

## **American Labor Unions**

The seeds of the American labor union were sewn in Europe long before the settlement of America by Europeans. Guilds of skilled craftsmen who closely guarded the secrets of their crafts were well established from the Middle Ages. These master craftsmen passed the secrets of their crafts only to a few apprentices, who were sworn to protect the secrets before becoming the wards of the master craftsman and, eventually, master craftsmen themselves.

By the mid-to-late 18th century, the industrialization of Great Britain was spawning something that can, in hindsight, be identified as precursors of permanent labor organizations or trade unions. As the smokestack industries developed and grew, the resulting large clusters of laborers provided the critical mass that emboldened them to begin demanding improved working conditions and limited working hours – 11 or 12 instead of sunup to sundown. Walkouts, or early strikes, were used to support their demands, although these were generally spontaneous rather than planned.

However, the American colonies were primarily farming communities, with a smattering of small, localized industries, with a few laborers overseen by a master craftsman. In fact, most of the local manufactured goods placed on the colonial market came not from shops but from excess production on farms, where such items as cloth or leather not utilized by the family or farm could bring in extra income.

The rapid growth of the American colonies created a constant labor shortage that pushed wages in the colonies well above those in Europe. This, with the lure of available land, made the colonies an attractive destination. England contributed to the influx of skilled and unskilled workers by actively promoting immigration to the colonies in the belief that Great Britain was overpopulated.

However, the ever increasing wages did not please employers. Individual colonies responded with efforts to regulate wages and prices and a variety of compulsory labor laws, by which a citizen could be compelled to work a certain amount of time on public works – roads, bridges, dams, fortifications.

In certain of the trades, master craftsmen did organize and work together to combat the restrictions the colonial governments sought to impose, as well as prevent others from entering their trades. Services were sporadically withheld but these disputes were local and such unions generally dissolved when the immediate issue was resolved.

In some of the colonies – Virginia and the Carolinas – the introduction and growth of slavery conflicted with the skilled trades. If slaves performed the skilled trades, why would

anyone need to hire a craftsman? Protests and strikes were held by white tradesmen, ranging from shipwrights to fishermen to carpenters to bakers, but largely it was the interests of the slave owners that prevailed, not those of the free white craftsmen.

Late in the colonial period, numerous trade organizations appeared among the skilled crafts, primarily aimed at fixing wages and prices in the building trades. At the same time, “friendly” societies were organized for social and philanthropic ends. Many of the leaders of these societies became strong proponents of American political rights during the American Revolution.

### **The American Revolution**

The majority of the skilled craftsmen and laborers favored American independence and became involved in the Revolution, many as strong patriots. The core organizers of the Boston Tea Party were members of a local carpenters’ union while the Boston Massacre began with an argument between a ropemaker, Sam Gray, and a garrisoned British soldier who was accused of working as a ropemaker for reduced wages during his free time to make extra money. The argument escalated to a fistfight and, later, to a full confrontation between Boston citizens and British sentries in which Gray was killed when the sentries opened fire.

The Revolution, in fact, put a hold on the formation of trade unions because many of the laborers joined the ranks of the colonial army while others worked to support the colonial war effort. During that period, employer and worker had a common interest that temporarily overshadowed their normal antagonism. Strikes were infrequent during the Revolution, although significant tensions arose over efforts by the states to establish and enforce wage and price controls.

The post-Revolutionary years saw a resurgence and consolidation of trade groups, with the spread of the factory and a transition from custom work to wholesale order work. Many of the laborers who had worked under the master craftsman shop system saw their hopes of eventually becoming masters themselves disappear forever. They increasingly turned to the formation of trade unions and strikes to improve their lots. Although employer and employee had worked together to gain freedom from Great Britain and ratify the new Federal Constitution, a series of major strikes in the 1790s put a final end to that alliance and placed the trade unions on the path to the establishment of permanent unions.

## **An Industrial Nation**

In a very short period, from about 1800 to 1850, the United States shifted from an agrarian society to a leading industrial nation, second only to England. Strong organizations of skilled laborers emerged in the northeastern cities, particularly among printers, carpenters and shoemakers. Early strikes, or “turn-outs,” were spontaneous and unorganized, but that soon changed. Strikes occurred primarily over wages, but also to reduce the “sunup to sundown” working hours or to uphold the closed shop, in which all employees are required to be members of the union as a precondition of employment.

