principle of social insurance, Green said: "If I believed that we could require industry to care for the idle worker, perhaps I would be for it." But this was impossible. Everyone was touched by the tragedy of suffering and unemployment. But in searching for a remedy, "let us do it in a way so that the one we help may maintain his manhood and his self-respect."

Max Zaritsky, long-time president of the Cloth Hat and Cap Makers Union, ridiculed Green's arguments. "If the worker in Great Britain who has to register for unemployment insurance is not an outstanding and self-respecting worker," he said, "what about the worker in America who is today the subject of a most miserable system of charity?" As it was, the problem of unemployment was being handled by "society ladies and society gentlemen." Labor had been fighting the injunction for years. Should labor now quit its fight because its objectives would not be achieved today? The Federation must make its position known regardless of how long it takes to secure the benefits it deserves. No one likes the dole, Zaritsky said, but it is certainly preferable to starvation and no more degrading than charity.

His was a voice in the wilderness. Without a recorded vote, the convention adopted the report of the Resolutions Committee and agreed to let unemployment insurance wait another year.¹⁰

¹⁰For the debate, Ibid., pp. 312-19.
Green's opposition to unemployment insurance both at the convention and after appears to have been based primarily on a fear that such legislation might injure the trade-union movement. He was experienced enough in the techniques of propaganda to cloud the issue with irrelevant appeals to "Americanism." It is also true that he had a considerable personal commitment to the ideological demands of a diluted form of laissez-faire (or what Herbert Hoover called "rugged individualism"). But his primary approach was that of a narrow, business unionist, steeped in the tradition of Samuel Gompers and interested only in the effect of the measure on the existing trade unions. He feared that reliance of the worker on the government for security would lessen the appeal of unionism. He felt that placement of the unemployed in non-union plants would disperse the effective strength of organized labor. Above all, he was reluctant to endorse any measure which might, if business revived, become a lost cause. This narrowness and timidity in the end weakened the Federation, but its pragmatic basis gives to labor's position more meaning than has sometimes been granted.

Two months later, in December, 1930, the American Association for Labor Legislation published a model state unemployment insurance plan based upon the Commons or Huber bill of Wisconsin which had received considerable support a decade earlier. Significantly, it was given the name "An American Plan for Unemployment Reserve Funds." Under this measure each employer would contribute one and one-half per cent of his payroll to a reserve fund although he might be exempted upon proof that he was operating a similar plan. Employees would receive benefits for
a maximum of thirteen weeks at the rate of ten dollars per week or sixty per cent of their wage, whichever was lower. Every employer would be classified by industry or group of industries and the assets of each group would be kept in a separate fund, payable only to unemployed workers from that classification. While legislation would be required to establish and police the system, it would be operated chiefly by employers. This plan quickly became the focal point for unemployment insurance agitation although eventually it was challenged by alternative measures.

The importance of the Association's plan was that it illustrated the essentially conservative nature of reform thinking at this point in the depression. If one compares the statements of AFL leaders with those of insurance advocates on the responsibilities of business, one finds little difference. Although the reformers wanted coercive legislation and the Federation did not, both agreed that industry could provide full employment if it wished and that it was the perversity of

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11American Labor Legislation Review, XX (December, 1930), 349-56; see also Leo Wolman, "Unemployment Insurance for the United States," American Labor Legislation Review, XXI (March, 1931), 17. The term "American" was to distinguish this plan from "European" plans in which all funds were pooled. Since the latter assumed that unemployment was a certainty and used insurance as a relief measure, it was considered "fatalistic." The American system would use insurance partly to provide relief but chiefly to force employers to prevent unemployment.

certain "bad" employers that led to unemployment.

Two features of the plan illustrate this point of view. First, it provided for what was known as the reserve fund type of insurance. Second, it made employers the sole contributors. Both of these provisions emphasized the preventive nature of this type of legislation. Under this system each employer was considered responsible for the security of his own workers. He must therefore maintain reserves for their protection during periods of economic difficulty just as he maintained reserves for the protection of stockholders. Later revisions of this type of measure provided for decreasing employer contributions as reserves grew larger. Should an employer be so rash as to permit unemployment or fail to take the action necessary to eliminate it, his reserve would be depleted and he would again have to begin payments.

The plan was therefore not insurance in the accepted sense of the word, but rather a regulative instrument, utilizing certain legislative powers, to force adherence to a code of social responsibility with which industry had not thus far been overly concerned.

This plan was significant for a number of reasons. First of all it demonstrated that the AFL was not alone in its assumption that business could, if it wished, end unemployment by a more intelligent policy. Further, it showed that for most Americans responsibility for the smooth functioning of the economic machine was primarily a private affair. Lastly, it illustrated the conviction of much progressive opinion that business had a moral duty (which it was not discharging) to provide a measure of security to its employees.
In a larger sense, however, the plan at least suggested the revolutionary character of the period and offered a clue to the "missing link" between the progressive tradition and the emerging New Deal. In 1930 reformers generally retained a belief in private responsibility for both economic progress and individual security -- hence their concern for plant or industry reserve funds and for employer contributions. At the same time, they desired to utilize the government to force acceptance of this responsibility, a position which separated them from the devotees of rugged individualism.

By contrast, the New Deal was to reject the concept of private responsibility. In this it differed most markedly from the reform tradition of the past. The bond between the New Deal and the Progressive movement was the willingness of the leaders of each to employ governmental sanctions in achieving social ends.

For those who could accept governmental responsibility for individual security as well as the expansion of governmental power, the transition was not difficult. For those who cherished the older tradition with its emphasis on private responsibility and its desire to equate private and public morality, the change was not so simple. This accounts to a considerable extent for the disillusionment of some progressives with the New Deal. They were not repulsed by the means employed; rather they felt that the old virtues, the old ethics were being swamped by economic anonymity. The government abandoned the age-old progressive goal of making business socially conscious and in its place sought to establish an inflexible equality of security in which neither
the good nor the bad of capitalism had relevance. This was not reform, regardless of its purpose. It was revolution.

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In December, 1930, a survey conducted by the American Association for Labor Legislation showed that support for unemployment insurance had been growing rapidly during the past six months. Prior to the summer of that year editorial opinion had been almost unanimously hostile, but following Governor Roosevelt's endorsement the trend appeared to change. Between July and December only fifty out of two hundred editorials on the subject had been definitely hostile and half of the remainder were favorable. In addition, seven state federations of labor, numerous city centrals, and several international unions including many in the garment and textile trades, the teachers, railway clerks, and telegraphers had endorsed the measure.\(^\text{13}\)

In succeeding months the \textit{American Labor Legislation Review} carried growing numbers of endorsements of the reserve fund type of insurance. The Federal Council of Churches of Christ, the Central Conference of American Rabbis, the Presbyterian Board of National Missions, officers of the International Association of Machinists, and Owen Young were all listed as supporters.\(^\text{14}\) Other groups and organizations were also busy


\(^\text{14}\)\textit{American Labor Legislation Review}, XXI (March, 1931), 51-54.
drafting similar or rival unemployment insurance plans. Although John Edgerton of the National Association of Manufacturers denounced the whole idea as "un-American" and advised thrift and a study of the "holy Bible and the Constitution" as the best way to security, American opinion was clearly beginning to turn in the direction of insurance.

The American Federation of Labor, however, continued to mark time. In January, 1931, Green submitted a preliminary report on unemployment insurance to the Executive Council. In it he examined the British and German experience, concluding that insurance tended to degenerate into a form of charity, that it did not end unemployment, and that it encouraged the maintenance of a surplus of workers. While he drew no conclusions as to the effect of the measure on trade unions, he pointed out the relative numerical weakness of American unions and the lack of governmental protection. He told the Council that he did not feel the English plan was feasible in the United States.

Vice-President Arthur Wharton, head of the International Association of Machinists, argued that while labor vacillated, large employers were introducing group insurance as an anti-union weapon. Under such circumstances there was no hope whatsoever that employers would cooperate with unions in providing unemployment funds. Federation opposition to legislative coercion merely created a void to be filled by the instru-

15 These are summarized in Paul H. Douglas, "American Plans for Unemployment Insurance." The Survey, LXV (February 1, 1931), 484-86.

mentalties of welfare capitalism.

Another vice-president, James Wilson, suggested that the Federation affirm its program of high wages and shorter hours and its belief that unemployment was entirely a problem of management. At the same time it could announce that while it disliked unemployment insurance, it might have to advocate the plan because of the failure of management to discharge its responsibilities.

Further discussion failed to clarify the situation and Green said he would issue a statement that the matter was being given consideration. 17

In April a committee of the United States Senate began its investigation of unemployment insurance at the instance of Senator Wagner. Two months later the American Association for Labor Legislation reported that in the past year out of five hundred editorials on unemployment insurance, over two hundred had been favorable and only about one hundred hostile, a definite indication of growing public support. Green, however, still remained cautious, blandly telling an unemployment institute at Rutgers University that "public opinion will ultimately crystallize in support of some well-defined national policy suitable to our social needs and in conformity with our governmental institutions." 18

There was ample reason for this caution in terms of labor politics. The AFL was deeply divided. Conservatives like Vice-President Matthew Woll were extremely hostile to unemployment insurance. Speaking to the

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17 AFL, Executive Council, Minutes, January 23, 1931.

Rutgers group two days after Green, Woll denounced the measure as socially, constitutionally, economically, politically, and actuarially unsound. Moreover, complained Woll, the public seemed more interested in relief than in forcing industry to avoid unemployment. "The cry is everywhere that the few shall care for the many instead of that opportunities must be accorded to the many to care for themselves." He was opposed to unemployment insurance established either by the government or by corporations since it would interfere with the workers' "free movement and self-determination." He said that unemployment could be solved without making workers chattels of the government and without invoking "fascist regulations, communistic practices or compulsory State unemployment insurance laws."^19

Woll was also chairman of the AFL committee on the modification of the Volstead Act. In August the committee submitted a report to the Executive Council contrasting the effect of a change in this act with the institution of the "dole." Modification of the Volstead Act would provide, said the committee, a tremendous impetus to spending and to construction and would sharply increase tax revenues. On the other hand, the nation must guard itself against imposition of the dole "whether by that name or under some masquerade." The nation's industry, said the committee, was responsible for the depression and must therefore provide the necessary solutions and the required relief.^20

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^19 Ibid., June 12, 1931.

^20 Ibid., August 9, 1931.
The position of the national officers also posed a considerable problem for leaders at other levels of the movement. Although officially the Federation had taken a "wait and see" attitude, this was generally interpreted, and not without cause, as hostility. As a result many state federation leaders, whose main function was making labor's voice heard in legislation, hesitated to take a stand on bills introduced in their states.

Even unionists hostile to the measure felt the urgency of the situation. Thomas J. Donnelly, secretary-treasurer of the Ohio State Federation of Labor, urged his old chief John Frey not to oppose unemployment insurance openly, at least for the time being. Donnelly had learned that large corporations were setting up unemployment reserves on their own. Could the union movement afford to permit this without the establishment of legislative standards and certain safeguards for the workers? "The thought occurs to me," wrote Donnelly, "that . . . we may find that these corporations will more firmly fasten the chains of nonunionism upon their employees through unemployment insurance, as they have by so-called old age and service pensions, sick relief, etc." Donnelly had, inadvertently, hit upon the basic weakness in AFL policy throughout the past decade, i.e., its refusal to recognize that governmental action, both in the economic and social justice fields, was the sole alternative to greater corporation control of the nonunionized, mass-production worker.

