

# Company Unions

By Wm. Z. Foster

**W**ITHIN the past several years there has been a tremendous growth of "company unions" in American industry. This is an indispensable wing of the "open shop" movement. The development is of the utmost consequence to the labor movement in all its phases. Strangely enough, however, our Party has devoted practically no attention whatever to this menacing movement. This indifference must come to an end. We must carefully analyze company unionism and work out a policy to combat it.

The first suggestion of a company union was put forth by one James C. Rayles in 1886 in an article entitled "The Shop Council." The first company union organized, however, was in 1901 in the plant of the Nernst Lamp Company in Pittsburgh. In 1907 the Nelson Valve Company of Philadelphia instituted a similar organization. But the movement did not get well under way until the Colorado Fuel and Iron Company founded its plan of "Employee Representation" following the bitterly fought coal miners' strike of 1913-14. This plan was the work of W. L. MacKenzie King assisted by "Poison" Ivy Lee. The endorsement of this budding movement by the powerful Rockefeller interests, attracted the attention of the capitalists to it generally as a means to hold their workers in subjection, and soon in big plants all over the country similar schemes were developed. The movement took on tremendous impetus about 1916 and extended all through the war period with growing force. At the end of the war there were about 250 company unions. The movement has reached the point now where most of the leading concerns of the country in every industry have company unions in some form or other. Exact statistics are not to be had on the number of these unions, but there are at least 500 of them at the present time. The growth of the company unions has been simultaneous with that of the avowed "open shop" movement.

## Metal and Railroad Company Unions.

The company union movement has been widely extended in the metal industry, especially in the steel-mill section of it. Practically all the big "independent" steel companies, such as the Bethlehem, Youngstown Sheet and Tube, etc., have such an organization in their plants. At the close of the steel strike of 1919, Gary stated that the experiences of the strike indicated company unions were no guarantee against the growth of trade unions and he doubted whether they would be instituted in the plants of the United States Steel Corporation. The great meat-packing interests have highly developed systems of company unions. These were organized directly to combat the trade unions, which had been founded in their plants during the war period. The packers established their company unions in 1920. About the first important act of these organizations was to accept a reduction in wages on behalf of the workers. The trade unions struck against this wage cut, but were defeated in the ensuing struggle. Undoubtedly many of the workers in the packing industry were deceived by the fair promises of the companies in establishing the company unions.

The railroad industry has also been the scene of an enormous growth of company unions. The pioneer company in this respect was the Pennsylvania Railroad. In 1921 this ruthless organization swept aside the shop unions, clerks, and maintenance of way organizations and established its plan of employe representation, after taking a fake referendum vote of the workers on its vast network of railroads. This greatly weakened the unions on that road, large numbers of the weaker unionists deserting the bona fide organizations to pin their faith on the company organizations. During the great shopmen's strike of 1922, which was caused in large part by the growing company-union movement, most of the large railroad systems followed the lead of the Pennsylvania by establishing company unions among the scabs in their shops. The Baltimore & Ohio Railroad and a number of other large systems took a different tack. They did not establish company unions outright, but made a "settlement" with the shop unions. Shortly after this settlement the so-called B. & O. Plan was developed. The essence of this is to turn the trade unions into near-company unions. A further complication developed when some of the railroads, which had followed the lead of the Pennsylvania in setting up company unions, also made settlements with the trade unions. Such were the Northern Pacific, Great Northern, etc. On the roads involved, one sees the spectacle of company unions and trade unions existing side by side.

Thus, on the railroads, there are three stages of company unionism: (1) the Pennsylvania type of straight company unionism to the complete exclusion of the trade unions in certain departments; (2) the Baltimore & Ohio type of trade unions reduced practically to the status of company unions; (3) the Great Northern and Northern Pacific type of company unions and trade unions together. The result of the growth of company unions on the railroads has been to completely demoralize the various railroad trade unions.

Ideologically all these company unions are of one type. Their very breath of life is the theory of class collaboration, which means the complete subjugation of the workers' interests to those of the employers. A typical statement of policy is that of the company union of the Pacific Telephone and Telegraph Company, Traffic Department, which says:

**"The operating employes of the Pacific Telephone and Telegraph Company, and operated companies, desiring to establish a means of presenting to the Company their collective views regarding wages, working conditions and other matters of mutual concern, through channels supplementary to the Company's administrative organization, and recognizing their common responsibility with that of the Company in giving continuous and efficient public service have adopted the following plan of representation."**

Organizationally the company unions follow two general

types, (1) the governmental type; (2) the committee type.