These efforts were strongly resisted by employers, who relied on English common law outlawing “conspiracy.” Although the idea of conspiracy was no part of American law, U.S. courts seemed to pay heed to the idea that unions were illegal conspiracies as described by the British laws and ruled against them.

The first true trades union – a merging of separate craft organizations of skilled workers – took place in New York City in 1833, born of the realization that individual trade groups could not singlehandedly deal with employers. All over the country similar unions sprang up in all the major urban areas. The central interests of these unions were better wages and hours. Although occasionally unionists in one city helped those in another, primarily these unions were concerned with their own communities.

By 1850, almost half of working Americans worked in non-agricultural jobs. At the same time, the vast improvements in technology and transportation provided for the building of larger, more efficient factories and broader distribution of manufactured goods. The fragmentation of jobs into many individual steps in factories reduced skilled workers to simple wage earners.

A second wave of unionism swept the country in the mid-1800s, as wage earners – in contrast to the skilled trades – organized. These unions concentrated on the closed shop, wages and members’ benefits. In 1851-1854 they staged some 400 strikes. Strikes during this period did not include negotiations. Instead, the union would decide on its objectives and then issue a notice of terms. If the employer accepted the terms, an agreement was concluded.

With improved transportation, it became easier to bring in workers from distant locations, making it easier to break strikes. Several unions tried to organize nationally but were fairly ineffectual. National or local, most unions failed with the coming of the Civil War.

## **The Civil War and National Unions**

Organized labor generally supported avoiding war at all costs. However, once the war began, union leaders rallied to the cause. It is estimated that skilled and unskilled laborers made up about 42 percent of the Union army.

The period following the Civil War was generally favorable to American workers. They enjoyed a significant rise in the standard of living, thanks to steady wage increases and falling food prices. Trade unions grew strong, combining both into national organizations of the same trade and as city-wide assemblies of many trades. Spectacular strikes in New York involved some 100,000 workers. Unions learned to organize and coordinate labor actions against specific factories, then against companies with factories in multiple locations, as well as to garner sympathetic support from other unions. Many of these labor actions were briefly successful, but most collapsed when the companies learned to coordinate their efforts to combat the unions. Though labor unions made progress, it came in spurts.

A major depression occurred 1873-1878, wiping out much of the progress. Unemployment grew to more than 16 percent of the labor force and many people were eager to work on any terms, with the result that unions were unable to enforce their rules. A series of brutal strikes and their suppression among the coal miners and railway workers triggered events that led to pitched battles, the calling out of federal troops, the sacking of railway property and the taking over of towns by “workers’ committees.”

From the tumult and the funerals and prosecutions that followed, the Knights of Labor emerged as the most powerful labor organization in the country. What had originated as a secret society of Philadelphia craftsmen blossomed. More than 15,000 locals had been established by 1895, at least one in almost every urban community and 400 in New York alone. The Knights, however, held themselves aloof from politics, including the drive for the eight-hour day.

Other primarily craftsmen labor groups interested in influencing national policy – coal miners, cigar makers, carpenters, molders, iron and steel workers and printers – had their own growing organizations. In 1886, they created the American Federation of Labor (AFL). The new organization’s strength derived not from its size – fewer than 200,000 members in 1888 – but from its unity, the near complete withdrawal from work when union rules were violated and its members’ willingness to engage in sympathy strikes to aid other workers.

This militant craft unionism did not go unchallenged. A strike of Andrew Carnegie’s steelworks at Hornestead, Penn., lasted six months, punctuated regularly by furious gun battles with Pinkerton detectives. The New Orleans docks were shut down by striking dock workers in

1892 and, despite attacks, succeeded, only to have the unions convicted of violating the newly passed Sherman Antitrust Act.

Another serious depression struck the nation 1893-1897, again pushing unemployment to more than 16 percent. Early in that depression, strikers at the Pullman Car Company asked for help from brother unionists, with the result that by July 1894, a total strike was in force against the railroads of the middle and far West. Federal injunctions against the strike came almost immediately, with the stationing of troops at all vital junctions of the rail lines, martial law in Chicago and the imprisonment of strike leaders. President Grover Cleveland ordered federal troops to shoot down strikers on the totally false grounds that they were interfering with delivery of the mail. The great strike was crushed by the armed might of the government; union leaders were unwilling to call men out, to possibly die on the bayonets of soldiers, in the then current economic conditions of stagnant trade and commercial depression.