On August 19, 1931, the Executive Council of the AFL met to consider its report to the convention on unemployment insurance. Green had prepared a draft but had not yet decided upon concrete recommendations. He brought to the meeting the measures proposed by various groups including the American Association for Labor Legislation.

Green told the Council that public opinion seemed to be mobilizing behind unemployment insurance. A large number of prominent citizens had endorsed it. A Senate committee was currently investigating European programs and labor's strongest friend in Congress, Senator Wagner, appeared to be in favor of the plan. The communists were using Federation silence as a potent weapon and some "so-called progressives" were denouncing the AFL. A number of professors had declared for some form of unemployment insurance. "They embrace it just as they embrace the socialist philosophy because it seems to appeal as an ideal, perfect and workable," commented Green. All of this had tended to create a favorable atmosphere, and many good unionists, he warned, were saying "give us this, let us have help."

Green was himself convinced that unemployment insurance would become a political football if it were enacted. At the same time, he told the Council, he anticipated strong support for the measure at the forthcoming convention unless the Federation could persuade employers to reduce the work week and work day so as to absorb unemployment.

After discussion, the Council decided that the report should offer industry the alternative: either it must create jobs or it must face
the unpleasant prospect of unemployment insurance legislation.\textsuperscript{22} it was quite clear that most of the members of the Executive Council were opposed to compulsory unemployment insurance but realized that outspoken hostility would provide additional ammunition to the Federation's enemies and increase dissatisfaction within the organization. An "either . . . or" report might quiet some critics and pave the way for a strategic retreat should it become necessary.

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On August 15, 1931, a mob of fifteen hundred jobless workers stormed the Fruit Growers Express Company in Indiana Harbor, Indiana, demanding employment. They were routed by city police. In many cities at the same time socialists, communists, or plain disgruntled citizens were forming unemployed councils and leagues. In Salt Lake City a barter organization was being formed so that unemployed workers could trade their labor for butter, eggs, and other foods. The movement eventually spread to six western states where it was advertised as the answer to "graft, greed, fear, confusion, war and all kindred evils." In Oklahoma two hundred men, women, and children led by a clergyman raided sixteen grocery and provision stores in search for food. On October 5 -- the day the AFL convention opened in Vancouver -- a mob of two thousand howling communists marched on the city hall of Cleveland and engaged in fights with the police. Six hundred invaded the council

\textsuperscript{22}AFL, Executive Council, Minutes, August 19, 1931.
chamber and held up the meeting for thirty minutes. 23

Against this background of national unrest, the American Federation of labor once again met to consider a way out of the depression. Labor had been rocked barely a month before by widespread wage cuts initiated by the larger corporations, wage cuts which had all but destroyed the underpinnings of the Federation's cherished policy of waiting for business to act. It was also faced with increasing isolation as long-time political allies began to advocate federal relief and unemployment insurance. For the old guard, October, 1931, was the month of decision.

Even before the convention, the Metal Trades Department, stronghold of conservative John Frey, had been presented with a report by its resolutions committee which virtually endorsed unemployment insurance. Led by chairman Arthur Wharton, the committee had announced that the government, not business, must bear the responsibility for guaranteeing each man a livelihood.

It is apparent . . . in view of the recurring period of unemployment, that some consideration be given to the problem of Unemployed Insurance . . . . The workers are not responsible for this crisis nor for the defects of our present economic system and should not be victims of it . . . . Therefore it is the duty of Society to see that each, according to his need is given employment and an adequate standard of living. Failing this it should provide him with sufficient aid without any suggestion or stigma of charity. We should therefore demand of the

Government a system of unemployed insurance. In spite of these circumstances, however, the AFL Executive Council presented the delegates with a program for "employment assurance" as a substitute for unemployment insurance. The former, under which employers would assure those with jobs that they would not be discharged, would keep men at work and establish "confidence" which was essential to greater consumption and therefore recovery. The latter, according to the Council, would "subsidize idleness," turn national resources to "unproductive ends," and in the last analysis retard progress.

The Council also submitted a lengthy study of the British and German unemployment insurance systems, concluding that they were unsuited for American labor. European forms of insurance would tend to break down union organization, presumably by requiring unionists to work in unorganized plants. Moreover, unemployment insurance in Europe had not obviated charity or relief. Under the load of massive unemployment, paid-in funds had not been sufficient to meet needs.

Calling upon the shopworn phrases of 1929, the Council further announced that unemployment insurance tended to destroy whatever social feeling business might possess. "The only real remedy for unemployment is employment... Unemployment is a problem of management which can be solved by thought and organization." Indeed, reported the Council, unemployment insurance might well prove to be a bar to full employment.

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24 AFL Retail Trades Department, Proceedings of 23rd Annual Convention (1931), p. 63.

"Both the German and English experience indicate that employers who can turn employees upon the dole do not develop a feeling of responsibility for those on their pay rolls. . . . Unemployment insurance may be the crutch that . . . keeps industry from solving a problem whose solution is essential." A decade of defeats and bitter management hostility apparently had created not a cynical distrust, but a singularly optimistic view of the corporate mind.

Having disposed of the British and German experience, and having ignored the various domestic proposals, the Council thereupon warned industry that its continued refusal to end unemployment (by reducing hours) would create public sentiment sufficiently powerful to force the enactment of compulsory unemployment insurance legislation. If this happened, industry had only itself to blame. So far as American unionists were concerned, they wanted work, "abhor charity . . . resent the imposition of the dole . . . are proud in spirit . . . must not and . . . will not become victims of a paternalistic policy." If the unemployment proposals of the federation were applied to the situation by industry "the need for unemployment insurance legislation would disappear."26

In due course the Executive Council report was referred to the Resolutions Committee as were several resolutions urging Federation endorsement of unemployment insurance. As expected, the committee recommended concurrence with the position of the Executive Council and disapproval of the various resolutions. In opposing all forms of compul-

26 Ibid., pp. 148-64.
sory unemployment insurance --including unemployment reserves-- the committee charged that such measures would greatly increase the power of the employer over his workers. In Britain and Germany in order to receive benefits a worker had to submit a statement from his previous employer that he had not quit his job but had been involuntarily laid off. An anti-union employer could use the need for this statement as a club to keep workers from joining trade unions. While this was not a great problem in Europe where a high percentage of workers were organized, it would be in the United States where large corporations were nonunion.

Having laid this questionable foundation, the committee made the astonishing allegation that unemployment insurance not only threatened the existence of trade unionism but had been specifically promoted for this purpose: "In return for a slice of bread --a mess of pottage, as it were-- the workers are being asked by the promoters of compulsory unemployment insurance in the United States to yield up their birthright, to practically surrender in their struggle for liberty, by enactment of legislation deliberately calculated to give the employers increased power of control over the workers."27

A long and bitter debate followed submission of the report. From it emerged two significant facts. First of all, most delegates, particularly those favoring unemployment insurance, tended to confuse that measure with the immediate disbursement of federal relief funds. For this reason the discussion failed to take on the character of a debate over statism versus voluntarism --except for the right-wing conserva-

27Ibid., pp. 368-69.
tives. Secondly, most of the proponents of insurance approached the subject from an emotional point of view--one might call it near desperation--and appeared firmly convinced that the Executive Council was smugly unconcerned about the critical unemployment situation in local communities.

The confusion of unemployment insurance with federal relief grew out of the tendency of most insurance proponents to treat their measure as a cure-all for existing unemployment. Comparatively little was said about the cushioning effect of such insurance or its economic importance for the future. Instead, as was only natural during a depression, the chief arguments concerned the needs of the individual for help in the face of economic disaster not of his own making. At the same time, opponents of the measure, by the judicious use of the term "dole" whenever either insurance or federal relief were intended, had bound the two closely together. As a result the proponents at the convention tended to shadow-box without grasping the basic significance of the issue. Conservatives on the other hand, although they tried to base their position on practical "it won't work" grounds, were quite aware of this difference and fully alive to the nature of the decision they were making.

The emotional, almost savage, conviction of the rank and file that the Federation's leaders were insensible to the existing situation stemmed in part from earlier developments at the convention. The Executive Council and the Resolutions Committee had already refused to endorse federal relief despite bitter protest from the floor. Now, when
the Council also rejected unemployment insurance and confined its pro-
gram to alternate denunciation and solicitation of industrial leaders,
many delegates became convinced that the Council would permit adjourn-
ment without any specific promise of action to aid the starving. In
view of the desperate situation in many communities, hard-pressed, local
officials revolted against being saddled with this frustrating record.
With endorsement neither of relief nor insurance, they were certain that
the Council intended virtually to ignore the crisis.

James A. Duncan of the Seattle Central Labor Council opened the
debate by urging rejection of the Resolutions Committee report. In an
impassioned recital of suffering, bread lines, and hunger, Duncan asked
what alternative Matthew Woll and his committee had to offer. The re-
port read well but it meant nothing. "I hope," said Duncan, "we will
not have to go back to our constituency and say, 'Read that, it is good
soothing syrup.'"28

Woll immediately replied, citing again the British example. He
pointed out what he considered insurmountable constitutional difficulties,
claiming that an amendment to the Constitution would be necessary if the
federal government were to adopt the proposal. Further, he said, proba-
bly not one state constitution could permit unemployment insurance.
Finally, he asserted such a measure would absolve industry of its respon-
sibility to provide job opportunities and saddle government with this
task. For Woll, whose hostility to governmental intervention in the
economy might have made even Herbert Hoover shudder, this was an appall-

28 Ibid., p. 373.
ing prospect. In his scale of values, starvation was preferable to bureaucracy, unemployment to unrepentent sin.

Woll was supported by committee member Charles P. Howard, the president of the International Typographical Union, who in a few years would join John L. Lewis in forming the CIO. Howard stressed the practical problems involved and the danger that the insurance fund could become entangled in politics. He was afraid, he said, to entrust the government with disbursement of such tremendous sums of money. Furthermore, insurance might break unions because of the diffusion in membership which would result when members were forced to work in unorganized, mass-production plants. He emphasized that insurance was a long-range plan and had no connection with immediate relief for the unemployed.

But the supporters of the measure argued that regardless of the technicalities of the situation, unemployment insurance would provide some degree of financial relief. As a delegate from the meat cutters put it, "I'm for anything that is going to help the unemployed."

Florence Hanson of the American Federation of Teachers drew applause when she warned that if industry did not give the worker a job it must give him something else. "I believe with the economists," she said, "that unemployment insurance will increase the freedom of the worker and his self-respect, and that unemployment insurance will be of great strength to trade unionists." 29

Ollie Allen of the Post Office Clerks union, who had devoted con-

29Ibid., p. 383.
siderable forensic effort fighting unsuccessfully for an endorsement of federal relief, ridiculed the conservatives for urging caution after having spent two years considering the matter. He sneered at Woll's plea for greater union activity as a better way to improve the worker's position. "I dare say I myself have organized more locals in the past twelve months," said Allen, "than he has organized in the last five years." Allen advised Woll to "get out on the firing line and do something for these men that are down and out." He warned the leadership that if the rank and file did not get immediate relief, they would not only blame capital but organized labor as well for not at least trying to obtain it.

