

LABOR RACKETEERING: AN HISTORICAL SURVEY AND
CONTEMPORARY ANALYSIS OF THE RELATIONSHIP
OF ORGANIZED CRIME AND LABOR UNIONS

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Elliott Guttman

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A THESIS

Approved:

Wayland D. Pilcher, Chairman

Billy W. Bramlett

Approved:

Jerry L. Dowling

Bascom Barry Hayes
Dean of the Graduate School

ABSTRACT

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Purpose

In recent years the topic of organized crime has attracted much interest, yet a void exists in regard to labor racketeering. The researcher has sought to ascertain the contemporary status of the relationship of organized crime and labor unions. Two goals were established: (1) to examine why this relationship exists, and (2) to create an awareness of the existence of such a relationship.

Methods

With the advent of the McClellan Committee and the subsequent Landrum-Griffin Act, many Americans logically assumed that labor racketeering had been curbed. This disinterest, unfortunately, has had a negative impact upon research; opinions advanced on labor racketeering after 1960, for example, have had little evidence to substantiate them. In this speculative setting, a researcher must rely upon past trends and utilization of whatever relevant facts are available to support his beliefs and opinions.

An historical analysis of labor racketeering, which has been the format of this thesis, provides the most effective means of detecting such trends. The chapters of the thesis were subdivided by era: (1) 1920-1940, (2) 1945-1960, and (3) 1960-1972. A central theme of the thesis has been that certain selected factors promoting labor racketeering in the 1920's and 1950's are applicable to the 1970's as well.

Findings

The researcher observed that the factors promoting labor racketeering in past eras still exist. It was also demonstrated, throughout the thesis, how the supposed sanctions against labor racketeering are, in reality, ineffective. Congressional committees on labor racketeering have been established, and anti-racketeering legislation enacted, yet labor racketeering has persisted to be a recurring social problem.

An accurate assessment of labor racketeering is impossible. And yet, on the basis of selected trends of labor racketeering, the researcher concludes that while labor racketeering is not the massive social problem portrayed by alarmists, neither can it be ignored completely. The trends noted herein suggest that labor racketeers are still capable of much mischief; this, coupled with the fact that labor racketeering is an organized crime activity,

should suffice as sufficient notice to law enforcement officials that a serious challenge, demanding innovative and imaginative solutions, is in existence.

Supervising Professor

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TABLE OF CONTENTS

	PAGE
ABSTRACT	iii
ACKNOWLEDGMENTS	vi
CHAPTER	
I. INTRODUCTION	1
Statement of the Problem	2
Purpose	7
Methods and Procedures	8
Definitions	10
II. THE PERIOD: 1920-1940	23
Part I: 1920-1928	23
Part II: 1929-1932	33
Part III: 1933-1940	38
Summary	49
III. THE PERIOD: 1945-1960	52
Part I: 1945-1955	52
Part II: 1956-1960	58
Summary	87
IV. THE PERIOD: 1960-1972; SUMMARY	89

	PAGE
An Evaluation of the McClellan Committee and Landrum-Griffin Act	89
An Evaluation of Sanctions Relevant to Labor Racketeering	93
An Evaluation of the Contemporary Status of Labor Racketeering	96
Summary	97
BIBLIOGRAPHY	98
VITA	107

CHAPTER I

INTRODUCTION

The criminal justice system is often judged under the scrutiny of harsh critics. Much of the criticism is warranted; a host of problems do indeed exist. Unfortunately, the criticism, though providing a constructive service, is often ignored or misused; a serious flaw of the criminal justice system is its apparent inability to recognize and react promptly to new social problems.

Organized crime offers a good illustration of this. It has, in varying degrees, existed in America for at least half a century. Presently, federal, state, and many local governments acknowledge the serious implications of organized crime. It was not always so; many law enforcement officials only recently and belatedly recognized or acknowledged its existence. This undue reluctance of the past has hampered current efforts to contain organized crime.

Although involved in a kaleidoscopic range of activities, one facet of organized crime in recent years has been viewed with acute alarm: the apparent shift, or trend, of organized crime into legitimate businesses. Law enforcement was late in detecting this trend and now, somewhat like the United States after Pearl Harbor,

must combat an entrenched opponent; an important organized crime figure, for example, becomes indistinguishable from his business colleagues. Endeavors to meet this challenge demand innovative and imaginative solutions. Law enforcement can be given credit that successful, although limited, inroads have been made.

Law enforcement in the past was lethargic in responding first to the existence of organized crime and subsequently the infiltration of legitimate businesses. Currently, law enforcement officials are ignoring, in similar fashion, a criminal activity that may eventually pose an equally serious challenge: the relationship of organized crime and labor unions. There is surprisingly little research or interest in this area; this is unfortunate when one considers the many factors that promote such a relationship. A major tenet of this thesis is that this relationship, known herein as labor racketeering, must be regarded as a unique social problem that demands innovative and imaginative solutions.