### **The New Century**

But the depression ended and by the beginning of the 20th century, prosperity had again set in and union membership rose rapidly. Again, employers came together to fight the spread of unions. Their tools of choice were a combination of blacklisting, strikebreaking, company unions and internal espionage, in which spies were hired to infiltrate unions, disrupt their formation and identify union activists for dismissal.

At the same time, employers honed their legal weapons and increased their use of pressure on Congress to thwart unions. By the turn of the century, the labor injunction – a court order against picketing or other union activities during a labor dispute, as well as against the boycotting of a good or service of an “unfair” employer – was in full force. Any person refusing to obey the court order could be held in contempt and fined or imprisoned. The refusal of Congress to address the inequities of the labor injunction caused the AFL to become more involved in national politics.

At the time, the GOP was the ruling party, which it had been since the end of the Civil War. A fluid balance of power between the “Old Guard” and the “Progressives” within the GOP established federal policy; the Democratic party as yet held no sway in national politics. At heart the internal GOP conflict was between (1) businessmen trying to use government power for their own purposes (“Old Guard”), which generally meant to line their own pockets, and (2) those trying to limit the business community’s power over government (“Progressives”), thus serving “the general welfare.” Eventually, the “Old Guard” would dominate and the exit of the “Progressives” feed the rise of the Democratic party.

Strikes resumed their bloody aspects in the metal mines and smelters of Colorado in 1903-04. Troops again were sent against the strikers, who retaliated by blowing up a mine and railway station, killing several men. Unionists were rounded up and union cooperative stores sacked and burned, then members of the union were deported.

*In the midst of this, on Dec. 17, 1903, the Wright brothers first successfully flew the Wright Flyer.*

Colorado coal field miners voted to strike in 1913 and workers left company housing to gather in tent cities. The Colorado Fuel and Iron Company sent a specially built armored car, the “Death Special,” to intimidate pickets and strikers. Miners began to arm themselves after several were killed. On April 20, 1914, soldiers attacked the tent colony, spraying it with bullets and setting fire to the tents. Eleven women and two children died. The strike leader and two other miners were killed. Angered miners burned mines and killed soldiers. In the 10-day war, 46 people died.

Similar events unfurled in the coal fields of West Virginia and Pennsylvania, where, after numerous killings and pitched battles, arbitration by a Presidential commission provided a clear victory for the coal workers’ unions, including a 10 percent wage increase and a reduction in work hours. It found the use of private guards by the company to be “against the public interest” and recommended that differences between an employer and his employees be first considered in conference by representatives of the employer and a committee of workers chosen by the workers. This prefaced what would eventually lead to the formalized negotiating process used today.

When the United States entered World War 1 in 1917, the AFL leaders pledged themselves “in peace and in war, in stress or in storm, to stand unreservedly by the standards of liberty and the safety and preservation of the institutions and ideals of our Republic.” This came in response to the surge in more radical unions, including the Industrial Workers of the World, the “Wobblies” as members called themselves, which advocated the abolition of capitalism and the formation of industrial unions, and the socialist groups, which, drawing largely from the ranks of new immigrants, had seen a significant growth of communists among their memberships.

Shortly before the beginning of World War 1, the four railroad brotherhoods scheduled a nationwide railroad strike for the eight-hour workday. On Sept. 3, the day before the strike was to begin, Congress placed a bill establishing the eight-hour law to govern railroad operations in the hands of President Woodrow Wilson, who promptly signed it.

In December 1917, after entering the war, the U.S. federal government took over operation of the railroads. No discrimination was allowed against union members and wages were set by a federal board. To deal with rising discontent among the railway workers, a National War Labor Board made up of employer and union representatives was established. It was agreed that there would be no strikes or lockouts during the war; that workers had the right to organize unions for collective bargaining; that employers could organize internal associations; that workers were not to be fired for being active in a union but that they were to refrain from the coercive recruiting of members.