Allen charged that some of the delegates seemed to feel it was a crime for the government to regulate unemployment benefits. Yet they were the first to demand legislative regulation of the injunction. And had not every man present sacrificed a certain amount of freedom of action when he joined a union? Presaging the popular feeling of the next decade, Allen urged a greater reliance on elected officials. "The United States Government," said Allen, "belongs to you and me, not to Wall Street . . . . You and I cannot apologize for ourselves simply by drawing our tattered garments around us and saying that capital had a chance and has done nothing." 30

The most unexpected development of the debate was the support unemployment insurance received from Daniel Tobin, president of the Teamsters.

30 Ibid., p. 385.
Union. While Tobin did not actually endorse insurance in his speech, he strongly criticized the Executive Council and the Resolutions Committee for refusing to offer alternatives for meeting the immediate problem. "This thing is not going to pass over in a day," he asserted. "It may be two years, three years, or five years before we get back to anything like normal conditions, and normal conditions in the United States will be recognized when, perhaps, three or four million people are out of work in normal times."

Given this situation, Tobin told the Federation's leaders that even if they did not like insurance, they should at least go to Washington when the Congress convened -- a Congress evenly divided and ready to play politics -- and demand a fund to help feed the starving. "Our people," he said, "expect us to do something for them, to at least make a declaration, to give them some courage."

Tobin noted the strange bedfellows the depression had made. He himself had always disagreed with "the impossible ravings and railings" of the socialists but one could not dismiss insurance merely because the socialists favored it. In the debate he had seen Andrew Furuseth and his long-time antagonist Matthew Woll in agreement, and he had listened to Green deliver one of the most radical addresses he had ever heard. "I tell you," said Tobin, "we are changing -- changing for the better I hope."

He pointed out that labor's traditional enemies were leading the fight against unemployment insurance. "There is not a labor-hating institution in America ... there is not a large banking firm that does
not stand opposed to any such scheme as unemployment insurance. I want to tell you, gentlemen, that it is dangerous when the bankers tell us we can be fully relied upon, because we are exceptionally conservative and can do nothing to hurt the Government of our country." 31 Again he told the Executive Council that if it disliked insurance, it should go to Congress and at least demand relief.

Tobin was expressing the tremendous frustration of many leaders with the cautious policy of the Federation. The refusal of the Federation to support openly federal relief when most liberal groups were doing so, coupled with the stand on unemployment insurance, made it appear that the AFL would rather see millions starve than budge from its devotion to an outworn and inapplicable doctrine. Tobin wanted at least a statement, a sop as it were, which delegates could take home to their own organizations. His attitude, like that of other delegates, was based upon the belief that AFL leaders did not intend to ask for federal relief when Congress met in December.

Even more surprising was the support unemployment insurance received from the influential W. D. Mahon of the Street Railway Workers. Mahon during the 1920's had been one of the more active practitioners of union-management cooperation, carrying it to its logical extreme in 1928 with the Mitten-Mahon Contract which has been called the "low-water mark of self-confident unionism." 32 He and Tobin had never seen eye to

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31 Ibid., p. 388.

eye. On this issue, however, they united and Kahon put aside his voluntarism, turning openly to government intervention.

Grasping the root of the problem, Kahon said that he now realized that employers would not voluntarily give to the worker what he needed. "I have been in conferences with the employers for the last thirty-five or forty years," he said. "I have attended various gatherings . . . the Civic Federation and all the others. I know something of the attitude of employers . . . and I know it is not possible in any other manner to bring it about than through Government influence and Government direction."

he admitted that voluntarism was a failure, that it would never lead to stronger unions or better conditions.

I remember reading that able address of Franklin D. Roosevelt before the Salt Lake City meeting of Governors a couple of years ago, and he pointed out that in his opinion it was a question of the Government establishing out-of-work protection for the workers. He said we could not lift ourselves up by our bootstraps, and I want to say to Delegate Voll and Delegate Frey, with all due respect that I have for them and their judgment, that I disagree with their ideas—we cannot lift ourselves up by our bootstraps.33

Even old Andrew Furuseth, who two years before had savagely denounced old age pensions as mere sentiment that interfered with union activity, seemed to weaken. He said he was opposed to government insurance, but admitted that he was disturbed. "I am in a quandry," he said, "and that quandry consists in this: That if we can't get what

we must have now, bread, the committee does not tell us how to get the bread nor does the Executive Council."

The conservatives quickly counterattacked, their reasonableness, evident common sense, and calmness in marked contrast to the emotional and often irrelevant remarks of their opponents. Victor Olander, secretary of the Resolutions Committee, disdainfully observed that "it is a comparatively easy matter to dispose of a question of this sort by an appeal to sympathy for hungry men and hungry women . . . ." All anyone did was cry of hunger. "That," said Olander, "is the excuse for the oldest profession the world knows."

He again emphasized the committee's contention that unemployment insurance had one "fatal weakness" -- it gave the employer an iron hand over the worker through the worker's need for a certification of involuntary unemployment. "Is there no other way but that?" asked Olander. "Has the hunger reached the extreme where anything is better than to continue on as we are doing?"

The last person to address the delegates was President Green. He made a kindly speech, an intelligent speech, containing few doctrinal diatribes. It undoubtedly succeeded in calming the apprehension of many delegates who did not like unemployment insurance but were upset with the do-nothing policy of the Council.

Green said he too was deeply moved by the situation in the country. but the delegates were confusing relief with unemployment insurance, an

34A year later Olander had changed his mind. See above, p. 163.
expediency with an alteration of principle. No one should fear that the AF would remain inactive. "I am willing to go to the Congress of the United States and demand... that the wealth of the United States be appropriated in this great emergency to relieve distress," he asserted. His readiness to make this promise only a few hours after the Council and Committee had successfully blocked an endorsement of federal relief indicated the seriousness of the rift and his disposition to bend with the storm.

Having separated relief from insurance, he urged consideration of the future of the trade-union movement. "Now here we are, the guardians of our movement. The Ark of the Covenant is here... There is imposed upon us the obligation to protect it, to defend it... our duty is plain, and that is, first of all, to protect the movement that we love and represent."

The movement, he said, was in danger. Probably the future would be different. "I am of the opinion that ultimately we shall arrive at the place where some form of permanent relief protection must be demanded by our movement... but I fear that the time has not yet arrived." For such benefits trade unionists must give up some of their rights. "What can we give up and yet maintain our movement?" he asked.

"I believe," said Green, "that in some cities where our organization

35In December the AFL did ask for relief in a rather sudden reversal of position undertaken on Green's initiative with subsequent Council approval. See Chapter VI.
is struggling for existence the operation of that plan [unemployment
insurance] would destroy the union there, because if they find a union
man a job in a nonunion plant he must choose as to whether or not he
will accept the job . . . or give up his . . . insurance."

The system might work satisfactorily in England as Kahon claimed.
In England the probability was that the job would be in a unionized plant.
But this was not true in America. Could they afford to trade individual
unions for insurance? The answer was clearly no. Social legislation
had its place. But, said Green, "let us make ourselves strong before
we engage in experimentation . . . ."36

Green's words carried weight. The report of the Resolutions Commit-
tee was adopted by a voice vote, although a reporter estimated that
somewhat over one-third of the votes on a roll call would have been fav-
orable to unemployment insurance.37 The conservative New York Times
hailed the action as a "vote against panic" and praised the AFL for its
"example of steadfastness and intelligent self-interest" which "nervous
business men" might well follow.38

The AFL had indeed acted in what it conceived to be the interest of
its affiliated trade unions. It was the supreme effort of narrow, busi-
ness unionism. If there was something a little shabby in its unwilling-
ness to help the unemployed at the expense of its own institutions, this

37 Louis Stark, "Labor on Relief and Insurance," The Survey (November
38 October 16, 1931. For a survey of newspaper comment see Literary
Digest, CXI, October 31, 1931, p. 10.
narrowness had forged the Federation forty years before. As Green had said, the movement was in their hands and they must not for a moment consider any measure which might even remotely weaken further the constituent unions. He had told the fraternal delegates from the British Trade Union Congress earlier in the convention that whenever the AFL considered social justice legislation, regardless of what it might be, "we have in our mind this great movement . . . ." The salvation of labor lay in its own economic strength. For this reason, said Green, "we are reluctant to take any step, or to favor any plan, or to approve any legislation which might inflict a death blow . . . to the movement . . . ."

It is difficult to quarrel with Green's concept of his responsibility or with his undoubted sincerity. If his office meant anything, it meant that he must promote the interests of his constituents rather than causes which might appear urgent or vital to other groups. His fear that placement of workers in nonunion plants would break the few bonds remaining with the battered locals was not illogical although he should have known that job qualifications, local conditions, and employer policy would make the hiring of union carpenters, plumbers, or miners for factory work unlikely.

At the same time, however, the policy of the Executive Council at the 1931 convention worked a disservice to the cause of the American Federation of Labor. It made the Federation appear smug, unfeeling, and doctrinaire. It robbed the organization of whatever appeal it might have had for the unorganized and further reduced its effectiveness as a polit-
ical instrument.

More importantly, it emphasized a disturbing tendency of Federation leaders to regard their organization as a living institution, rather than an aggregate of individuals. Over and over it was asserted that the trade unions themselves were the most important item to be saved in the depression. Created to protect workers from overpowering employers, the unions seemed to have acquired an existence of their own—and a set of interests distinct from, and even antagonistic to those of the individuals whom they had been designed to protect. This strange development—the conflict of interest between the needs of a popular institution and those of the people who expected to use that institution for their purposes—was an artificial situation brought about by a leadership which confused the end with the means. But it illustrated the degree to which a narrow, protective organization might depart from its original purpose of serving to become an object of service itself.

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The negative action of the AFL convention had little effect on the rising tide of public support for unemployment insurance. Legislators in seventeen states introduced unemployment insurance bills in 1931, and six states created legislative commissions to study the plan. Six northeastern states participated in an Interstate Commission on Unemployment under the aegis of Governor Roosevelt. All of these groups eventually supported unemployment insurance.39

39E. E. Witte, "Organized labor and Social Security," in Labor and
In January, 1932, Wisconsin became the first state to enact an unemployment insurance law, climaxing a long fight led by John R. Commons and the State Federation of Labor. Of the unemployment reserve type, this revolutionary measure applied to all concerns employing ten or more persons. The employer contributed two per cent of his payroll, to be reduced to one per cent when his reserves exceeded fifty-five dollars per employee and to end when they reached seventy-five dollars. There was no employee contribution. The account of each employer was to be maintained separately and used solely for his workers.

