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Labor Rackets and Capital Rackets, 1937.

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494 LABOR RACKETS AND CAPITAL RACKETS Who are the real friends and foes of American Labor, Business and Industry? By Rabbi Abba Hillel Silver At The Temple On

Sunday morning, December 12, 1937

This past year witnessed many industrial conflicts in small and in large industries throughout the nation involving millions of men. As a by-product of these industrial conflicts, there took place much violence, much rioting as well as the killing and the wounding of men. In the City of Chicago, ten strikers were killed by the police. At Dearborn, union organizers were beaten up outside the Ford Plant. In our own Ohio Valley, the Lake Region, we witnessed similar industrial struggles in which many resorted to violent blockading of plants and bloody set-tos between groups of workers acting as pickets and other groups of workers who sought to organize and in which sheriffs, police, public officials state militia were involved.

The air was thick with charges and counter-charges. Epithets were hurled on all sides. Every striker was called a Red. Every organizer for the CIO was called an agest of Moscow. Every employer was called a Fascist and an enemy of the workingman. Our government sought to intervene and bring about industrial peace. Each party to the struggle sought to win over to its side the sympathies of the government and each party finally became convinced that the government favored the other party. Industrialists accused the President of the United States of being the abettor of these strikes and of giving aid and comfort to agitators. (An agitator is of course one whose line of talk you don't happen to like.) Mr. Lewis charged the President of the United States with forgetting his campaign promises and with betraying the working class. The year also saw furious intra-labor disputes dividing the ranks of labor into two hostile camps - the American Federation of Labor and the CIO. Those who had been talking all this time about class struggle suddenly realized that within at least one class there was going on far more relentless struggle than between the classes themselves. One union fought another one. Union groups fought other union groups. One organized group of workers denounced another group of workers in the same union. The American Federation of Labor expelled and outlawed whole unions from its ranks and adopted the same tactics which its enemies used against it - namely it began to denounce the leaders of the CIO as Reds and Communists.

The year also brought to many communities a public expose of labor rackets and labor racketeers. And our own community of Cleveland was not spared. Here and elsewhere revelations appeared concerning some unscrupulous labor union leaders who had seized control of the labor unions and who maintained their control by strong-arm methods, racketeering, frequently without the consent and the wishes of the rank and file and in which union leaders were using their offices for graft and extortion and shake-downs and black-mail. Some of these representatives of these unions have prison records and these jail birds were exploiting the unions. They were using the unions as a vehicle for the sort of racketeering which is NEX carried on by criminals in other fields. They were making money out of their strategic positions. Some of them, while nominally union representatives, were actually in business themselves and were utilizing the unions as a means of gaining monopoly for the production of their business where members of their unions

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were employed. They were utilizing their positions to drive out business competitors. Frequently they pulled their men off jobs or issued instructions for a slow-down on jobs in order to drive out unfriendly contractors or undesirable competitors. Plate glass windows were smashed. And it was found impossible to have them re-installed because these representatives weren't satisfied. Men would be called out on strikes and would be kept out on a strike until the pay-off was made. They they would be sent back without having gained anything for themselves - that is, for the workers. In some of these unions, the men must go along for if they criticize or raise objections, they will find themselves severely discriminated against. It is impossible for them to get along. Their lives are made unbearable. Their union representatives will lay for them. They are fined and penalized for the slightest infraction against union regulations. In some of the unions, it was cuite hopeless to oust these racketeer leaders for no elections are held, and when held, voting is in the open and it takes a man of strong heart indeed to oppose these strong muscle men in the open.

That such parasides are a disgrace to organized labor and a serious liability goes without saying. The enemies of organized labor seize upon this fact, magnify it, and make it typical of the whole American labor movement, which certainly it is not, again goes without saying. But it is a powerful weapon in the hands of enemies of labor and it makes friends of organized labor ashamed of their policy.

The strength of organized labor has always been its

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moral strength, not its physical strength, its just appeal to the reason and conscience of men to improve the lot of the working people, of men women and children. And this shameless exploitation of the movement by a small group of unscrupulous racketeers is a menace which leaders of trade unions should be the first to expose. To shield such crooks in the thought that by so doing, one is defending trade unionism is a delusion. These rats should be exterminated and organized labor should render every support possible to legally constituted government authorities to ferret out these shameless racketeers, convict and punish them.