*World War I acted as a strong catalyst for the development of aircraft and aviation technology. By the end of the war in 1918, aircraft and pilots were available for use in civilian operations. On May 15, 1918, airmail service was officially established by the postal service and hastily formed airline companies began vying for federal contracts to carry the mail. The following year, 1919 saw the first strike of airline pilots.*

*The 1919 pilot strike was primarily over safety, although discontent about wages and “pilot pushing” was constant. In an effort to sell the Air Mail Service as reliable, carrier managements insisted that the aircraft be flown on schedule, despite weather. After a particularly bad stretch of weather had resulted in 15 crashes and two pilot deaths, pilot Leon D. “Bonehead” Smith refused orders to take-off in a suffocating fog and was fired on the spot, as was the backup pilot when he refused to fly. (Smith got his nickname after being partially scalped in a losing fight with a propeller.) This triggered an immediate strike, with all pilots refusing to fly. Four days later, the superintendent of the airmail, Charles I. Stanton, a pilot himself, convinced the pilots to return to work by promising that the postmaster general or his representatives would meet with the pilots to discuss grievances. The pilots emerged with a small pay raise and the promise of on-site airfield managers, pilots who would, in disputes over weather, go aloft to check if the conditions were flyable; there was no way the owners were going to allow the pilots themselves to determine if the weather was or was not too bad to fly. Afterwards, the pilots briefly formed the Air Mail Pilots of America organization but it soon folded.*

Union membership nationwide had risen steadily during the years of World War I and business leaders were less than happy about steps taken to appease labor during the war. In their view, organized labor had become too strong. Following the war, confrontations between labor and business escalated. The confrontations again reached the stage of bloodshed and intervention by federal troops in strikes by coal mine workers and steelworkers.

President Wilson again interceded, calling an industrial conference to devise methods of resolving conflicts without violence and to promote industrial peace. The effort failed – labor insisted on the right of workers to be represented by outside unions; employers would only accept collective bargaining through a company organization.

The unions then turned to politics, lobbying and sponsoring their own congressional candidates. They made little headway until, in 1926, Congress enacted the Railway Labor Act, which allowed each side to designate representatives for collective bargaining without interference, set up a board to provide mediation to the representatives of each side to help them reach collective bargaining agreements, and prohibited discriminatory labor practices. It also provided for appointment of an emergency board of inquiry should a shutdown threaten public interests. Challenged, the power of Congress to outlaw discriminatory labor practices was upheld by a unanimous Supreme Court.

*During the 1920s, airlines began regular passenger service, with pilots largely relying on instincts and “contact” flying when faced with the limited accuracy of the era’s instruments and communications. There was still no safety in the skys and, while airline companies touted “all-weather, on-time service,” pilots dealt as best they could with the extreme limitations of instrument, or “blind,” flying that relied on an incomplete IFR system and radio waves easily lost in static or blocked.*

## **The Depression**

The stock market crash of 1929 placed many workers in dire straits as the economy deteriorated. The absence of relief and welfare systems deprived millions of the bare necessities. Efforts by Congress to provide aid were vetoed by the President as a threat to the credit of the federal government. Congress, faced with the harsh realities of the depression and a president who vetoed any attempt by Congress to provide aid, enacted the Norris-LaGuardia Act, in the hope that the American laborer, if given the tools, might be able to help himself. The Norris-LaGuardia Act deprived the federal courts of the power to prohibit certain types of union activity, organization, assembly, strikes and picketing. It also declared the “yellow-dog contract” – an employment contract signed by an employee that included a section agreeing to not join a union or participate in union activities – against public policy.

*In 1930, Dave Behnke first met “formally” with six other pilots representing three airlines – American Airways, United and Northwest – and began what would become the Air Line Pilots Association (ALPA). They met in response to airline managements’ joint efforts to reduce pilot pay. By early 1932, when ALPA held its first strike, against Century Airlines, almost half the working airline pilots in the country were members and ALPA was affiliated*

*with the AFL. ALPA, with AFL help, won the conflict with Century at the cost of the airline's closing and the resulting loss of jobs for its pilots. ALPA found all of them new jobs by 1936 and, by the end of the decade, almost every professional pilot in the country was a member of ALPA.*

When Franklin D. Roosevelt became President in March 1933, about one-fourth of the U.S. civilian labor force, more than 51 million people, were out of work. A series of programs were subsequently established to get the nation back to work, one of those being the National Industrial Recovery Act of 1933, which encouraged businessmen to join collectively to promote their self-interest. In response, the AFL insisted that similar support extend to workers. Thus, the bill included the following conditions:

1. That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;
2. That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

This protection sparked new life into unions, which had been seriously weakened during the depression. Strikes ensued in many industries, most notable coal mining and clothing manufacture. New unions were formed among newspaper editorial employees, motion picture actors and agriculture workers. The major grievance was that employers refused to recognize the unions.