Still the AFL hesitated. It failed to give testimony before the Senate committee which in November and December of 1931 was investigating unemployment insurance, instead sending a copy of the resolution adopted at the Vancouver convention. While Sidney Hillman was publicly urging the enactment of "a compulsory unemployment insurance system based on contributions from industry and labor in proportion to earnings and payrolls, administered through the agencies of the State and with the active cooperation of labor and management," the Federation kept its own counsel.\(^{40}\)

In December a body of perhaps two thousand hunger marchers led by communists descended upon the nation's capital, visiting first the Capitol and then the White House and finally AFL headquarters. A delega-

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tion went in to see Green while outside a band played, the marchers sang, and one man kept yelling "Down with William Green, the lady miscellaneous." Green angrily told them their leaders did not care whether unemployment insurance were enacted or not and treated them to scathing abuse while the crowd chanted, "We don't want booze, we want bread" in reference to the federation's claim that repeal would help end the depression.\footnote{\textit{New York Times}, December 8, 1931; AFL Weekly News Service, December 12, 1931; John Dos Passos, "Red Day on Capitol Hill," \textit{The New Republic}, LXIX (December 23, 1931), 153-55.}

In the succeeding months the leaders of the Federation said nothing about unemployment insurance. They were increasingly concerned with legislative matters, testifying first for this bill, then another. They supported numerous varieties of federal relief and several kinds of public works. The Federation became more fully committed to legislative solutions to depression problems. In February Green led the national presidents on a journey to see Hoover, Dawes, and Garner and present them with labor's political program, seeking to emulate the 1906 campaign. A few months later Green began to publish a series of rationales for government intervention in economic life.\footnote{\textit{See Chapter VI.}}

Then, at its July meeting in Atlantic City, the Executive Council suddenly reversed its position and announced it was drafting an unemployment insurance proposal for the 1932 convention.\footnote{Two weeks earlier an AFL Weekly News Service editorial (July 2, 1932) had said that "labor abhors unemployment insurance," charging that it perpetuated unemployment.}
decision of the Council, Green attributed the change to the continuance
of the depression, the inability of private industry to provide employ-
ment, and the frantic appeals of trade-union members for some action to
deal with continuing unemployment and suffering. Green said that while
he had no particular plan in mind he would prefer a federal system to a
number of state laws should this be constitutional. He promised that
the AFL bill would contain provisions safeguarding the right of unionists
to retain union membership and insurance benefits even when they were
offered jobs in nonunion shops. He said he planned to draft a bill and
present it to the October session of the Executive Council for approval
prior to submission to the convention.44

Shortly thereafter Green set about the task of preparing a measure
which would protect the trade union movement from the numerous pitfalls
he felt lurking in any unemployment insurance plan. In this he was
assisted by a group of distinguished university professors. Although
certain difficulties developed over whether the Federation should support
the Wisconsin plant reserves system or the Ohio pooled-fund plan, Green
did prepare a measure which was accepted at the October meeting of the
Executive Council for submission to the convention.45 Inclusion of
this recommendation for unemployment insurance in the annual report of
the Executive Council heavily weighted the probabilities in favor of
convention acceptance.

44New York Times, July 23, 1932; AFL Weekly News Service, July 30,
1932.

Why had the Executive Council finally decided to accept unemployment insurance? The answer is complex and, of course, no one reason can suffice. Green's stated reasons at the time -- continuance of the depression, appeals from union members, and a realization that business could not provide jobs -- include most possibilities.\(^6\) Certainly the decision was made with great reluctance. As Green said on Labor Day, 1932, six weeks after the die had been cast, "The American Federation of Labor wishes very sincerely that the enactment of such legislation could be avoided."\(^7\)

Yet despite this feeling, the Council at last accepted unemployment insurance. A number of pressures had contributed to this decision. Certainly the fact that many international unions, city central and state federations had endorsed the plan influenced the officers. The Democratic party platform, just adopted, had endorsed unemployment insurance, and there may have been a sense of estrangement from normally friendly political associates. Numerous state investigating commissions had reported favorably on various insurance plans. The depression was obviously not ending nor did business appear able to do much about the situation. In addition, unemployed union members were being attracted to various citizens' leagues and councils in cities across the nation.

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\(^7\) AFL Weekly News Service, September 10, 1932.
At the same time left-wing groups were able to place the Federation in an extremely bad light because of its refusal to accept insurance.

The minutes of the July 22 meeting of the Executive Council shed little light. Vice-President Duffy presented a communication from the Chicago District Council of Carpenters asking the AFL to formulate a plan for insurance free from the objectionable features of systems used in other countries. He warned that in view of sentiment within the movement they had better take some action. Green was disturbed about an organization in New York calling itself the American Federation of Labor Committee for Unemployment Insurance and Relief. Led in part by communists, this group had drawn considerable support from AFL unions some of which mistakenly considered it an official organization. He felt that the pressure of circumstance required action. "We may have to face the situation some way," he said, "and make a declaration because of the growing demand to do something." After Arthur Wharton suggested the Federation work along the lines of federal rather than state legislation, the Council decided to issue its declaration that it was preparing an unemployment insurance measure for the convention.

While it is difficult to determine which factors were most important, this much is clear: the change in policy was reluctantly made under considerable duress and did not necessarily represent an altered

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48 On this group see testimony of Louis Weinstock and the AFL representative, U. S., Congress, Senate, Committee on the Judiciary, Hearings, Thirty-Hour Work Week, 72nd Cong., 2nd Sess., 1933.

49 AFL, Executive Council, Minutes, July 22, 1932.
view of the place of government in American society, at least so far as the Executive Council was concerned. The duress was supplied by rank and file support, both through the national unions and locals, for any proposal which would provide a greater measure of relief and by the feeling within the Council that radical groups were making serious inroads upon the membership. Also involved in the decision was the feeling that business had finally proved itself inadequate to the task of restoring employment to higher levels. But the leaders of the Federation might well have waited even longer for industrial action had not the other pressures been present.

Historians of the depression period, particularly in recent years, have made the point that the American people were unusually docile in the face of immense economic tragedy. The sporadic outbursts of violence, whether they were attacks on foreclosing sheriffs in the farm belt or jobless street demonstrations, were significant not so much because they were typical as because they were exceptions. The leaders of organized labor, however, were not detached observers weighing each event, each development, against a historical background. Their whole interest was in the unemployed worker and to them the danger must have seemed very real. The dissatisfaction which did exist within union ranks, and it was considerable, magnified this problem until it might

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50 See Hallgren, Seeds of Revolt, pp. 220-21. It must be remembered that the first federal relief measure did not become law until July 21, 1932, and it was considered inadequate by the Federation. On left wing activity see Bernard Harsh and Phillips L. Garman, "The Impact of the Political Left," in Labor and the New Deal, pp. 79-119.
well have appeared that the trade unions were in imminent danger of drifting into the hands of the proponents of the quick solution. The increasingly disadvantageous position of the AFL vis-a-vis these groups undoubtedly was a major factor in the decision to change Federation policy.

Whatever the reason, the Federation in July, 1932, was prepared to start down the long road leading to the welfare state. In the topmost reaches of the Federation hierarchy it had been a reluctant decision but it had at last been made. Ahead lay the 1932 convention where the opponents of change would make their last stand. But theirs was a lost cause. Responding to the depression as had other segments of the nation, the AFL was forced to admit that the problems it faced could not be met by traditional policies and that the government must assist in providing a minimum of security to all citizens. For better or for worse, voluntarism was dying.
CHAPTER IX

DECISION: THE 1932 CONVENTION

So it was that in the fall and winter of 1932-33 the American Federation of Labor, with surprising speed, reversed many of its time-worn policies and traditions. At its November convention it endorsed the betes noires of the labor movement, unemployment insurance and federal regulation of working hours. Its mild-mannered president began to issue bellicose statements about general strikes and utter impassioned warnings of his willingness to take what labor needed should management refuse to accede voluntarily to his demands. The rule of the Executive Council was seriously questioned for the first time in over a decade and the powerful Resolutions Committee was bullied into submission. The Federation at last gave formal evidence of its altered concept of the relative roles of government and industry in American society which had grown from its disillusionment with the quality and capacity of business leadership, its acceptance of federal assistance for the jobless, and its recognition of the need for governmental intervention to end the depression.

Appearances are at times deceiving. The change which came over the AFL in November was considerably less specific than a recital of resolutions passed would indicate and considerably more general than a reading of the pronouncements of the Executive Council would suggest. It was still the narrow, self-centered, minority-conscious Federation it had always been. But the atmosphere had changed. The gripping apathy,
the blind faith in fallen idols, the tenacious adherence to outmoded dogma had been dissipated by the depression. The Federation had purged itself of its remaining ideological commitments and was free to deal with the depression issue by issue, measure by measure, on a practical and logical basis. The only question remaining was how complete and how permanent was this rejection of the past.

The 1932 convention of the American Federation of Labor met on November 21—somewhat later than usual—at the Netherlands Plaza Hotel in Cincinnati. The depression cast a pall over the proceedings. Winter was near and unemployment statistics continued to rise. Industry showed no signs of recovery. Rank and file discontent was obvious and Federation leaders feared inroads from radical groups seeking to exploit the unemployment situation. In Washington a baffled president struggled to set right a situation whose seriousness he had long underestimated. In two weeks a lame duck Congress would meet but no one expected it to take action. The future for organized labor—for America—indeed seemed gloomy.

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1The Executive Council anticipated a march on the convention by the "AFL Trade Union Committee for Unemployment Insurance and Relief." This group, which had no official standing and which the Federation claimed was communist-dominated, claimed affiliation of 800 AFL locals and later took credit for Federation endorsement of unemployment insurance. Its members did attempt to enter the convention but were turned back by police. They then staged a parade in the rain, waving red and black placards and hurling insults at the Federation. The procession was joined by a group of college students who found the demonstrators more entertaining than the AFL convention they were supposed to observe as a part of their class work. Cincinnati Enquirer, November 21, 1932; New York Times, November 20, 22, 23, 1932; AFL Executive Council, Minutes, October 12, 19, 1932; U. S., Congress, Senate, Judiciary Committee, Hearings, Thirty-Hour Work Week, 72nd Cong., 2nd Sess., 1933, pp. 51, 134 ff.
At the same time, however, the irreverent mutterings of city central and state federations, the new concern of the AFL with legislation, the ill-concealed anger of independent railroad unions, and above all the July action of the Executive Council on unemployment insurance suggested a new awareness of the bankruptcy of old ideas. No one knew exactly what should be done, but everyone seemed willing to explore new approaches and seek new solutions. At last the higher councils of the AFL seemed ready to respond.²

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In some ways the 1932 convention was a curious mixture of old and new. No one would have guessed from William Green's opening address that he had just written and was prepared to support actively an unemployment insurance bill or that he would shortly push through a resolution endorsing legislative regulation of hours of work.

Green began his remarks by expressing pleasure over the fact that leading industrialists had at last accepted the economic philosophy of the American Federation of Labor, i.e., the need for a shorter working day and working week. He added, suggestively, that "the great benefit of such an economic reform could not come home to us with full force and effect if it is done in isolated instances . . . ." There had been some in the movement, said Green, who had been moved more by emotion than sober judgement, who had wanted labor to adopt some visionary policy

which would have ended in destruction. But labor had listened neither to appeals from the right nor from the left. "We bring to Cincinnati," said Green, "the great American labor movement intact, strong, virile, ready for the future, able to serve the workers of the nation." And, he added, "We have pursued a consistent, traditional trade-union course."

For those who had expected some change this must have been a bitter beginning, but there seemed to be some hope at least in the Executive Council report. As it had promised four months earlier, the Council recommended to the convention the enactment of unemployment insurance legislation. In justification of its new tack the Council pointed to the failure of industrial ownership and management to provide job opportunities, the technological displacement of workers, and the growing amount of unemployment throughout the country. The Council did not offer a model bill since state constitutions differed widely and a federal law, while desirable, seemed clearly unconstitutional. Instead, it laid down basic principles which should be included in any state unemployment insurance law. Carefully formulated, these principles permitted state federations considerable flexibility without exposing the trade-union movement to unnecessary risks.