Statement of the Problem

A major goal of this thesis is to establish a serious awareness and understanding of labor racketeering. That a relationship between organized crime and labor unions has existed in the past has been well publicized. After Prohibition, and as recently as the latter 1950's, labor racketeering attracted the attentive interest

of news media and Congressional committees. In the interval since the McClellan Committee, however, the magnitude of labor racketeering has been accorded a low profile.

This lack of interest is reflected in the very small amount of research devoted to labor racketeering. One would assume that an abundant literature exists on any subject related to organized crime. In reality, one must wade through sheaves of alarmist or muckraker literature to uncover a few kernels of serious thought; academicians have produced surprisingly little material regarding labor racketeering. Research of the two institutions involved--organized labor and organized crime--can offer a partial explanation for this.

A serious study of organized labor, for example, will generally yield only secondary consideration to racketeering; Philip Taft, author of Organized Labor in American History (1964), devotes only 8 of 709 pages to labor racketeering. Studies of organized crime reveal a similar inclination to discount labor racketeering; gambling, narcotics, boot-legging, and loan-sharking are accorded the status and interest of more worthy subjects.

The influence of publicity, or lack of it, cannot be underestimated. An obvious principle exists that the news media can often determine the magnitude of a social problem by the degree of attention they accord it. Richard Lester, author of As Unions

Mature (1958), cautions that this capability may be misused. He notes that "mistaken trends can easily be created by the timing and thoroughness of any particular expose, or by the extent of both awareness of the problem and attempts at remedial action." The news media, having deemphasized labor racketeering in recent years, has been a significant factor in reducing the importance of labor racketeering as a contemporary social problem.

Another factor that has contributed to the declining interest in labor racketeering has been the actual transformation of the nature and image of labor racketeering. A generation ago, during the 1920's and 1930's, the American public was very much aroused and concerned about labor racketeering. The public image was supported by realistic events: Alphonse Capone, Prohibition, and the incredibly notorious gangster wars reflected the ferocious competition of modern organized crime in its youth. Labor unionists, whether in the streets or on the picket lines, fought a bitter "class struggle" for recognition. James Hoffa and the Apalachin Convention provided effective symbols of labor racketeering in the 1950's.

The 1970's reflect a more halcyon public image. Organized crime, striving to maintain a "low profile," maintains a mythical aura. Labor unions have settled down and become conservative bureaucracies. These simultaneous institutional

developments have caused a recasting of the public image. In the modern context, largely ignored by the news media, labor racketeering is perceived by many as a phenomenon of the distant past.

To merely crystallize awareness that labor racketeering is a potent social problem is only one goal of this thesis. A journalist, at his convenience, is capable of resurrecting a social problem from the hundreds of dormant issues that abound (Cressey, 1967). That, perhaps unfortunately, is his prerogative; "yellow journalism," for many years, has been the fount for a prolific quantity of alarmist--and often substandard--literature.

Awareness, then, is only one part of the problem; of more critical importance is understanding exactly why labor racketeering has relevance as a contemporary social problem. This involves a serious examination of those factors that predispose the entry of organized crime into labor unions.

An astonishing number of factors exist that favor such a relationship. An abbreviated review of some of these factors will illustrate this. The evolution of politics in the last four decades is one such example.

At the beginning of the 1930 s, labor unions were powerless and ineffectual on the national level. The Depression and FDR gave new impetus to the labor movement. Although setbacks occurred in 1947 (Taft-Hartley Act) and in 1959 (Landrum-Griffin

Act), labor political power today is of such extent that neither major political party seeks to antagonize it. Indeed, years of debate preceded Congressional approval of the McClellan Committee. The prospect of another Congressional investigation or probe is remote. This "political immunity" functions as an umbrella for underworld criminal activities.

The changing nature of the union structure is another factor that contributes to labor racketeering. Union democracy has declined and will continue to do so; this is almost inevitable as collective bargaining becomes more centralized. The bureaucratic leadership, anxious to preserve stability, has effectively quenched the vigorous and democratic labor sentiment of the thirties (Neufeld, 1963). This factor is especially evident when one considers the lengthy tenure of union officers. Many labor analysts believe that the decline of ideology in unions has advanced the likelihood of labor racketeering.

Other factors abound: a corrupt union is indirectly protected by the AFL-CIO because of its fear that anti-racketeering against one union will become anti-unionism against all. This attitude is as true with George Meany as it once was with Samuel Gompers. Even expulsion, the ultimate sanction of the AFL-CIO, is not necessarily effective; the Teamsters, under James Hoffa,

continued to thrive, and gain in membership, after their well-publicized expulsion.