Lawlessness even when motivated not by private money interests, but by so called noble interests, defending the interest of organized labor - lawlessness, generally, has not helped in the labor movement. It is just another case of the "Ends never justifying the Means" even when the Means achieve the Ends - and in this case it does not. When peaceful picketing, for example, Tconverted into mass intimidation and coersion, and violence is resorted to, when a small minority in a plant seeks to force its will upon an unwilling majority of workers through force, through methods approaching sabotage, instead of endeavoring to win them over by persuasion and education, when jurisdictional disputes between unions interrupt production, when contracts are voluntarily ent red into with employers and willfully broken and disregarded, when strikes are called on the slightest provocation, without first endeavoring to exploit every possible avenue or arbitration, then labor defeats itself. It alienates its friends. It puts law on the side of its opponents.

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Labor men know that American labor has declared over and over again that it is opposed both to Socialism and to Communism. Evidently it wants to live and advance within the present system the system of private property and privite industry. If it wants to do that - and it has declared that it wants to do exactly that then it must observe those laws which this system has evolved and is evolving. These laws may be changed. Laws have been changed and are rapidly being changed by recognized methods of democracy. These methods are concededly much slower than the methods of dictatorship either dictatorships of the Right or of the Left. But organized American labor has a horror for both of these forms of dictatorships. Therefore it behooves it to respect and faithfully to observe the laws applicable to labor and industry as long as these laws are on the statute books. If antiquated or unjust, it should seek to change or modify them.

This ought to be borne in mind by American labor - that if democracy is to be preserved, it will be labor that will preserve it and not capital. I say this not in denunciation of capital. Capital, when hard-pressed, will show little hesitancy in pushing aside the democratic processes and resort to Fascism. It has done that in more than half of Europe. Now it is doing that in the Western hemisphere. Therefore, it is of the utmost importance that or ganized labor shall do nothing which will discredit the democratic processes based on law and not on men and might; because if they fail, democracy is menaced indeed in our generation.

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The split in the ranks of organized labor has also been a hard blow to the labor movement in this country and is an entering wedge to Fascism. The senseless, stupid struggle between these labor groups, the stupid and senseless fights between groups of labor in Germany and Italy made the success of Mussolini and Hitler possible, in fact insured, in fact invited the triumph of these dictators. It wasonly after labor was crushed, trampled under the heel of these didctators that statesmen and leaders recognized how idiotic they had been in dividing their forces and in waging bitter war upon one another.

If industrial reaction is raising its head in the United States today, it is due, first to economic recession, and secondly, to the division in American labor. Craft unions and industrial unions are not irreconcilable. The rivalry, the struggle for power, for bureaucratic control, the irge for control is prolonging this dangerous internecin strife. It is embarassing both to government in its pro-labor program of legislation and to honest American businessmen who would like to engage in collective bargaining but do not know with what group to bargain. If he bargains with one group, he makes enemies with another.

I have spoken of the lawlessness in the ranks of labor and a word should be spoken by a friend of labor. Let me say also and this word should be said - that many industrialists who make these charges against labor and union methods are not without blemish themselves. Their hands also are not clean. The records are not wanting and their number is no small of cases where **um**employers

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used force to break strikes, where they hired professional thugs, strong-arm squads, hired private organizers to break up strikes, to beat up strikers were employed, strike-breaking agencies were employed. They topped at no form of lawlessness, intimidation or coercion. Frequently they used the cooperation of corrupted public officials. Espionage on a large scale has been used to defeat the organization activities of unions, to disrupt their ranks and to discover union members in order to punish and dismiss them. Its tactics do not insure industrial peace in the United States.

Again, while there are many forward looking and fairminded business men who have recognized the validity of collective bargaining and have accepted them in good faith. There are many others who have resisted them and who, when forced upon them, do all they can to circumvent them. Thus, for example, a determined effort is today being made to destroy the magner Labor Relations Act - not because that act has certain flaws and defects should should be corrected, but because they are opposed to essential privisions of the Act which recognize collective bargaining. By its terms "employers are required to recognize and bargain with representatives chosen by a majority of their employes, whether such representative be in or outside the plant."