The Council insisted that any bill must protect unionists from being forced to work under conditions or at wages which reduced union standards. Unemployment insurance must also be compulsory, with private insurance companies excluded from the field. Insurance funds should be invested in United States securities or bonds of states and municipalities which had never defaulted. Coverage must be at least as wide as
that of workmen's compensation. The program should be administered by a state commission which would take over existing unemployment exchanges. No act should require a worker to accept employment where a job was available because of a strike, where wages, hours, and conditions were less than those prevailing locally, and where the acceptance of employment would limit his right to join a union.

The purpose of unemployment insurance must be twofold: to provide relief and to stimulate employment. The latter was especially important. While the Council refused to choose specifically between the plant reserve and pooled fund systems, it strongly opposed company control of unemployment reserves and recommended that, regardless of the type of measure, there be only one insurance fund in a state and that each employer contribute at the same rate. When more information became available, contributions might be scaled according to the hazard of unemployment in particular industries.\(^3\)

The Executive Council recommendations, together with several resolutions urging endorsement of unemployment insurance (including a long study by the United Mine Workers), were referred to the Resolutions Committee for study. It soon developed that many members of the Committee --perhaps a majority-- were hostile to the proposal and wished to present an adverse report. There were rumors of a possible compromise under which the Committee would offer a report neither supporting nor opposing insurance.

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\(^3\)American Federation of Labor, *Proceedings of the 52nd Annual Convention* (1932), pp. 40-44. The AFL later backed the pooled fund type as this report indicated it might.
Proponents, however, felt they had sufficient votes to override the Committee on the floor of the convention. In addition, the Executive Council had powerful new support from John L. Lewis and the large United Mine Workers delegation. Lewis issued a statement that he was unsympathetic with the action taken on unemployment insurance at the last convention and would have opposed it had he been present. His union in January had endorsed insurance, an action to which he attributed the decision of the Executive Council to reverse itself in July.

"The whole miners' delegation here is firmly of the opinion that affirmative action . . . is necessary on the principle of unemployment insurance. It is inevitable that the diehards among those opposed to the principle will have to modify their position or be defeated on the floor of the convention." 4

Lewis' stand, together with the strong sentiment in other unions and President Green's support in testimony before the Resolutions Committee, clearly indicated a victory for the proponents of unemployment insurance. Late on the night of November 28 after Lewis and Green had opposed any compromise, the Resolutions Committee agreed to endorse unemployment insurance. 5

The next day Matthew Well for the Resolutions Committee recommended acceptance of the Executive Council report without giving either reasons or justifications. For the next two days the measure was debated on the convention floor. Andrew Furuseth, John Frey, and Charles P. Howard of

5 Ibid., November 29, 1932.
the International Typographical Union all opposed it, but clearly their cause was hopeless.

Frey told the delegates he knew he was beaten but must speak. He did not join unions, he said, because of promises that the union could get them favorable legislation. The only way out of the situation was more militancy, a fighting unionism. "We have reached a fork in the road, a road that we have traveled along now for some 52 years," said Frey. "Just before I take that step and go along with you . . . I want to feel pretty certain . . . I am going in the right direction." He was not, he said, opposed to unemployment insurance but he wanted the members to understand that the best insurance was enforcement of a shorter work day.6

Howard, who like Lewis was a member of the Resolutions Committee, pointed out that unemployment insurance would have little meaning for the millions of unemployed. No plan suggested intended payment to those currently jobless. Yet the delegates were justifying a fundamental alteration of policy on this very ground. They wished to reverse a half century of tradition for ends which could not be achieved by their action. "Let us not base our policies for the future," said Howard, "upon the immediate necessities of the present."7

These were the few, the lonely. Most of the opponents had already decided to remain silent and go along with the majority. One by one

7Ibid., pp. 351-54.
delegates rose to support the measure. Tom Kennedy of the United Mine
Workers assured the members that they need not fear for the labor move-
ment. Insurance would not hurt it. Green reported that while he was
concerned with building up labor's economic strength, he recognized
that certain things must be handled through legislation and this in-
cluded unemployment insurance. Arthur Wharton of the machinists union
warned that labor must act before it was too late. "We have now," he
said, "come to a situation that is unparalleled in the history of our
country."

When the vote was taken only five hands were raised against this
revolutionary change in Federation policy.  

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Equally significant and considerably more unexpected was the re-
versal of Federation policy on governmental regulation of hours of em-
ployment for adult male workers. At the early sessions of the conven-

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8 New York Times, December 1, 1932.

9 Sidney Hillman almost a year earlier had urged legislative reduc-
tion of hours —"The only way to give the people the sense of security
that they must have is to give them their jobs. It can be done only in
one way --national legislation providing for the shorter work day."
U. S. Congress, Senate, Committee on Manufactures, Hearings, Unemploy-
ment Relief, 72nd Cong., 1st Sess., 1931-32, p. 346. Similarly John L.
Lewis in September, 1932, also backed federal hour legislation --"It is
impossible to achieve uniform standards of employment through the sepa-
rate action of forty-eight states .... We know that through the
voluntary action of industrial management reform will never come ....
The union workers are forced to accept uneconomic conditions or face
starvation through the competition of unorganized workers." "Wages and
Hours," in Spencer Miller, Jr., (ed.), American Labor and the Nation
tion there were few signs a change was imminent. The Committee on legislation, for example, reported unfavorably on a proposal to amend the United States Constitution to provide for a mandatory six-hour day and five-day week. Not only was the amendment process too cumbersome, but "the Constitution is a political document and should not be used to regulate morals or economics." The committee reported that "experience has taught us that the shorter work week has not come through legislative processes." Moreover, "it conflicts with the principle long maintained by labor of opposing the regulation by legislation of hours of male adult employment."

Delegate Ollie Allen protested that there was no way out of the depression except through hours legislation. "I admit that it would be far better if we had economic power to regulate hours ourselves," he said, "but . . . we do not possess that ability." The delegate from the Montana Federation of Labor, a veteran of the Knights of Labor, warned that the failure of the AFL to back a legislative solution would scuttle any chance in his state of obtaining a constitutional amendment permitting the legislature to establish maximum hours. There was, he said, no alternative. "None of your international organizations will stand up and make a fight just now against reduction of wages . . . . They are taking it lying down . . . and you all know it."

On the other side were the indefatigable Andrew Furuseth who called the resolution "half-baked"; Federation Vice-President Weaver who said an attempt to control hours through legislation would become another eighteenth amendment; and Thomas Donnelly of the Ohio State Federation
of Labor who felt "it is better to do nothing than to do something wrong."

Green ended the debate by calling for the vote, adding curiously that there would still be a report from the Committee on the Shorter Work Day. The convention then upheld the traditional position. 10

Later, the Committee on the Shorter Work Day submitted what appeared to be another in that long line of meaningless resolutions which had little relevance to the actual power position of the labor movement. The committee began by recommending that the convention endorse the universal six-hour day and the five-day week and that this be declared the chief goal of the AFL. It made no mention of means.

Immediately several national presidents protested. Bahon of the Street Railway Union asked if this was just another one of the AFL's empty declarations. Howard of the International Typographical Union said that the convention adopted a similar resolution ten years before and nothing had happened. He recommended that the AFL ask Congress to declare it the public policy of the United States that the work week not exceed certain limits. To obtain shorter hours, said Howard, labor must go beyond the Federation. 11

Then William Green addressed the convention. He told the delegates that they were faced with a momentous decision. It now appeared im-

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10 AFL, Proceedings (1932), pp. 244-50.

11 Howard, as noted above, opposed unemployment insurance at this convention because he felt it would not deal with existing unemployment. His support for legislative regulation of the work week demonstrated the pragmatic nature of his reasoning.
possible to provide work for the labor force on the basis of the forty-eight hour week. After the July meeting of the Executive Council the officers had asked President Hoover to convene an economic conference to determine a method for establishing a five-day week. This Hoover had failed to do. What then must be labor's course? Labor, said Green, must ask the government to shorten hours for its own employees and for those covered by the interstate commerce laws. It must also, somehow, make private industry take the same action.

To force industry to shorten hours would at best be difficult but the AFL must fight and fight vigorously. "Along with my colleagues on the Executive Council," announced Green, "I propose to find some way, to suggest some plan, even though it may be to resort to forceful methods to compel industry to give us this great reform."

The delegates greeted Green's remarks with enthusiastic applause and gave him a standing ovation. Quickly, almost before anyone was aware of what had happened and in spite of its prior action, the convention adopted a resolution offered by the Committee on the Shorter Work Day directing the Executive Council to place before Congress legislation to reduce the work day and work week. Suddenly, and with no vocal protest, the AFL had reversed its traditional opposition to legislative regulation of working hours. It had, through a mildly worded resolution, nearly come abreast of progressive thought.¹²

¹²AFL, Proceedings (1932), pp. 28h-9h; New York Times, November 29, 1932. The next day in a discussion of another measure Delegate Allen commented on the quick passage of this resolution: "I am quite sure a very large number of delegates are not conscious of the fact that we did
Green's speech was the object of a small flurry of excitement in succeeding days. It helped considerably to bolster the flagging morale of the delegates and accounted for at least a measure of uneasiness in conservative circles. Several delegates hailed it as a "fighting speech" and one called it the "turning point in the American labor movement." John Frey, whose dislike of statism was surpassed only by his conviction that the Federation was withering away, was particularly pleased by Green's aggressiveness which he hoped would continue and lift labor out of the doldrums. He observed wryly that labor's conservatism had led it to the brink of destruction. "We have been so 'good'," he wrote, "that we have almost become no good, and unless we begin to insist upon being heard in the nation's councils, and particularly in the industrial world, we might as well fold up our tent and continue to receive with thanks what industry may be willing to give us."^13

The New York Times, too, took editorial note of Green's remarks, particularly his threat to use force to obtain the thirty-hour week from industry. Where, asked the Times, would business ever get the money to give forty hours pay for thirty hours work? Both the substance and the tone of Green's speech were most disturbing. Alas, mourned

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adopt a resolution in favor of legislation to regulate the hours of labor . . . . That resolution was adopted after that noble declaration by our Grand President, Brother Green . . . . Due to the fact that after this noble address was made there was considerable milling around among the delegates in the hall, I believe many of them did not realize the far-reaching importance of that particular resolve." Proceedings (1932), p. 317.

the Times, William Green had failed the country—he who "had been reckoned among the most steady-going and reasonable labor leaders."  

The next day Green read the editorial to the convention. He bitterly attacked the Times for its concern for the employer and its lack of interest in the starving worker. "With all the power we possess we begged the employers of labor to meet with us; we begged the Government to call a conference for the purpose of taking care of the unemployed, to find work for the jobless. The Government refused." Now, said Green, three years had gone by and nothing had been done. "What do they expect us to do? Sit still? They mistake our patience and self-control ... we have notified the world that ... we are going to fight." For the second time, the delegates rose to their feet, applauding and cheering. It was obvious that this was the type of speech they had been waiting to hear. 