Also, the prestige and respectability of labor unions provide a protective shield for organized crime figures. Behind this shield, and ensconced within the labyrinth of union bureaucracy, the detection of organized crime figures and their illegal activities becomes considerably more difficult.

An important factor that attracts organized crime is the potential utilization of a union as a tool for additional activities. One of the most effective ways to infiltrate a legitimate business is through a captured union. Many internal union activities are profitable to racketeers, particularly the misuse of union welfare and pension funds, looting the treasury, et cetera. In addition, illegitimate external activities--gambling, loan-sharking, smuggling, and hi-jacking--can be aided through the services of a corrupt union.

Purpose

The purpose of the thesis is to examine the contemporary relationship of organized crime and labor unions. Two goals have been established: (1) to create an awareness that such a relationship exists, and (2) to examine why this relationship exists.

A basic assumption is that organized crime represents a serious challenge to law enforcement. The topic of organized

crime has been studied extensively, but a void exists in regard to labor racketeering. The thesis will examine the historical basis of labor racketeering and present a contemporary analysis of it.

Methods and Procedures

An evaluation of labor racketeering is beset with inherent methodological problems. The absence of primary sources, and the necessary reliance on secondary sources, is a serious shortcoming. The secondary sources are often deficient: the secrecy of participants, the confidentiality of materials collected by investigators, and the enforced filters on the perceptive apparatus of informants make correct evaluation a difficult task (Cressey, 1967).

The desired avoidance of such shortcomings is obtainable if one adopts a viable methodological approach. The researcher, in this context, has selected historical methodology, to concentrate on organized crime and organized labor, as an effective means of analyzing labor racketeering. This approach of methodology also implies that appropriate reference to relevant previous research shall be noted throughout the thesis.

The relevance of history to contemporary events (1970's) is important. As a result of certain factors, organized crime found unions profitable and vulnerable in the 1930's and 1950's. These factors are as conducive to labor racketeering today as in

the previous eras and will be examined within the framework of these three eras.

In a thesis of this sort, it is important to recognize that precautions against certain shortcomings must be observed. It is a relatively simple matter, especially in the area of criminology, to create a "problem" by suddenly declaring its existence and warning that it constitutes a serious threat to democratic society.

One must be cautious of relying solely on logic. It is possible, for example, to reason "logically from unwarranted assumptions to incorrect conclusions." There is also a tendency to draw incorrect general conclusions from an individual situation or particular case, and to apply to unions or society as a whole conclusions that are valid only for a particular case or individual situation (Lester, 1951).

It should also be noted that in an historical-descriptive study one cannot "prove" anything. Adequate verification of cause-and-effect relationship is difficult; historical material is best adapted to the framing and testing of broad generalizations (Lester, 1951). Broad generalizations, however, are sufficient for the purposes of this thesis.

One safeguard, ironically, is to research the emotional opinions concerning labor racketeering. Business Week and U. S. News & World Report have an anti-union bias while labor leaders

and liberal congressmen are equally capable of a pro-union bias. The timing of an article is also important: Life magazine, which in the 1950's portrayed Jimmy Hoffa as the embodiment of evil, appraised him with respect in the mid-1960's (Farrell, 1966). The researcher will question all opinions and offer an objective evaluation whenever possible. Knowledge and utilization of these precautions--and others--can aid the validity of the conclusions.

Definitions

Organized Crime

A simple definition of organized crime is relatively difficult. It is not surprising that an institution that requires secrecy for survival should furnish a natural habitat for controversy. The controversy is further fueled when law enforcement must withhold available evidence and facts; that which remains accessible for the interpretations of researchers has led to widely diverse conclusions.

Any definition or interpretation of organized crime must include an inquiry of the source of confusion. This involves a brief history of organized crime; hopefully an examination of this nature can dispel incorrect notions and aid the definition or interpretation advanced.

One theme often endorsed is that organized crime represents a vast, overwhelming challenge. In this manner it becomes

a semi-religion and assumes a mysterious aura. Organized crime becomes one vast organization that has interchangeable names:

Mafia, La Cosa Nostra, Syndicate, Mob, Confederation, et cetera. . . . ~

This, dissenters warn, is an illustration of a theme that recurringly haunts nearly every society: the establishment of a cancerous outgroup. Joseph Goebbels, Nazi Minister of Propaganda, once said: "If the Jew didn't exist, we would have invented him." America also has had its outgroups: Communists in the thirties, zoot-suiters in the forties, beatniks in the fifties, joined by militants in the sixties. In this context, organized crime represents yet another extension of this recurring, alarmist-style theme, the sensationalist cry that "the sky is falling."

This dissenting view stresses caution: it notes that an alarmist view contains unforeseen dangers and eventually will diminish the credibility of authorities. This cautioning attitude, however, also holds potential harm in that it may dismiss or overlook a relevant danger. Both views, despite their obvious flaws, have many adherents.