In response, Roosevelt established the informal National Labor Board (NLB) to handle disputes. It had no power to compel compliance with its decisions but, instead, depended on persuasion. Its most notable achievement was the "Reading Formula," which provided for secret-ballot elections to determine representatives. Employers, in turn, agreed to bargain with the union if it won majorities in the election. The representation election served as a substitute for a strike over union recognition.

Even so, its inability to force employers to recognize unions doomed the NLB. It was replaced by the National Labor Relations Board (NLRB), but it had the same problem. Subsequently, Congress in 1935 passed the National Labor Relations Act (NLRA), which gave the three-member NLRB the right to designate employee representatives for collective bargaining. To do this, the NLRB would determine which employees would be covered by any

collective bargaining agreement, would conduct a secret-ballot election among those employees and, if a majority voted for a union, would certify the union as “the exclusive representative of all the employees” in that unit.

The other function of the NRLB was to keep employers from engaging in five designated “unfair labor practices.”

1. Actions to restrain employees from self-organization and related activities.
2. Establishment of Company union.
3. Discrimination in hiring, firing and pay related to union membership or activity.
4. Firing a worker who filed charges or testified before the NRLB.
5. Refusal to bargain collectively.

Almost two years later, the constitutionality of the NRLA was upheld by the Supreme Court and it became the law of the land.

About this time, in October 1935, control of the AFL by the craft unions, to the detriment of the industrial unions in the mass production industries, came to a head. After bitter debate, a charter resolution to recognize new industrial unions was defeated by the crafts unions. The next day, the groundwork for a new organization, the Committee for Industrial Organization, was laid. The next month, the AFL expelled the industrial unionists from membership. In 1938, the Committee for Industrial Organization changed its name to the Congress of Industrial Organizations, the CIO of today’s AFL-CIO.

The resulting contest for members between the AFL and the CIO caused a dramatic increase in overall union membership. By 1939, combined membership exceeded 8 million.

In the meantime, the importance of the airline industry in the nation’s transportation network had grown dramatically in carrying both passengers and cargo. This was not lost on Congress, which, in 1934, began writing a sweeping new law that would become the Civil Aeronautics Act of 1938. The law encouraged the development of a national civil air-transportation system for commerce, the postal system and national defense while establishing safety regulations.

The airline industry itself was in turmoil and the powerhouses were pushing hard to shape the future federal law. From a mere presence in the corridors of national power in 1934, ALPA became a strong participant by 1938.

*It was a hard time for the pilots struggling to find a presence and voice in Washington while paying their own bills and giving up their free time. ALPA was only one among numerous organizations and it faced the potential fate many of them met – failure and*

*extinction. One major political mistake would finish the fledgling union. However, ALPA President Dave Behnke was highly skilled in his sense of timing, hitting the right notes with his focus on safety. He pushed the idea that only pilots could determine safety because only they had the same interests as passengers; both companies and government, he said, were too closely allied in covering safety problems. He documented the assertion with specific examples and carried the day.*

*ALPA emerged as a new power in Washington. Partially because ALPA supported President Roosevelt during the airmail contract cancellations of 1934, it received collective bargaining contracts over and above the federal minimum guarantees and a full partnership in the new Civil Aeronautics Administration, which included an independent safety board.*

## **World War II**

The outbreak of war in Europe in 1939 rapidly eliminated unemployment as the nation turned to supplying Britain and the Soviet Union, as well as arming itself. This, in turn, spurred union growth. By 1941, between one-fifth and one-fourth of the non-agricultural labor force was covered by union contracts.

Labor unrest grew during this period, because of rising demand for workers, growing inflation and continued resistance to unionization by management. The number of actual strikes did not increase but several directly affected defense production. In March 1941, the President established the National Defense Mediation Board to settle labor disputes in defense industries. Then, on Dec. 17, 1941, 10 days after the Japanese attack on Pearl Harbor, President Roosevelt convened a labor-management conference that reached unanimous agreement on two policies:

1. Strikes and lockouts were prohibited for the duration of the war.
2. Labor disputes would be submitted to a government board for resolution.