In succeeding months Green continued to speak in thunderous tones. In January he appeared before the Senate Judiciary Committee which was considering the Black bill to prohibit the movement into interstate commerce of any commodity produced in plants where workers were employed more than six hours a day, five days a week. Senator Black led him through the proper answers.

Senator Black. ...You say organized labor is going to fight for it [thirty-hour week], and it can be accomplished in one of three ways, the first by voluntary action. Has experience demonstrated that you will get it by voluntary action?


November 30, 1932.

Mr. Green. I am satisfied we will never get it universally by voluntary action.

Senator Black. One of your suggestions is the application of economic force.

Mr. Green. Yes; for we can organize the workers, and whenever we organize them and can arrange to demand -- -- --

Senator Black. By universal strike?

Mr. Green. By universal strike.

Senator Black. Which would be class war, practically.

Mr. Green. Whatever it would be, it would be that.

Senator Black. That is the second alternative.

Mr. Green. Yes.

Senator Black. And the third is legislation in line with this bill?

Mr. Green. Yes. This is force.

Senator Black. Legislative force.

Mr. Green. Legislative force, and that is the only language that a lot of employers ever understand — the language of force.  

In February, 1933, Green invaded the pages of Nation’s Business, organ of the United States Chamber of Commerce. In a special interview, he explained more fully his remarks about using forceful methods to obtain labor’s demands. He had threatened to use force, he said, because no one had produced a remedy even though labor had given management every opportunity. Labor had agreed in a conference to forego drastic action if employers did likewise. Employers, he said, since had forgotten their part of the bargain. Now business expressed a fear that labor was

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16 U. S., Congress, Senate, Judiciary Committee, Hearings, Thirty-Hour Work Week, 72nd Cong., 2nd Sess., 1933, pp. 21-22. This was virtually a threat of a general strike and was so interpreted by the press. Seven years before in a speech to the International Rotary Green denounced the British General Strike and said the AFL would never use this weapon. "To engage in such an undertaking would mean that the American Federation of Labor would . . . destroy the confidence which has been reposed in it by the American people." AFL Weekly News Service, June 19, 1926. See also Green’s testimony before the House Labor Committee, Hearings, Six-Hour Day - Five-Day Week, 72nd Cong., 2nd Sess., 1933, pp. 1-23.
in earnest about fighting. "Let me use this opportunity," said Green, "to double rivet the assurance that we are in earnest."

The AFL had not changed, he asserted; it had merely come to the end of its patience. "Here we shall take our stand and here we fight . . . We are out to end legalized robbery in the United States."

Labor did not want economic war. It would gladly sit down with the great employers tomorrow and agree on what was best for America. But management was unwilling. "Therefore," said Green, "I am ready to lead the hosts of labor into battle."

Green eloquently reaffirmed his position.

If there are those employers . . . who will not recede from the pinnacles of autocracy and domination, let them hug to themselves whatever fear they wish to picture. We will not disillusion them and in the end we will tear down their pinnacles if we can. For we shall soon be on the march. We may fail, we may return more bedraggled than we are, with America more sunk under the crushing weight of injustice than it is, but we shall have fought and every courageous, hopeful, justice-loving American will have had his chance to struggle for the glory and welfare of his country.

In conclusion Green said there was no turning back. "The die is cast for the battle out of which labor expects a new America to rise to vindicate the dreams of the founders of our land in liberty and justice and equality of opportunity."17

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17C. N. Wright, "Labor Unfurls Its Battle Flags," Nation's Business, XXI (February, 1933), 13-15, 46-50. Compare with John L. Lewis' statements at the same time: "A student of history will find, in many re-
These three developments at the convention and after—endorsement of unemployment insurance, support of legislative regulation of hours, and Green's assertion of his determination to utilize labor's economic strength—were all major departures from the policies of the past decade. There was one more significant occurrence at the convention which not only shed light on the reasons for these changes, but also suggested the direction of future Federation development. This was the attempt of John L. Lewis to enlarge the Executive Council.

Lewis played a far greater role at the 1932 convention than he had at any convention in recent years. This was somewhat unusual inasmuch as the United Mine Workers had, for the first time, been forced to accept a reduction in its voting strength. Lewis, however, had retained a considerable influence within the Federation partly because of his close connection with Green and partly because he was willing to accept the leadership of various discontented groups. He was hardly a radical, but his presidency of the miners' union led him along paths

spectres, a duplication of these appalling conditions in the misery of the French people antedating the French Revolution. The Bourbons of France, like some of the modern Bourbons in our own country, indulged themselves in idle chatter and continued to believe in their own security. They paid for their error and their inaction with their heads." U. S., Congress, Senate, Finance Committee, Hearings, Investigation of Economic Problems, 72nd Cong., 2nd Sess., 1933, p. 299.

18 The UMW normally had 4,000 votes but in 1932 the number fell to 3,083. Voting strength was based on the membership for which the union paid dues to the AFL. Although it did not have the necessary membership, the UMW usually paid the dues necessary to keep up its voting strength. Even when the union in the late 1920's was unable to pay its full dues, the Executive Council permitted it to retain normal voting strength by a special dispensation arranged by Green.
not open to others. The mining industry was composed of many small producers, competing nationally. It was a sick industry with a chronic unemployment problem. Labor-management relations had been bitter and violent for many years and the UMW had nearly been driven from the pits. Almost of necessity he was sympathetic with federal regulation and willing to take aggressive economic action.  

The Lewis plan was contained in a proposed amendment to the constitution of the AFL increasing the number of vice-presidents from eight to twenty-five, thus tripling the size of the Executive Council and diluting the influence of current members. In support of his amendment Lewis claimed that it was not a matter of personality but rather general policy which had led him to take this step. "I am one of those who is now dissatisfied, not with the personnel of the Executive Council, but with some of the official acts of the Executive Council and with some of the failures of the Executive Council to act under certain circumstances."

The Council was, Lewis said, too small to represent adequately the views of the constituent national unions. This had been apparent for some time. He had become conscious of "mutterings of discontent" in the ranks of affiliated organizations -- mutterings he had heard expressed by

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19 Late in 1928 Lewis had told a Senate committee investigating the mining industry that only complete government regulation of production and distribution could stabilize conditions. "It is absurd to even entertain the thought that the time will ever come when the bituminous coal industry can establish sane business relations through corrective measures brought about by its free application." Quoted in AFL Weekly News Service, December 22, 1928.
delegates in meetings and in private conversation. "This resolution was conceived with a desire to placate the righteous criticisms of those men and to give them a broader place . . . in the workings and in the councils of our great labor movement." Everyone had heard these criticisms. It was irrelevant whether they were right or wrong. The important thing was the existing situation. "The Executive Council," he concluded, "is not now representative in a broad sense of the great mass of the members of the American Federation of Labor."20

Lewis was supported on the floor by Frank Martel and Charles P. Howard, both of the International Typographical Union. Significantly, the former had spoken for unemployment insurance, the latter against it. Dissatisfaction with the Executive Council was apparently not limited to its policy toward state intervention.

Howard pointed out that the Executive Council, regardless of theory, usually established the policy of the Federation. The eight vice-presidents, however, represented organizations with only 700,000 members so that nearly two million unionists were not directly represented. The Council, therefore, must be broadened.

Martel pointed to the weak strategic position occupied by the Federation in maintaining its organizational integrity. "It is evident to those who are in contact with the rank and file of the trade union movement," he said, "that there is a good deal of dissatisfaction and that the labor movement of this country today is beset not only by opponents on the part of employers, but on the outside by the effort of the radi-

cals in the country to build another labor movement alongside of the American Federation." To meet this challenge the Federation must become more responsive to the needs of the membership. "I don't believe," said Hartel, "such a movement could possibly exist in America if the American Federation of Labor itself was more flexible."

When the vote was taken, Lewis' forces were decisively beaten, 17,560 to 5,475. 21 At the same time the vote was suggestive. This had been the first real challenge to the Executive Council since Lewis had tried to unseat Gompers thirteen years before. As expected, all the members of the Executive Council voted against the change—all except Green who voted with his colleagues in the mine workers. The Council was supported by most of the conservatives in the movement.

On the other hand, the proposal gained all or a majority of votes of the delegates from the typographers, the painters, pressmen, and mine workers as well as from the smaller unions of pullman porters, teachers, butchers, conductors, government employees, and stone cutters. Five state federations and three city centrals joined Lewis. Among the forty-three delegates who voted to enlarge the Council were a considerable number of advocates of unemployment insurance, federal relief, legislative regulation of hours, and other measures involving expansions of governmental influence in industrial affairs. These included Florence Hanson of the teachers, Ollie Allen, Hartel, Emil Rieve of the United Textile Workers, Poll of the pressmen, and Graham of the Montana Federation of Labor.

21 Ibid., pp. 436-37.
One cannot conclude, however, that it was solely a contest between "progressives" and "conservatives" or between the proponents of governmental action and the proponents of voluntarism, although there certainly was a degree of correlation. Rather it was a protest against the inflexibility of the Council and its too-grudging acceptance of the need for new measures to meet the depression. For some, this involved its doctrinaire opposition to various forms of governmental assistance; for others it was simply the passivity of the Council and its long refusal to recognize the bankruptcy of exhortative unionism. But for all, it represented dissatisfaction with a leadership which still seemed ill-suited to meet the challenge of the depression.

From the endorsement of unemployment insurance to the assault upon the Executive Council, this had been a remarkable convention. It was indeed a fitting climax to three years of stress. What the future would bring remained uncertain. No one yet knew if the 1932 convention marked the beginning of a new era in trade-union history or merely a momentary compromise with a tenacious past.
CHAPTER X

THE IMPACT OF THE DEPRESSION

The economic disaster which followed the stock market crash in the fall of 1929 tested the established policies of the American Federation of Labor as they had never been tested before. Coming at a time when the movement was weak and its leadership apathetic, the depression forced a re-examination of the whole basis of trade-union action. Subjected to this re-evaluation were not only newer measures adopted to cope with the problems of Coolidge prosperity but also the venerated principles of Samuel Gompers' youth. The policies of the prosperity decade and the policies of fifty years standing were all scrutinized against the background of massive unemployment and economic paralysis.

Three and one-half years after the Wall Street crash -- when Franklin D. Roosevelt began his New Deal -- many of the old policies of the American Federation of Labor had almost disappeared. By virtue of their demise, the Federation had become fundamentally different from what it had been before that fateful day in 1929. The most significant changes were those which involved the attitudes of organized labor toward two entities of the social structure -- the government and the business community. Despite ultimate economic recovery, the vicissitudes of leadership, and later internal difficulties, the Federation in relation to government and business had indeed turned a corner and as a result could never again approach its problems in quite the same way.

The AFL at the beginning of the depression tended to divide legis-
liation into two categories: measures which would harm or might harm the labor movement and measures which would benefit the movement or which would advance a worthy nonunion cause without injuring the unions themselves. Two types of proposals in particular tended to arouse suspicion within the Federation—those which sought to establish minimum standards of employment and those which made government the guarantor of various types of security. The reasons were obvious. Once the government set minimum standards it might then set maximums. Moreover, if security were provided by legislation, workers would have little reason for joining unions. Finally, what was gained by legislation might be taken away by legislation, while what was gained economically, could be retained.