It has been said by many people - the rumor is widespread that the present business depression is the work of a small reactionary oligarchy in American industrial life who are determined to use the depression methods to force the government to scrap the excess profits tax, the Wagner Labor Relations Act, the Social Securities Act and similar acts which they do not like. I do not credit

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this for a moment. If it were true, it would be a criminal conspiracy, a criminal racket. I don't believe it for a moment. It is clear th t the foes of these measures would place the blame for the present recession on these measures, on the New Deal. It would interpret the present depression as a result of lib ral law and would endeavor to exploit the new psychology for purposes of revising or repealing these measures. But that they would themselves initiate such an economic depression whose extent and outcome no one can forsee or can control - that I do not believe. Such stupid gamblers they are not.

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It seems to me/the wise economic statesmanship both in the ranks of labor and industry will come rapidly to understand a few fundamental things. First that a certain amount of tension and conflict between capital and labor is inescapable - just as a certain amount of conflict and tension is inevitable in almost any labor groups. Capital will always want the largest profit. That is not reprehensible. Labor will always seek the highest prices for its services. And these two are not always in complete harmony. They are frequently in conflict, requiring constant adjustment, necessitating tact, fairness, constant adjustment, intelligence, knowledge. Continuing adjustments are necessary.

Fundamentally, the interests of employer and employee are not irreconcilable although they are constantly in need of adjustment because American industry is geared up to a high standard of living for the masses. The whole technological set-up of America is built on the basis of a large, generous mass consumption. If the masses cannot buy what the **makis** machines produce - the automobile, the radio, the refrigerator etc. which the machines

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produce in such fast volume, then the whole industrial set-up crumbles, pulls under. And conversely, if an investment does not receive its fair returns, the investments disappear and credits disappear and employment and the industrial machine crumbles and pulls under. In other words, profits and high wages are not as utterly antagonistic as some people believe. Profits under our system depend on high wages and regular employment. And high wages and regular employment depend upon fair profit. It is therefore to the interest of the intelligent worker under our system to increase the efficiency, the productivity, the profits of the industry in which he is employed just as it is to the interest of the employer to channel back a maximum of this profit into wages.

Therefore the workers who think only in terms of wages and shorter hours and the employers who think only of greater orofits only help to perpetuate the condition of recurrent depressions and industrial strife.

The man who is for American labor is also for Capital. Conversely also the man who is for capital must also be for American labor.

Ours is a new age, a technological age, an age determined by the machine. Whether we like it or not, the machine has determined a new form of industrial set-up, juge combines, huge centralized industrial organization. These great combines naturally exercise tremendous power. It is the business of a demccracy to see that such tremendous power is exercised not without some form of social control because all power uncontrolled makes for injustice and

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abuse and victimizes a nation. These laws which are being enacted to catch up with this rapid technological reconstruction of our nation, are designed to exercise some form of wise and beneficial control. These laws affect labor and capital, minimum wages, maximum hours, social security.

It is a part of wisdom and business statesmanship not to resist all forms of social control but to seek the wisest form of social control. It is part of labor statesmanship to understand that if they want the present system to continue, they they want that, they must organize themselves to conform to a system of private capitalism within a democracy. They too must think in terms of investment and capital and profit as they do in terms of wages, and hours and conditions.

We survived the frightful depression of 1932 without scrapping our control apparatus. That in itself is perhaps the most significant story of American tradition. It is in conceivable that we will not solve the problems of 1937 - far less sericus in scope - without **it** giving way to the destruction of the democratic tradition of peace.

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It is labor in the United States and not capital that will preserve democracy. Capital hard-pressed, will have no compunction about pushing aside democracy and going Fascist. It has done so in half of Europe and is now doing it on the Western hemisphere. It becomes therefore the especial duty of organized labor to do nothing that will bring the democratic process of government by law instead of by men or might into dispute.

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It should be remembered, however, that many industrialists who make these charges against labor with such gusto are themselves not without blemish. The records are not wanting and they are not few in number of cases where employers used force to break strikes, hire professional thugs and strong arm squads to beat up strikers and organizers, to break up picket lines and stopped at no form of lawlessness, coercion and intimidation, sometimes with the connivance and cooperation of corrupted public officials. They use espionage on a large scale to defeat the organizational activities of unions, to disrupt their ranks and to discover union members and dismiss them.