This thesis does not take an alarmist position. We don't believe that the sky is falling, nor that our government is about to knuckle under to organized crime. However, the existence of organized crime is accepted as a reality, and the influence it wields on organized labor will be described.

The word "Mafia," in the sense that many use it to define organized crime, has been an instrumental factor in causing confusion. Gus Tyler, author of Organized Crime in America (1962), notes that this singular word, even in Sicily, has two very different definitions. The first definition referred to an outlaw gang. It is the second definition that captures our attention. The mafia, initially a patriotic society, came to represent the spirit of contempt and hostility toward established law and order in Sicily. Rather than one notorious outlaw gang, the reference was to a vast body of "bad men." This definition, with its vague and clandestine connotation, reflects the "outgroup" theme. Unfortunately, this distinction between a gang and an attitude later became distorted in America (Tyler, 1962).

There is no accepted consensus as to when organized crime first began in America. Burton Turkas, author of Murder, Inc. (1951), asserts that its embryo can be found in the labor management wars just prior to and subsequent to World War I. Others trace it back still further; the notorious Wild Bunch desperadoes of Wyoming, for example, could muster over four hundred riders (Tyler, 1962).

Most observers credit Prohibition for setting the stage for modern organized crime. The Volstead Act created a vast vacuum when it abruptly outlawed a popular American industry. Previously,

crime had been simply crime; now it was big business. It became possible for the underworld to serve the public and realize enormous profits simultaneously.

A multitude of ethnic groups rushed in to fill the vacuum. Many believe that the Italians (Sicilians) were the predominant group of the 1920's underworld; Daniel Bell (1962) suggests that they, for complex sociological reasons, came to dominate the "ethnic succession" of American crime at just that particular time in history. It was relatively easy to believe that a branch of the Sicilian mafia had been established in America.

This popular image has been challenged by much evidence. Louis Lepke, Meyer Lansky, and Arnold Rothstein were among the leaders of the New York underworld; in Chicago, Al Capone, throughout most of his reign, had fierce, tenacious competitors such as Dion O'Banion and George "Bugs" Moran. Nicholas Gage, author of The Mafia Is Not An Equal Opportunity Employer (1971), notes that "the underworld in the United States is as much a melting pot as any other aspect of our culture, and the opportunities for vice have attracted just as many ethnic groups as the opportunities for legitimate achievement."

A ferocious, belligerent competition was waged by bootlegging gangsters; the "robber barons" are perhaps the most suitable historical analogy to this period. Gangland killings were

commonplace, the most shocking of which was the spectacular St. Valentine's Day massacre. The kingpin of crime, Alphonse Capone, traveled in a steel-armored, seven ton limousine and lived in a villa that resembled a fortress. He remarked: "I'm like any other man. Three of my friends were killed in the last three weeks in Chicago. That certainly isn't conducive to peace of mind" (Kobler, 1971).

The "robber barons," once at a similar stage, had come to a logical conclusion: they either merged or drafted "peace treaties" (cartels) among themselves. The war-weary gangsters of the roaring twenties came to a similar, logical conclusion.

Several conventions were held, and eventually a truce of sorts was agreed upon. Significant proof of this truce is evidenced by one undeniable fact: the incessant toll of gangsters lost through mob rivalries came to an abrupt end almost immediately (Feder & Turkas, 1951). Spasmodic disruptions, of a lesser scale, have occurred since then.

This unprecedented truce, or "unification of crime," has contributed to many misleading generalizations. The second definition of mafia, that of an unknown outgroup, became firmly entrenched in the American public image: the Mafia, with all its legends and rituals, came to represent organized crime. The two definitions (outlaw gang and unknown outgroup) became intermingled

in one, and the new outgroup gained a currency which it has retained to the present day (Tyler, 1962).

The actual power of the Mafia in relation to other gangs, in the years since the ceasefire, has been much debated. There are those who continue to imagine the mafia as an omnipotent gang; this, when one considers the numerous non-Italian gangs that abound, seems an unreasonable assumption. Senator Estes Kefauver, following his 1950-51 investigations, assigned (Sondern, 1972) the Mafia the status of an underworld arbitrator; he asserted that "the Mafia is the cement that binds organized crime. "

Much evidence is available that supports an increasingly widely held position that the Mafia, if it does exist, is merely another component of a larger organization. Ralph Salerno, who has done extensive research on organized crime and is author of The Crime Confederation (1969), provides a basis for this when he argues that the most accurate descriptive word for the national criminal cartel is "confederation": this implies a voluntary arrangement or alliance in which the leaders of various groups meet for consultation but without any boss of bosses at the top.