In the governmental type, which is sometimes called the "Industrial Democracy" plan, a system of organization is set up parodying the United States Government, consisting of a Cabinet, a Senate, and a House of Representatives. The Cabinet comprises the higher executives of the plant, the Senate is made up of foremen, and the House of Representatives is composed of the elected representatives of the employers. In the committee type, the effort is to parody, to a greater or lesser extent, trade union forms of organization. Committees are elected from the various shops and works.

These may be either entirely of workers or joint committees of workers and bosses. But whatever the system, whether of the governmental type or the committee type, the company unions are always completely under the control of the company officials, and serve the companies' interests.

Company unions in American industry are not to be confused with Works' Councils in England and Betriebsrate in Germany and in other countries. The American company unions are purely instruments of the employers, set up as substitutes for trade unions and designed to preserve the "open shop" and to enforce the will of the employers. The Works' Councils and Betriebsrate of Europe on the other hand, are in most cases either direct auxiliaries of the trade unions or completely dominated by them. This does not mean, however, that the workers in American industry cannot, under certain circumstances, seize control of company unions and transform them into weapons against the employers.

#### We Must Fight the Company Unions.

The company unions are the employers' first line of defense against the trade unions. The success of these organizations in demoralizing the workers and stilling their protests is attested by the popularity and rapid spread of the company-union movement in the big industrial plants. The path to the building of shop committees and trade unions lies through the shattered ruins of the company unions. The Workers Party must consider as one of its major tasks the war against company unions. This war shall be carried on principally through the instrumentality of the shop nuclei. Wherever there is a shop nucleus in an unorganized industry one of its principle tasks must be to carry on the struggle against the company union of the plant.

This struggle will have many phases. The shop nuclei must carry on ceaseless campaigns of exposure of the hypocritical pretenses of the company unions and make clear with a thousand illustrations how they operate against the interests of the workers and in favor of the employers. Besides this, the nuclei must arrange, either through the membership of our comrades or that of sympathizers, to bring before the company unions various demands of the workers. By refusing to defend these, it will be made clear to the masses that the company unions are tools of the employers against them. In times of foment in the industries, when the masses are aroused against wage-cuts or are in a mood to demand wage-advances, the company unions will always be found in violent opposition to the workers' interests, and it is then that they can best be discredited. In favorable circumstances, it will be advantageous to penetrate these organizations by putting up candidates in the shop elections against the recognized company candidates. In such circumstances, especially when the trade unions are making a

drive to organize the industry, it will be quite possible in many cases to capture the company unions either through the elections or by other maneuvers. In their warfare against the company unions, the shop nuclei must hold clearly before the workers the program of abolishing the existing yellow unions based upon the principle of "class collaboration," and the creation of shop committees, based upon free elections of the workers, exercising the free right of assembly inside or outside of the plant, controlled by the trade unions, putting their demands into effect, and animated by a policy of class struggle.

It is my good fortune to have had a considerable experience with company unions. From this I have learned that they are far from being the anti-union specifics that their enthusiastic supporters claim. They can be successfully fought, and even turned to advantage if the proper tactics are used against them. A case in point, where we successfully fought them, was in the plants of the Corn Products Co. This concern, owned by the Rockefeller interests, has a number of plants, the largest of which is located in Argo, Ill. When, in 1918, we began to organize the workers in this plant, we immediately had to confront the company union which was used vigorously. After a short struggle, we captured this organization. Later, when a general meeting of the company union committees representing all the plants of this company was held, we also captured that, by winning over all the proletarian members of the committees. This definitely established the trade unions in the plants. Another place where we captured the company union was in the plant of the Fairbanks Co., manufacturers of the Gold Dust Washing Powder. This concern, during the big drive in the Chicago stockyards, attempted to forestall the unions by setting up a company union. We soon won over this, however, and forced the company to deal with the trade unions.

#### Fighting Company Unions in the Steel Industry.

But it was in the big campaign to organize the steel workers that the best success was had in fighting company unions. As stated above, such organizations were to be found in scores of the biggest plants. Most of them had just been organized and the companies were flooding the whole industry with glittering promises of what these yellow unions would do to protect the interests of the workers. The demoralizing effect of this propaganda was manifest. The trade unions opened up a big counter-campaign. On May 25, 1919, at a national delegate conference of the rank and file of the 24 unions affiliated to the National Committee for Organizing Iron and Steel Workers, held in Pittsburgh to stimulate the general campaign of organization, I introduced a long resolution condemning the company unions.