Conflict nonetheless arose, primarily over wages that employers wanted to freeze while labor insisted, because of rising prices, that workers receive at least cost-of-living raises. The result was that Congress passed the Economics Stabilization Act to maintain prices, wages and salaries at the levels of Sept. 15, 1942, with exceptions for costs of living identified by the National War Labor Board. This led to the Fair Labor Standards Act which established minimum wage rates, meaning that many workers, particularly women who were entering the labor force in growing numbers as the men left to serve in the armed forces, received significant raises. Subsequently, instead of increases in wages, many workers won fringe benefits such as paid holidays, paid vacations and shift differentials.

*For ALPA, the biggest challenge during the war was adapting to the rapid growth of the industry. At the end of World War II, ALPA's dues paying membership had increased to*

5,730, more than 90 percent of all U.S. airline pilots. It faced assaults on some of the gains it had made, such as the monthly limit of 85 hours of flying that companies wanted raised to 100 hours, “at least for the duration of the war.” Grudgingly, ALPA gave way on some standards while retaining as much as possible and looking for positions and advantages that would serve the pilots when the war ended.

### **Post-War Containment**

Industry growth due to wartime production caused a dramatic growth in all union membership. By 1945, more than 14 million American workers were enrolled in unions. Wartime salary restrictions also caused a tremendous backlog of tension that was released immediately after the war in a wave of nationwide strikes against almost all major industries, including ALPA’s successful strikes at TWA in 1946 and at National Airlines in 1948. The strike wave gave rise to restrictive legislation pushed hard by commercial interests through the first Republican Congress in 30 years, culminating in the Taft-Hartley Act of 1947 that outlawed the closed shop and secondary boycotts. Union power in emergency disputes, political contributions and negotiated health and welfare funds were also curtailed.

The resulting containment of union influence caused reexamination of the division between the AFL and CIO. At the first unity meeting of the two organizations, the CIO’s George Meany offered a no-raid agreement. With minor changes, the AFL accepted the draft and on Dec. 5, 1955, the two labor organizations merged. With the merger, the unions began to take a larger role on the stage of national politics and public policy.

In 1959, partly in response to the unions’ growing strength in the political arena and partly to questionable activities of the Teamsters under James R. Hoffa, commercial interests again pushed Congress for restrictions on unions. In 1959, it enacted the Landrum-Griffin law, which contained:

1. A “bill of rights” for union members.
2. Disclosure requirements for unions and union officers in respect to finances and possible “conflict of interest” transactions.
3. Protections against improper trusteeships.
4. Safeguards against manipulation of union elections to favor incumbents.

Even with these containment measures, unions continued to advance in the areas of collective bargaining, internal union affairs and influence in politics and public policy. *By this time, ALPA was firmly positioned to influence national aviation policy, a position it has maintained to this day.*

One example of unions' impact on public policy is the Occupational Safety and Health Act, designed to ensure that employees have a safe environment in which to work. Although today it is a weak shadow of its former self, it ushered in a truly national effort to prevent work-related injuries, illnesses and deaths. It established standards for the use of personal protective equipment such as ear guards on ramps; permissible exposure levels to chemicals, dusts and blood borne pathogens; "right to know" standards for communicating information about hazards in the workplace, among others. It has been largely gutted by Congress and the Republican administrations of Reagan and Bush 1 and 2, under which its ability to issue safety standards has been largely replaced by voluntary guidelines and the minimal penalties it may issue go largely un-enforced.

### **New Challenges**

In the 1970s, a new type of corporate officer appeared on the scene. The old idea that a corporate executive should learn the business by working his way up disappeared under the onslaught of a new breed of business school executive for whom only bottom line profit mattered. Employees were a "tangible asset" and labor agreements were to be broken by any means in the service of increased profit. This led to excesses such as "junk bonds," corporate raiders, "greenmail," and *the unholy airline trio, Dick Ferris (United), Carl Icahn (TWA) and Frank Lorenzo (Texas International, New York Air, Continental, Eastern)*.