In this interpretation of a voluntary confederation, the integrity of the individual gangs is considered. What was established was not a corporation but a confederation of independent groups seeking to make insured profits from criminal activities. Raymond

Martin, author of Revolt In The Mafia (1963), notes: "From my studies of the syndicate I knew it was not a tight military organization but rather a system of verbal agreements between tribal chiefs. " Absolute unification, as is the case with business was an impossibility; a great deal of 'states' rights' autonomy prevailed (Feder, 1951).

In the same fashion that the extent of Mafia power must be reevaluated, so also must the power of all organized crime be reevaluated. This concept of a voluntary confederation aids in providing a realistic alternative to the contrasting Sicilian definitions; organized crime is not viewed as a singular outlaw gang nor feared as an unknown terrifying social phenomenon.

Many differences of opinion prevail concerning the extent of organized crime. Senator Kefauver (1951) warns of a powerful conspiracy eroding the morality of the nation; this view has been shared by many other high officials. William P. Rodgers, Attorney General in the late 1950's, estimated the total gross of organized crime each year at twenty billion; J. Edgar Hoover, in the 1960's, placed the total at twenty-two billion (Salerno, 1969). Other estimates have ranged as high as fifty billion dollars.

The dissenters reject the view that organized crime possesses awesome power. Ramsey Clark (1970) felt organized crime had been exaggerated beyond its importance. Life magazine,

typically a good indicator of public opinion, headlined (Pileggi, 1972) a feature article in 1972 entitled, "Decline & Fall of the Mafia."

Certain images continue to persist: Salvatore "Lucky" Luciano and Vito Genovese serving lengthy prison terms; Alphonse Capone washing laundry at Alcatraz; James Hoffa paroled from Lewisburg (Pa.) Federal Penitentiary only by the graces of President Nixon; or Meyer Lansky futilely seeking refuge from justice.

The fantastic differences apparent in reevaluation illustrate an obvious condition: no reliable appraisal of the extent of organized crime, regardless of the position of the one judging, is now in existence. However, even if exaggerated, organized crime still represents a major challenge to law enforcement.

Furthermore, because of the nature of the activities of organized crime, it will continue to represent a major challenge in the years ahead. Organized crime, as Ramsey Clark (1970) notes, engages in consensual crimes for the most part, desired by the consuming public. Organized crime may have cycles, a condition true of business in general, but it has managed to overcome setbacks in the past. Unlike predatory crime, its future is underwritten by the support of popular demand. Earl Johnson, Jr. (1962) believes that this continuous indefinite life-span is the most constant and unique element in the definition of organized crime.

The definition of organized crime can be focused still further. Organized crime is business-like and business-oriented. Thorsten Sellin (1963) notes: "Organized crime has come to be synonymous with economic enterprises organized for the purpose of conducting illegal activities and which, when they operate legitimate ventures, do so by illegal methods."

Many observers emphasize the government orientation of organized crime. Cressey and Salerno (1969), for example, have schematized organized crime as a military organization, complete with a bureaucracy, military titles, and a specifically defined division of labor. This view, it should be noted, has been challenged by other authorities.

The preceding pages have presented the flavor of organized crime, and indicate the problems of arriving at a defensible definition. With these difficulties in mind, the following is offered as a working definition, suitable for the purpose of this thesis: "Organized crime is a confederation of groups of people engaged in criminal pursuits for personal economic gains, people whose major source of income is from criminal pursuits and who spend the majority of their time in illegal activities."

Organized Labor

The concept of organized labor at the elementary level refers (Websters, 1951) to workers who are "affiliated by

membership in unions. " The primary and basic policy for most unions is "the establishment of collective bargaining as a recognized method of decision-making in industrial relations" (Lester, 1951). Certain terms, however, must be clarified: a discussion of key labor terms that are used interchangeably and the extent of our interpretation of organized labor follows.

Unions in the last century were referred to as trade unions. This developed because union members in the early stages of industrial capitalism were confined to the skilled trades (Schneider, 1969). The American Federation of Labor, formed in 1886, had a craft-oriented membership.

The AFL was the dominant labor spokesman for half a century. They had ignored, however, the huge influx of workers into the mass production industries. In 1935, disgruntled labor leaders formed the Congress of Industrial Organizations (CIO). The new federation achieved rapid and spectacular gains in membership.

The conflict of the two federations involved an orientation of interest. Craft unions (AFL) are unions made up of members doing a specific type of work and possessing definite skills required to do that work (Encyclopedia Americana, 1969). Industrial unions (CIO) are unions that take in all the skilled and unskilled

workers in a factory or workplace, regardless of the kind of work they do (Merit Students Encyclopedia, 1969).