The **second** in the ranks of organized labor is a hard blow to the labor movement in the United States and is an Antering wedge for Fascism. The idiotic fights between groups of labor in Italy and in Germany made the victories of Mussolini and Hitler possible. Industrial reaction is raising its head in the United States today because of the economic recession and because of the division in the ranks of American labor. The interest of craft unions and industrial unions are nit irreconcilable. The dangerous internecing in labor is being prolonged by a struggle for personal power and by the bureaucratic itch for control.

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ABSTRACT OF ADDRESS DELIVERED BY RABBI ABBA HILLEL SILVER AT THE TEMPLE EAST 105TH STREET AND ANSEL FOAD ON SUNDAY MORNING, DECEMBER 12, 1937

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LABOR RACKETS AND CAPITAL MACKETS

The year has brought to many communities the public expose of labor 222 rackets and labor racketeers. Our own community of Cleveland was not spared. Here as elsewhere revelations appeared concerning some unscrupulous leaders who had obtained control of their unions and who through strong-arm methods maintained themselves in power, frequently against the wishes of the rank and file, and were using their office for graft extortion and shake-downs. Some of these labor leaders are jail-birds who use the union as vehicle for the sort of racketeering that other criminals carry on in other fields. They make money out of their strategic positions. Frequently such men while nominally representatives of unions, are themselves in business, and use their offices to force their product upon those sho have to employ members of their union and to drive their competitors out of business. Men will sometimes be called out on a strike for no other reason than that such representatives might shake down the employer. It is wite hopeless in some of these unions to attempt to oust these racketser leaders. No elections are held, or if held, voting is in the open and it takes high courage indeed to oppose in the open these strong muscle men.

That such parasites disgrace the movement of organized labor goes without saying. That enemies of organized labor seize upon these facts and magnify them and declare them to be typical of the entire labor movement is quite clear. The strength of the trade union movement has always been its moral strength, its just appeal to the reason and conscience of men. The shameless exploitation of the maximum movement by a few unscrupulous racketeers is a menace which trade unionists should be the first to expose. To skimig shield such crooks in the thought that by so doing one is defending trade unionism is a tragic delusion. These rats should be exterminated. Every support should be given by organized labor to the legally constituted agencies of government to ferret out these foes of labor, convict and punish them.

Lawlessness, generally, has not helped the labor movement. When peaceful picketing becomes mass coercion and intimidation, when violence is resorted to, when a small minority in a plant seeks to impose its will upon an unwilling majority of workers through what amounts to subotage, when jurisdictional disputes between unions interrupt production, when contracts with employers are willfully broken, or when strikes are called on the slightest provocation and frequently without authorization from the parent body, labor defeats itself. It alienates public sympathy and mass makes enemies out of friends. It puts the law on the side of their opponents.

American labor has declared itself over and over again to be opposed both to Socialism and Communism. Avidently it where to live in and advance within the present system - the system of private property and private industry. It must therefore observe the laws which such a system evolves. These laws may be changed, and frequently do change through the established democratic methods. These methods are concededly slower than those of dictatorships, whether of the Right or of the Left. Therefore, it behooves it to respect and obey faithfully the laws applicable to labor and industry as bog as these laws are on the statute books.

It is labor in the United States and not capital that will preserve democracy. Capital, hard-pressed, will have no compunction about pushing aside democracy and going Fascist. It has done so in half of Europe and is now doing it on the Western hemisphere. It becomes therefore the especial duty of organized labor to do nothing that will bring the democratic processes of government by law instead of by men or might into disrepute.

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It should be remembered, however, that many insinking industrialists who make these charges against labor with such gusto are themselves not without blemish. The records are not wanting and they are not few in number of cases where employers used force to break strikes, hired professional thugs and strong arm squade to beat up strikers and organizers, to break up picket lines and stopped at no form of lawlessness, coercion and intimidation, sometimes with the connivance and cooper tion of currupted public officials. They used esplonage on a large scale to defeat the organizational activities of unions, to disrupt their ranks and to discover union members and dismiss them.

The split in the ranks of organized labor is a hard blow to the labor movement in the United States and is an entering wedge for Fascism. The idiotic fights between groups of labor in Italy and in Germany made the victories of Mussolini and Bitler possible. Industrial reaction is raising its head in the United States today because of the economic recession and because of the division in the ranks of American labor. The interests of craft unions and industrial unions are not irreconcilable. The dangerous internecin strife in labor is being prolonged by a struggle for personal power and by the bureaucratic itch for control.

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