*One of the new breed of executive, Lorenzo recognized the perfect storm when the airline industry was deregulated in 1978 and government control of the industry by the Civil Aeronautics Board (CAB) was removed, eliminating federal fare support and providing greater access to routes to the airlines.*

*At its core, Lorenzo's procedure was fairly straightforward. Borrow the funds to buy a company – in Lorenzo's case an airline – run it into bankruptcy, break its labor contracts, sell off the assets (which were worth more than the company as a whole), pay back the loans and pocket the difference. The "tangible asset" of employees was simply crossed off the balance sheet and sent to the street.*

*Lorenzo's first victim was Texas International, which he dismantled using the alter-ego airline New York Air. In the era of the anti-labor Ronald Reagan administration, doing so was not a problem. Lorenzo went on to Continental, where he folded in New York Air, People Express and Frontier, and used the same tactics to nearly destroy Continental before overreaching. After a two-year strike by the Continental pilots, Lorenzo took it upon himself to unilaterally break off negotiations with the pilots and "decertify" ALPA in the midst of the*

*bankruptcy proceedings. This resulted in the federal judge imposing a settlement on Lorenzo, one highly unfavorable to the pilots but preserving the airline.*

*Lorenzo then moved on Eastern Airlines, using similar tactics to systematically loot and destroy it, aided by President George Bush, who refused an NMB call for a Presidential Emergency Board to avert a strike, the first such refusal by a President since 1928. Eventually, Congress would be convinced to change the bankruptcy laws so that a company must at least attempt to reach an agreement with the unions before a bankruptcy court can impose a new contract. These changes were supposed to prevent the use of bankruptcy laws by any future “Lorenzos” for union-busting and the dismantling of companies, but it would be too late for hundreds of pilots. Today, many pilots, particularly those whose pensions were recently voided in bankruptcy courts, feel manipulation of the laws by managements still occurs.*

Nonetheless, the 1960s and 1970s saw the growth of “white collar” unions and unions of government employees broaden and add depth to the union movement. This ushered in another surge in union growth, brought to an abrupt halt by the Professional Air Traffic Controllers Organization (PATCO) strike of 1981.

After the excesses of the 1960s, the 1970s saw a strong swing of the country back toward the conservative mindset. By the mid-1970s, the evolution of the Republican party to being intensely anti-labor was almost complete. In 1980, Ronald Reagan came into the White House committed to a radical restructuring of American society. One of his primary targets was organized labor because he saw it as a drag on economic growth.

On Aug. 3, 1981, PATCO called a strike seeking better working conditions, better pay and a 32-hour workweek. Although this technically violated a law banning strikes by government unions, several other government unions had declared strikes previously without penalty. President Ronald Reagan, apparently eager to show his chops, ordered the air traffic controllers back to work under the terms of the Taft-Hartley Act. Only about 10 percent of the more than 12,000 controllers returned to work.

On Aug. 5, Reagan fired the 11,359 striking air traffic controllers and permanently banned them from federal service. They were replaced by supervisors, staff personnel, some non-rated personnel, secretly trained controllers and military controllers, who were used until additional replacements could be trained.

This had an extreme chilling effect on the growth of unions, whose membership began immediately to decline in the face of employers across the country threatening to permanently replace strikers.

The Reagan administration created a hostile political climate for labor nationally, which carried over to the Bush 1 and 2 administrations. As noted earlier, George Bush provided necessary support for Frank Lorenzo's depredation of the airline industry. In 1992, he vowed to veto a law that would have protected workers against being "permanently replaced" during a strike, but a Republican filibuster saved him the trouble.

### **The Pendulum**

Today, unions are still under attack by commercial interests through a strongly supportive Republican administration and Republican contingency in Congress. New regulations for the documentation of union funds and their uses have placed new demands on unions, which must use funds and time to provide unprecedented levels of documentation to government agencies, thus denying them resources that could be used to support union members. The George W. Bush (Bush 2) administration has facilitated the transfer of jobs from the U.S. to foreign nations and repeatedly tried unilaterally to implement an "open skies" agreement with the European Union.

Nonetheless, signs of a labor union revival are beginning to be seen. Unions of service employees and, on the opposite side of the pay scale, professional athletes, are growing in size and influence. International affiliations of unions seem to be on the upswing as globalization of commerce advances at an ever increasing pace. Each of these can only add new chapters to the history of American labor unions.

Recent national elections show some indication that the pendulum of national opinion may once again be moving back toward respect for labor and recognition that the fruits of that labor are the real basis of national well-being. The long slide begun in the 1970s may have come to an end.

There is a cycle in the growth of labor unions in which unions make significant advances only to be pulled up short as commercial interests react and throw up roadblocks or the unions themselves become fragmented and fail to act collectively. In general, however, the balance of history seems to favor workers and their unions – three steps forward for every two back. Labor conditions and rights for both the unionized and non-unionized employees are far improved today over what they were a few decades in the past, thanks, in large part, to the influence of labor unions.

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