A third type of union that contains an even wider range of membership are the General Worker's unions. A general worker's union is willing to accept as members workers from various industries in all parts of the country. Examples include the International Brotherhood of Teamsters (IBT), the United Mine Workers (UMW), and the United Automobile Workers (UAW). All of the aforementioned terms fall within the inclusive organized labor or labor unions (Merit Students Encyclopedia, 1969).

The extent of our interpretation of organized labor is almost synonymous with the AFL-CIO. The two factions merged in 1955 when "unity committees" revealed that the two organizations had become similar in structure and composition (Goldberg, 1956).

A rival federation, the "Alliance for Labor Action," was formed in 1968 when Walter Reuther's United Auto Workers merged with the International Brotherhood of Teamsters. Its membership initially was close to four million (Reuther, 1970). Other union federations may also be established but they all will likely have a similar structure to the AFL-CIO. All such federations, unless they represent a dramatic departure from existing union structure, are to be included in our interpretation of organized labor.

Labor Racketeering

The term labor racketeering, as with organized crime, has been a source of much confusion. Robert Brooks, author of When Labor Organizes (1937), noted that the term is often defined according to one's economic interests and social philosophy. To an anti-union employer all unionism is racketeering if it results in the extraction from him of more money or power than he would otherwise surrender. To the organized worker, however, his union is a racket if it delivers gains to him which are small in relation to the income received by the leaders of the unions. . . .]

The confusion is compounded by the fact that no singular definition can be applied to all types of racketeer-infested unions. Eugene Schneider, author of Industrial Sociology (1969), believes a continuum can be erected from the gangster-led and dominated union on one hand, to the union with occasionally dishonest officials on the other hand, with some unions falling in between those extremes.

It is feasible to polarize a definition around these two extremes. Labor racketeering is thus subdivided into two major categories. The first category refers to racketeering from within. This refers to the use of a union position in order to extort money--either from the employer or employees--for personal advantage.

It is the second category that is most relevant to the thesis.

This refers to the penetration of unions by underworld figures who systematically use the union's power and resources for their own purposes. It should be noted that the second type of racketeer depends greatly upon the first for entry and survival.

It would be a serious oversight to confine the labor racketeer to unions alone; management, for example, is the other half of any collusive agreement entered into by labor. Due to changes in both organized crime and organized labor, labor racketeering has evolved through the years. These changes, and the conditions that produced them, will be described in the following chapters.

CHAPTER II

THE PERIOD: 1920-1940

Chapter II and Chapter III are structured as an historical chronology. The era researched, 1920 through 1960, will be broadly evaluated to determine the effect of the political and social milieu upon the union movement. The focus of the thesis, however, remains in examining those factors that render unions susceptible to organized crime. These factors will be analyzed as they occur throughout the two chapters, followed by an interpretive summary in Chapter IV.

Part I: 1920-1928

Introduction

The bitter struggle between organized labor and employers was temporarily suspended during World War I. The employers, nearly always victorious in prewar labor disputes, were forced to contain their hostile sentiments. They watched uneasily, however, as union collaboration with government increased union stature and membership. When the fighting abroad ended, a new battle resumed at home. The unions, once again, found themselves on the defensive against a highly organized attack.

A massive offensive, utilizing nearly all the major institutions of society, was waged against labor unions. The employers, taking advantage of the postwar hysteria against anarchists and Bolsheviks, initially centered their campaign against radical unions (Rayback, 1959).

It was a classic example of societal coercion against a member group. The employers even went to the extent of renewing a "robber baron" technique: the hiring of thugs, or racketeers, to intimidate unionists. The radical unions quickly succumbed to the employer's juggernaut.

The employers subtly shifted their attention to the entire labor movement. They pointed out that radicals had often used unions to advance "foreign" views. The insinuation, guilt-by-association, was that all unions had some degree of radical influence. These thoughts, adopted by employer associations and a conservative news media, were directed at a nation seeking a "return to normalcy" (Rayback, 1959).

The employers based their offensive on conservative patriotism. The "open shop" (non-union) was extolled as representing individual freedom; the "closed shop" denied it (Bernstein, 1960). The offensive was euphemistically called the "American Plan." In recent years the same anti-union approach has been introduced as legislation under the euphemism of "Right to Work."

The employer's campaign was an overwhelming success. The industrialist, as never before or since, was placed on a pedestal. The unions were subdued; total union membership in the years 1920 to 1924 declined from 5,110,000 to 3,600,000. AFL membership, within the same period, declined from 4,078,000 to 2,866,000 (Rayback, 1959). President Coolidge, his views coinciding with the employers', remarked: "The business of America is business."

Employer Opposition

The "American Plan" included a wide range of techniques to combat labor unions. One effective device, regarded by many people as reasonable, was the establishment of company unions. Although serious flaws prevented full representation, the company union helped in small ways (Bernstein, 1960).