This resolution pointed out in detail the differences between the company unions and genuine trade unions, showing (1) that the elections to the company union committees are controlled by the bosses and the candidates are either officials of the company or their lickspittles, (2) that the company unions always meet under the eye of the officialdom and are denied all rights of mapping out independent programs, (3) that committee men who venture to make a fight on behalf of the workers are immediately discharged or otherwise discriminated against, (4) that although the companies utilize the best skill procurable in dealing with the

workers, they refuse to permit the latter, in the company unions, to secure the assistance of skilled leaders, (5) that the company unions are destitute of economic power, having no connections with organizations in other plants, no funds, and no means of making a fight to enforce their will, should they venture to make decisions contrary to the interests of the employers, (6) that the companies systematically divert the aim of the company unions away from all idea of struggle against the companies and turn their attention to such questions as safety-first movements, problems of efficiency, health and housing, recreation and "education," Americanization, sale of company stock, etc. This resolution was widely circulated among the steel workers and did much to awaken them to the menacing danger of the company unions.

In many centers completely successful fights were waged against the company unions. A striking illustration was in the plants of the Bethlehem Steel Co. To block the advance of the unions, Schwab, with a great fanfare of trumpets in the press, founded a plan of "employee representation." Undismayed, the unions carried on a militant campaign of exposure against this fake organization and enlisted the more intelligent elements from among the workers into the unions. When the election was held for the company union committees, the unions put up their own ticket, not officially designated, but nevertheless known to the men. Notwithstanding the corruption and terrorism of the company, a large number of the union candidates were elected. Then, one fine day, when the company union committee met, every member of it appeared wearing a special A. F. of L. button fully two inches across. Those members of the company union committee who were not also members of the trade unions, found it convenient to stay away from this and other meetings of the company union. Later the plant went on strike along with the others in the big struggle.

In Johnstown, Pa., home of the giant Cambria Steel Co., the unions waged another very successful struggle against the company union. When the big campaign started in the fall of 1918, the Cambria Steel Co., employing 22,000 men, met it by the formation of its plan of employee representation, coupled with an elaborate propaganda as to the futility of trade unionism. The trade unions carried on simultaneously a most active campaign and exposure of the company union. When a worker was discharged for joining the trade union, his fellows in the shop immediately submitted his case to the company union committee, which naturally refused to fight for him. A hundred other devices were used to expose the company union as an instrument of the employers. In the elections, union men ran against bosses on a trade union ticket, with the result that many of them were discharged, to the further discredit of the company union. The workers rallied so strongly behind their candidates that the company was forced to adopt the most flagrant means to elect its agents. Consequently the stock of the company union fell rapidly. It collapsed altogether when the company took the committee to Atlantic City, wined them and dined them at the best hotels and then got them to adopt a resolution condemning the demands of the trade unions for an eight-hour day and better wages. When the news of this reached Johnstown, an explosion took place. Those bodies of skilled workers who still clung to the company union repudiated it en masse, marched down to the trade union hall and joined the organ-

ization in a body. It was a 100 per cent victory for the trade union over the company union. By and large, the activities of the company union in Johnstown, because properly exploited by the organizations, contributed largely to the organization of the trade unions. It was through observing such instances as this that Judge Gary was led to say that the company union was at best but a doubtful means to forestall the organization of trade unions.

#### Organize the Unorganized.

It is a historic task of the Communist movement in America to organize the millions of unorganized workers in the great industries. The bureaucrats now at the head of the trade unions have shown themselves unwilling and unable to accomplish this gigantic task. The very existence of the maze of company unions points to the failure of Gompersian trade unionism. The reactionary leaders refuse to consolidate their organizations, to follow a policy of class struggle, and to adopt the various other measures absolutely essential to the organization of the vast armies of unorganized workers. They are helpless in the face of our super-militant capitalism. Only the revolutionary left wing possesses the requisite initiative and understanding to accomplish the tremendous task of organizing the unorganized.

The existence of the company unions is a great barrier to the conquest of the industries for trade unionism. Our Party must come to a keen realization of this fact. In the company unions the employers have a potent means to poison the minds of the workers against all forms of revolutionary thought and activity. They also serve as at least a weak substitute for trade unions and delude masses of the backward workers into the belief that they offer some sort of protection against the injustice of the employers. They must be shattered before shop committees and trade unions can really become entrenched in the industries.

Our party must take the lead in the war against company unions. The shop nuclei must be given to understand this from the first. They must be instructed to concentrate their attention on the company unions, aiming always to discredit and destroy them, or, in favorable circumstances, to capture them and to transform them into genuine shop committees and trade unions. The success of our campaign to organize the unorganized as well as to secure the lead over the workers generally in the industries depends upon the success of our campaign to destroy the company unions.

## TOIL

TOIL hath a swart face, darkened by sun and smoke,  
He is thin-lipped, curt of speech, bitter at a jest or gibe.

Toil waters the ways with sweat, out of the dust and grime  
makes homely useful things,  
Orders the world with a steady hand.

Only at evening when the sun sets with unimaginable splendor,  
and the radiant voice of Beauty is heard across the fields,  
does Toil pause and with sombre, questioning eyes gaze at the stars.

—Buelah May.