Supplementing this practical test of legislation was an undefinable, yet quite real hostility toward any increase in the powers of government. In the past, governmental intervention had not usually been to trade-union advantage, and it seemed at least probable that it would not be so in the future.

It became common for the Federation to invoke the words and phrases of what Herbert Hoover would call rugged individualism in defense of this essentially practical position.¹ This tended to counteract the charge of radicalism which haunted labor all through the 1920's, and to make unionism and economic action seem more indigenous, more in the great tra-

¹This tendency upon the part of all groups was noted by C. C. Merriam, "Government and Society," in President's Research Committee on Recent Social Trends, Recent Social Trends in the United States (New York: McGraw-Hill Book Co., 1933), II, 1532-33.
dition of individualism which meant so much in the America of the day.

In time —indeed long before Hoover used the term— rugged individualism departed the world of reality and entered the world of myth. In the complex economic structure of twentieth-century America the type of laissez-faire society for which it had been invented no longer existed. The spirit of the 1920's was such, however, that the slogans and the myths of an earlier day seemed to possess increased meaning. For its part labor permitted what had once been merely a justification of purely selfish and practical ends to become a doctrine to be followed at all costs. By 1929, opposition to government intervention had little reference to the existing needs of labor; but the AFL, forgetting the really pragmatic purpose of its policy, found itself, on largely doctrinal grounds unrelated and even hostile to the interests of unionism, opposing those governmental actions essential to recovery.

The depression washed against this hard rock of doctrine and in time eroded enough so that the basically flexible substructure of trade unionism showed through. By the end of 1932, labor was committed to a number of governmental actions it had heretofore eschewed. These included the broad acceptance of the need for governmental solutions to the depression itself, culminating in support of a federal thirty-hour law, as well as acceptance of federal responsibility for direct relief and related matters. At the same time labor shared in the general turn toward federal rather than state action.

The Federation was somewhat slower to abandon its hostility toward the security-oriented features of government intervention, primarily
because here there seemed to be a closer correlation between traditional
AFL policy and the needs of the labor movement. In time, however, the
Federation did endorse unemployment insurance and was, in the future,
to support other aspects of social security legislation.

Underlying the whole complex of specific measures were two basic
changes in the Federation's attitude toward government. One of these
was its increased reliance upon political as opposed to economic action.
The AFL suddenly found itself more concerned with what happened in
Congress than it ever had before. At the same time its economic strength
was at an ebb. As a result there was a subtle shift in the locus of
labor interest. The picket line and the conference room became only
two of various means for achieving its ends. As Green said a few years
later, "The labor movement has had to adapt itself to changed condi­
tions . . . . We now seek benefit for the workers and all our fellow
men by the use of either direct economic strength or legislation as
the situation demands. Neither alone can suffice."\(^2\)

The second basic change in labor's attitude toward government was
that it now avowed, with the rest of the nation, that the coercive power
of public authority should be used freely and comprehensively to fulfill
the needs of the people. In many ways this was a revolutionary idea.
Prior to the depression the government had occupied the position of
roughly a court of last resort with strictly circumscribed jurisdiction.
Desirable ends were divided into categories by method of accomplishment.

\(^2\)William Green, Labor and Democracy (Princeton: Princeton Univer­

Some of these ends were assigned to city, state, or federal government but by far the larger number found their way into a pigeonhole marked private action. Responsibility, in its broadest sense, was personal. Initiative in particular was extragovernmental. Public authorities were not generally expected to seek problems and then find their solution. Rather they were supposed to provide certain well-defined services which had been grudgingly assigned them after private interests had clearly and absolutely failed. In a sense it was almost considered sinful to rely on the government. There was little feeling that the government was the collective will of the people; instead it was an outside, an alien force much like a mercenary soldier hired in time of trouble.

The AFL had fully subscribed to this idea. Its emphasis on trade-union economic action, its unfortunate experiences in the past, and its sense of minority status gave it little reason to consider government an instrument for solving its problems. Self-reliance—in a collective trade-union sense—offered the only sure way to security and prosperity.

The depression changed much of this. Labor learned that neither its self-reliance nor that of its trusted opponents, the businessmen, could do much about the all too abundant suffering. At the beginning of the depression it had asked merely that the government collect statistics, and it had welcomed President Hoover’s conferences where business and labor could voluntarily agree to do nothing while confidence was restoring itself. But slowly it realized that this policy was fraught with disaster.
In 1931 the AFL began to assert that the government had a measure of responsibility beyond the mere calling of conferences. The next year Green sought to educate unionists to the many beneficent uses of legislation and to explain that the government really belonged to all the people. By March, 1933, the AFL assigned to government absolute responsibility for bringing an end to the depression. When Roosevelt became President, Green announced that "in this period of national and world crisis, our hope hangs upon one individual -- our Chief Executive." And in the fall of the same year, he told the AFL convention that if the nation recovered from the depression "it will be because the hosts of labor have been patient and have stood manfully behind the President while he has worked out our problems."  

Clearly the AFL had gone a long way in three and one-half years from its posture of self-reliance and its unconcealed hostility to governmental responsibility. A new world had indeed emerged.

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The American Federation of Labor between 1929 and 1933 also participated with the rest of America in a great intellectual awakening generally known as the disillusionment with business leadership. During these years certain traditional ideas concerning the omniscience, integrity, generosity, and capability of American business were demonstrated to be less than accurate. Two different images were shattered.

3The American Federationist, XL (March, 1933), 229; American Federation of Labor, Proceedings of the 53rd Annual Convention (1933), p. 10. Italics mine.
in this awakening, one of long standing, the other of recent origin. The first was that of the business tycoon; the second, that of the scientific manager.

The business tycoon—the really big business man—had long been considered the arbiter of the American economy. For fifty years the American public had followed the doings of the great financiers and industrialists with a sense of awe. Even reformers were impressed—albeit adversely—by their supposed power over economic life. Whether one liked it or not, these were the men who guided the destinies of America.

In the 1920's a supplementary image developed, not so specific to be sure, but considerably more important. It was widely believed that business, in a general sense, had at last found the secret of perpetual prosperity and had but to apply certain scientific principles it had lately discovered to banish poverty from the land. Full employment and business stabilization would come through the intelligent and voluntary application of these principles by the many individual and separate firms.4

The American Federation of Labor had come to accept this idea. During the twenties when it abjured governmental assistance (which it probably could not have obtained anyway), and lacked sufficient strength or vitality to achieve its ends by economic action, the AFL had devoted its major efforts to persuading industry to pass on to labor the fruits

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4 See a most intelligent contemporary analysis by Leo Wolman, "Stabilization or Insurance," Annals of the American Academy of Political and Social Science, CLXV (January, 1933), 20-23.
of managerial prescience. When the depression struck, it was fully com-
mitt ed to the independent and voluntary action of business for the solu-
tion of national economic problems. For this reason the great disillu-
sionment worked particular hardship on the Federation. Not only had it
accepted the common myths, but it had fastened its policies to those
myths.

The attitude of the Federation changed as unemployment mounted and
neither the tycoons nor business in general seemed able to stop the rush
toward destruction. First it decided that industry, for purely selfish
reasons, would not end the depression. Then it realized that business
could not end it if it would. At last it admitted that its faith in
business leadership had been misplaced from the start. "Thoughtless,
disorderly, irresponsible and often unscrupulous manipulation of the
credit facilities of industry, commerce, and agriculture," stated a
1932 report, "mark the majority of the leaders of American finance and
commerce as incompetents or worse."\(^5\)

In many ways this, rather than the new acceptance of government
intervention, was the true intellectual revolution of the depression
era both for labor and for the nation. In recent years historians
have suggested that Herbert Hoover rather than Roosevelt introduced the
concept of massive governmental responsibility. It is indeed true that
late in his administration Hoover did foster a considerable increase in
governmental functions and did inject federal authority into credit, agri-

\(^5\)Report of Resolutions Committee, AFL, Proceedings of the 52nd An-
nual Convention (1932), p. 312.
cultural marketing, home building, and elsewhere. But at no time did Hoover participate in or, for that matter, understand the loss of confidence in private business capacity. While he realized that the government must assume new responsibilities in the crisis, he never gave up his basic faith in the economic intelligence of the business community. Indeed his whole explanation for the continuance of the depression involved the injection of extra-American forces into the situation --forces with which businessmen could hardly be expected to cope. In this light Hoover belonged to the past, not the future. The New Deal did draw upon the cautious experiments of the Hoover years in welding the concept of federal leadership and responsibility to American life. But its true intellectual basis lay in the great disillusionment with the old leadership, also a part of these years, but quite alien to the thought of the prior administration. This disillusionment perhaps did not reach its culmination until after the collapse of the National Recovery Administration, but clearly its seeds had been sown during the Hoover era.

In addition to these shifts in labor's attitudes toward business and government, there was a third development at the end of the period which hinted at a possible new assessment of the role of economic action. At the 1932 convention and after, William Green began to utter threats and warnings of impending strikes totally out of character with the essentially passive and persuasive nature of his past statements. It appeared possible that the American Federation of Labor would reverse its policies of the past decade and embark upon an all-out campaign of economic action. The intellectual foundation for such a development
clearly existed in the new awareness of the Federation's leaders that business had no intention of indulging in noble self-sacrifice.

During the depression the number of strikes was relatively small. In part this was a result of the economic situation, but it was also a carry-over from the relatively unaggressive unionism of the 1920's.

During each of the years between 1927 and 1932 there were fewer strikes than there were in any year since 1885, even though this period included one year of recession, two of prosperity, and three of extreme depression. Moreover, of the total number of strikes in the United States, the percentage called by AFL unions fell from 71.1 per cent in 1927 to 57 per cent in 1932, while those of nonaffiliated unions rose from 8.8 to 16 per cent, and those by unorganized workers from 9.2 to 13.9 per cent.

Unquestionably there was a strong desire for more aggressive action within the rank and file. When Green was cheered during his speech on the shorter work day, it was not because he advocated legislative regulation but because he threatened employers with "forceful methods." Similarly much of the support for state-oriented measures came from men who were more interested in doing something than in erecting minimum standards. Among conservatives as well as progressives this

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sense of frustration was strong. John P. Frey wrote to a friend that
the labor movement had reached a turn in the road:

Unless there is more generally diffused knowledge
of the underlying economic factors which affect us;
unless there is a more vigorous application of our non-
partisan political policy; unless we can re-introduce
into our movement that spiritual enthusiasm, that de-
voteion to ideals and principles, that willingness to
devote one's time and to make sacrifices for a cause,
then the immediate outlook at least is not a particu-
larly cheery one.\footnote{Letter of Frey to W. A. Appleton, February 19, 1932. John P.
Frey Papers, Library of Congress, Container 1.}

Frey thought that perhaps Green had revived the old fire at the
1932 convention. It would not have been difficult to do so as the miners
and garment workers were to demonstrate in the coming year. Up until the
1920's American labor had been aggressive and the violence of its
strikes had outstripped anything in the European labor movements. The
passivity with which the Federation greeted the depression was of rela-
tively recent origin and the possibility seemed strong that Green might
seize the opportunity to inject new enthusiasm into the movement and
return to the traditionally militant organizing policy of the past.