The employers, however, were not bound by rules of fair play. Blacklists, or rosters of union "agitators," were exchanged among employers. Employees were required to sign individual contracts that prohibited joining a union; union officials referred to these agreements as "yellow dog" contracts. Those workers suspected of unionist tendencies were hastily expelled (Bernstein, 1960). These measures, harsh as they may seem, were still conceivably within the realm of "defensive ethics."

The employers, however, introduced further aggressive measures. Industrial espionage, the placing of spies and agents in the plant and union, was a commonly used measure. Indeed, the La Follette Committee (1936-37), which investigated industrial malpractices, concluded that espionage was the most effective antiunion device in the employers' arsenal (Bernstein, 1960). The strike-breaker, and the attendant violence he fomented, was another effective antiunion measure.

These measures, strikebreaking and espionage, added a new dimension to the employers' arsenal. The aforementioned measures were carried out by the company. These measures differed in that they were supported by external forces--private detective agencies and employer associations (Bernstein, 1960). The next logical step for employers, and one soon fulfilled, was to enlist the aid of racketeers. The unions, underdogs in a bitter struggle, observed all of this.

American Federation of Labor (AFL)

The AFL was founded in 1886. Samuel Gompers, elected president in that year, was to remain in that office until his death in 1924. His beliefs and actions had a tremendous influence on the American labor movement.

He developed union fundamentals that established the AFL as the first permanent labor organization. The most important of

these was autonomy. The essential character of the AFL is similar to the United Nations: it is a federation composed of autonomous national unions. The president of the AFL, like the UN Secretary-General, has limited control over member unions (Estey, 1967).

This commitment to autonomy resulted from several factors; it was obviously impossible, for example, for the AFL leadership to comprehend the intricate problems of each member union. Autonomy was also considered democratic because it prevented a potentially dangerous concentration of authority. The AFL, if it seeks to punish a corrupt union, must resort to expulsion or moral sanctions (Goldberg, 1956).

Samuel Gompers' views were basically conservative. He was an ardent supporter of Capitalism and felt unions should cooperate with employers (Madison, 1962). A union's only purpose, he maintained, was to improve the livelihood of the workers (Velie, 1958). His philosophy is called "business unionism" and has little use for the ideology of "social unionism." The adoption of the "business ethic" was later to become one of the principle factors inviting labor racketeering.

Politics

In the latter 1800's, communists, socialists, and other radicals sought to use unions as "spearheads for social change"

(Velie, 1958). The major labor organizations of this period, the National Labor Union (1866-1872) and the Knights of Labor (1878-1890) believed in political involvement and, partly as a result, enjoyed a short existence. Samuel Gompers, founder of the American Federation of Labor in 1886, believed that union political endeavors would only antagonize public opinion and harm the union cause. He placed emphasis on economics rather than politics; the AFL's involvement in politics was limited to "rewarding our friends, punishing our enemies" (Estey, 1967).

The AFL policy suited the temperament of the twenties. The unions were obvious "underdogs" existing in a hostile political atmosphere. The union reaction was to assume a posture of respectability as one means of maintaining their position in society (Bernstein, 1960).

The union position, however, was constantly challenged by the various factions of government. The three Presidents--Harding, Coolidge, and Hoover--represented conservative Capitalism. Congress passed only one significant labor statute in the entire decade; this was the Railway Labor Act of 1926. Although this Act provided a basis for future labor statutes, its effectiveness was limited by union weakness.

The most hostile antiunion faction of government was the Supreme Court. Former President William Howard Taft became

Chief Justice on June 30, 1921, and held that position until February 3, 1930. His views were generally conservative. In 1894 he had written of thirty Pullman strikers reportedly killed by federal troops: "Everyone hopes that it is true." Of labor, he wrote in 1922: "That faction we have to hit every little while" (Bernstein, 1960). Obviously judicial thinking had not changed much since 1806, when a Philadelphia judge passed verdict on the Cordwainers' (shoemakers') union: "A combination of workmen to raise their wages may be considered from a two-fold point of view; one is to benefit themselves, the other to injure those who do not join their society. The rule of law condemns both."

Labor was handed a severe setback in 1917 when the Supreme Court (*Hitchman Coal & Coke Company vs. Mitchell*) approved two widely used employer tactics: the injunction and the 'yellow dog' contract. An injunction is a court order to cease and desist from some specified action such as a strike, a boycott, or picketing. Violation of the order, of course, is contempt of court and punishable accordingly; this is what puts teeth into the injunction (Estey, 1967). This tactic was used extensively, with the support of the Supreme Court, throughout the twenties.

The other major legal tactic was the 'yellow dog' contract. In validating the 'yellow dog' contract, the Supreme Court ignored the fact that such 'yellow dog' contracts were signed under economic

duress and that their enforcement denied the workers an opportunity to join a union. Nevertheless, the decision stood and was used effectively by the employers (Taft, 1964).