Why these changes took place is a difficult matter to determine,
but certainly the ultimate cause was the depression itself. Between
twelve and fifteen million persons were unemployed at the end of 1932.\footnote{Broadus Mitchell, Depression Decade (New York: Rinehart and Co.,
1947), pp. 451, 453.}
Even for those with employment, the decline in wages often exceeded the drop in prices. The average real wage in manufacturing, for example, fell over 14 per cent between 1929 and 1932. For the unions themselves the decline in membership was certainly serious. Organized labor as a whole lost nearly 470,000 members between 1929 and 1933, including 213,000 in 1932 alone. Particularly hard hit were the building, transportation, and communications unions which had largely escaped the decline of the 1920's. These groups, which provided better than half the total trade-union membership, lost 620,000 members between 1929 and 1933.

In spite of appearances the decision of the leaders of the AFL to seek governmental solutions was not a sudden one. It was rather a product of several powerful forces, growing as the depression deepened, which undercut traditional Federation positions. One of the most important of these forces was the growing recognition that private initiative could not be relied upon to pull the nation out of depression. This carried with it the knowledge that public coercion was the sine qua non of any effective recovery program. While the Federation's leaders perhaps parted with their ideals reluctantly, they began to have serious reservations about them in the early fall of 1931 when the

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9 For the building trades the real wage increased 12 per cent. W. S. Woytinsky and Assoc., Employment and Wages in the United States (New York: Twentieth Century Fund, 1933), pp. 49-51.

10 This means that other unions, particularly in the mining and clothing industries, gained, especially in 1933. Leo Wolman, Ebb and Flow in Trade Unionism (New York: National Bureau of Economic Research, 1936), p. 42.
larger corporations instituted massive wage cuts and the whole Hoover system of voluntary measures collapsed. From this point forward it was obvious that measures depending upon voluntary action would not be productive of the desired results.

At roughly the same time, beginning with the session of Congress which convened in December, 1931, the Federation was forced into a deep involvement with legislative affairs. At the beginning of 1932, as we have seen, Green committed the Federation to federal relief, breaking clearly with Hoover and his past position on the "dole." In February the AFL staged its meeting of national officials and its march on the White House and the Capitol. All through the year the Federation was drawn into legislative involvement, lobbying for one bill, then another, all presupposing federal intervention into the economy.

Combined with these developments was the pressure of rank and file opinion, becoming most serious again in the fall of 1931, particularly during the convention which met in October. It was obvious at this convention that there was considerable discontent within the labor movement, particularly when several prominent national officers were highly critical of past policy. From this time onward rank and file discontent, channeled through city centrals and state federations and coupled with demands for a change from national unions, drove the leaders of the AFL along the road toward a new policy.11

Throughout the depression the Executive Council was also disturbed by reports of what it feared were serious inroads into trade-union membership by radical, hostile organizations. The role of radical protest groups and organizations of the unemployed in forcing specific changes in policy was certainly significant, and the threat of losing members and the possible rise of dual unionism were not inconsiderable worries for the AFL. At the same time, however, there was no clear evidence that the growth of radicalism was the chief factor or even the deciding one in the change of position. It was important chiefly as a symbol of the dissatisfaction among trade-union membership and of the need for a policy more in harmony with the demands of the time.

In summary, the new point of view of the Federation stemmed from a series of developments which had deprived traditional policies of their former relevance. The most important of these were the disillusionment with business leadership as a result of the failure of recovery to materialize and the wage cuts of 1931, the largely unplanned involvement in federal legislative matters beginning at the same time, and the steady growth of a demand by the rank and file for new measures.

These changes in labor's attitude toward business and government were highly significant and, as it turned out, fundamentally irreversible. The Federation had embarked upon a new program adapted to new conditions. It would never again be the same. Notwithstanding this, there remained certain elements of the past which suggested that the Federation was not yet completely committed to its new policies.
In the first place it was obvious that while policies had changed, personnel had not. The men who had voted against unemployment insurance in 1931 were the same men who voted for it in 1932. As one observer put it, "to a good many men in the central body of organized labor it was a case of surrendering to the inevitable rather than a carefully weighed move to take control in a changed situation." This was implicit in the tortured, hesitant, piecemeal acceptance by the Executive Council of the necessary governmental action and its surprisingly long faith in business leadership. It appeared in the cautious endorsement by the 1932 Resolutions Committee of the Executive Council recommendation for national economic planning. It broke into the open with John L. Lewis' unsuccessful attempt to broaden the representation of the Executive Council.

12 J. B. S. Hardman, "The Federation Faces the Facts," The Nation, CXXXV (December 21, 1932), 615-16. This is born out by John Frey's statement, "I know a number of the members of the Executive Council were in rather strong opposition personally but did not care to state their position because of the popular movement which had developed in favor of this utterly impossible and visionary program." Letter of Frey to Lt. Col. C. B. Ross, December 12, 1932. John Frey Papers, Library of Congress, Container 13. The same sentiment was reported by Louis Stark in the New York Times, December 1, 1932: "The action of the convention in the last forty-eight hours ... made some of the veteran conservative leaders unhappy. In the corridors delegates showed extreme concern .... Especially regrettable to some of the older men was the endorsement of the proposal to seek the shorter working-day and work-week by legislation." Also see Fritz Rager, "A Foreigner Looks at the A. F. of L.," The Nation, CXXXV (December 21, 1932), 614-15.

13 It is our understanding that the Executive Council has in mind some plan which in the main provides methods of voluntary co-operative action and that ... [a planning group is not to be armed with the power of law enforceable by the courts.] AFL, Proceedings (1932), p. 320.
At the same time it was clear that many of the men who were urging greater use of governmental power did not really differ ideologically from their conservative opponents. John L. Lewis was no radical; his backing for unemployment insurance did not stem from a great conversion to the glories of the welfare state. On the contrary, most of the "progressives" who were beginning to emerge in these years were simply practical men seeking to exploit what might be a favorable occasion for the expansion and strengthening of trade-union appeal. They differed from conservatives chiefly because the latter were committed to a doctrine, a way of looking at things, ill-suited for utilizing what would surely be the wave of the future -- increased governmental intervention in American life. 14

Moreover, it is important to note that the leaders of the AFL viewed both unemployment insurance and legislative regulation of hours as strictly relief measures. At the 1932 convention they justified their reversal of policy on the ground that this was the only way to provide relief for the unemployed. Their position did not necessarily reflect any new concept of the duties of the state. They did not claim that security was now the chief goal of man or that insurance against unemployment was a socially desirable expansion of governmental power; they said merely that such insurance was an imperative of the desperate unemployment situation.

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Similarly they justified legislative regulation of hours not on humanitarian grounds or from a conviction that society must protect the exploited mill hands, but rather because this was the only way to achieve an immediate distribution of work. They were not, nor did they consider themselves, advance agents of the welfare state. The moral duty of society they left to the tender care of reformers. For them these measures were but methods of meeting the exigencies of the depression.

Finally it must be recognized that the American Federation of Labor was basically a protective organization, founded and operating to promote the interests of its constituents and their members. It had a long history of precarious existence and, as Professor Perlman has wisely noted, an acute sense of minority status. It did not consider itself, nor indeed was it, representative of all working people, but rather of a small group of persons who had formed trade unions. Regardless of the changes necessitated by the depression, the institutional nature of the Federation dictated the maximum possible reliance upon trade-union, rather than governmental, action.

"We have consistently held," said the 1929 Metal Trades Department report, "that we should not seek to accomplish through legislation those things which we were capable of securing through our collective activities in the industrial field." From this position the Federation really never wavered. During the early 1930's, it became obvious that there was less and less that labor could secure through these "collective activities." As a consequence trade unionists had to re-evaluate their conception of the possible and bring it closer to the existing situation.
In the end the leaders of the AFL had to narrow their definition of what labor could secure on its own and broaden their definition of what government must secure for it. It had, at last, admitted that it could not solve through traditional means many problems it once thought it could. If there is one inflexible rule in trade-union practice, it is this: in so far as possible make the membership dependent upon the union for its benefits. In its attachment to this concept, which underlay the role labor assigned government, the AFL remained steadfast.

Shortly after the election of 1932 Calvin Coolidge discussed with a friend the changes of the past four years. "When I read of the new-fangled things that are now so popular," he said, "I realize that my time in public affairs is past. I wouldn't know how to handle them if I were called upon to do so." Then he added: "We are in a new era to which I do not belong, and it would not be possible for me to adjust to it."\(^{15}\) And Henry Ford at about the same time said in an interview that "this is not a period of depression to be tided over until good times come back . . . . This is not a breakage which can be patched up so that we resume our reckless course again. This is the ending of an era."\(^{16}\)

And indeed it was. For organized labor as for the rest of America the future would be far different. Although few anticipated it, organized labor would achieve great strength and security and become a potent economic and political force. In a larger sense it would become concerned


with problems of whose existence neither it nor anyone else had heretofore been aware. And it would carry through its rejection of the self-regulating economy and embrace governmental solutions and governmental responsibilities. As Green said of the depression a few years later, "We could no longer rely upon a free interplay of unbridled economic forces. It became necessary to supplement those forces as well as limit them by a measure of public intervention representing the whole nation and clearly sanctioned by the will of the majority."17

In 1935 Fortune magazine conducted a survey on the question: "Do you believe that the government should see to it that every man who wants to work has a job?" Nearly 77 per cent of those surveyed answered yes, including 46 per cent of those in the "prosperous" class.18 This was a measure of the change in attitude wrought by the depression experience. The years 1929-1933 were, as Gilbert Seldes put it, "a succession of breaking idols and abandoned faiths, some of them the notions of willful children, some deeply engrained in the character of the nation."19 In these years the whole fabric of confidence in the abilities of the great private interests to guide America was destroyed. The nation found that the tycoons were helpless before the great disaster. "In the high buildings, behind the bronze doors were only bewildered, self-minded human beings hopelessly entangled in a paper web of

17Green, Labor and Democracy, p. 146.
19Seldes, The Years of the Locust, p. 275.
their own spinning."\(^{20}\)

It was a period of confusion, as all transition periods must be, and labor shared abundantly in that confusion. Perhaps the key word in the period was receptivity. No one knew what the future might bring but most people seemed ready to apply solutions based on present needs. The terrible troubles of the nation had swept away what Walter Lippmann called the rigid accumulations and the hardened consequences of misjudgments. The basis had been laid for a new society whose nature was as yet unknown save that it would rest upon the composite desires of the people expressed through their government. Against this background — against the ruin of 1929–1933 — most Americans and most unionists faced the future receptive to new ideas, new solutions, and new methods. The few years between the stock market crash and the inauguration of Franklin D. Roosevelt had been a time of cleansing, of purification. Now, at last, labor and the nation seemed ready to meet squarely the challenge of the depression and to deal realistically with its problems.

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Dissertations


I, Milton Lewis Farber, Jr., was born in Columbus, Ohio, April 4, 1929. I received my secondary school education in the public schools of Bexley, Ohio, and my undergraduate training at Miami University, Oxford, Ohio, which granted me the Bachelor of Arts degree in 1950. From the Ohio State University, I received the Master of Arts degree in 1951. After service with the United States Air Force, I returned to the Ohio State University in 1955 to complete the requirements for the degree Doctor of Philosophy. While in residence, I was in successive years a graduate assistant in the History Department, a teaching assistant in the History Department, a University Fellow, and a William Green Fellow.