A wide gulf existed between the government and labor unions. The government at best was indifferent to labor unions; the labor union philosophy was to avoid the government whenever possible. Consequently, the great majority of politicians, both in and out of government, had little involvement with labor unions.

This labor-politics relationship, or lack of it, influenced the magnitude of labor racketeering in the 1920's. Labor racketeers, and those involved in other segments of organized crime, need the politician for survival, and increased political support for unions in the 1930's aided the rise of labor racketeering.

Labor Racketeers

The modern labor racketeer owes much to the 1920's. Although his stature was slight in comparison to future decades, it was here he first flowered and gained a notoriety of his own. The conditions that created the labor racketeer, in retrospect, seem logical and almost inevitable.

The employers' campaign against unions included the racketeer. The racketeer did not coerce employers to hire him; his arrival was by invitation. Once given a task, the racketeer did

his job well. His victims, the labor unionists, respected his effectiveness.

The labor unions were fighting for their very existence. Many union leaders believed that only extreme action could save their organizations from annihilation. These leaders realized that the labor movement must not be directly associated with violence--as had happened prior to 1920--when it had been the basis of much antiunion hysteria. Thus, the racketeer entered the labor movement also by invitation (Adamic, 1934).

The initial relationship between labor unions and racketeers was direct and simple. The racketeer was hired, performed his assigned task, and then departed. The racketeers soon came to realize, however, the importance of their role in the union movement. This discovery led to an expansion of activities; the racketeers began to offer "protection" and, in some cases, swallowed entire union locals (Adamic, 1934).

A case study can illustrate the flowering of labor racketeering. The garment industry in New York was a fiercely competitive sector. The employers engaged racketeers in a bitterly fought campaign against unions. The garment workers, in 1926, sought aid from gangster elements.

The King of New York crime in the mid-1920's was Arnold Rothstein. He and his lieutenants, Louis Lepke and Jacob Gurrah,

catered to the request of the unions and promised protection (Stolberg, 1944). He provided racketeer talent and "fixed" the police lest they club strikers (Adamic, 1934).

Rothstein and Company also aided the employers. Their duties put them in a position of controlling or influencing both labor and management. In effect, Rothstein was using unions as a vehicle to take over and control businesses. Lepke and Gurrah greatly expanded Rothstein's organization (he was killed in 1928) in the 1930's.

Labor racketeering was only beginning in the 1920's. Arnold Rothstein never had a consuming interest in labor racketeering and returned to his first love, gambling. Alphonse Capone, captivated by the glittering profits of Prohibition, regarded labor racketeering as a secondary activity; his involvement, which came at the behest of union leaders, was limited to providing "protection" to unions against employers and other racketeers (Adamic, 1934). Although the racketeer relationship with labor unions remained limited, the idea that such a relationship could exist had set a precedent.

Part II: 1929-1932

Introduction

The profile of the labor racketeer is influenced greatly by the environment. Certain societal conditions converged in the 1920-1928 period to conceive the modern labor racketeer. The environment was not entirely suitable, however; many societal factors continued to restrict his importance.

Suddenly, in 1929, a cataclymic historical change erupted across America: the Great Depression. Poverty and the evidences of poverty haunted the country: bread lines, soup kitchens, transient migrants, and apple salesmen (Bernstein, 1960). Major institutions were forced to change and adapt to new realities. These shifting realities helped the labor racketeer develop and grow.

The nations' temperament changed perceptibly; the once awesome, almost mythical regard for free enterprise was replaced by harsh criticism. The bitterness rose, and engulfed America, as unemployment soared: in 1933 an estimated fifteen million workers were out of work (Bernstein, 1960). An obvious question: how fared the unions?

Employer Opposition

The employers' hostility towards unions remained unchanged during this period. It should be noted, however, that

employer cooperation was a key factor responsible for the sharp upswing in labor racketeering. George Sokolsky (1938) notes: "In nearly every instance some group of employers were in a partnership with the racketeers, benefiting by special privilege and placing their competitors in an unfavorable position . . . such an employer finds corruption beneficial to his business."

American Federation of Labor

The Depression had a devastating effect on the unions. Membership declined from 3,442,600 in 1929 to 2,973,000 in 1933 (Bernstein, 1960). The times called for an energetic, innovative leadership.

The union leadership was not equal to the challenge. William Green, the successor to Samuel Gompers in 1924, had been chosen primarily because he was a bland neutralist with acceptable qualities to the warring factions. This hierarchical deadlock posed a severe crisis in times of difficulty: bold, decisive leadership was impossible. The AFL leadership became cautious, conservative, and alienated from the rank-and-file membership (Adamic, 1934).

At that time the AFL had an unusual opportunity to speak for all workers, but it continued to hold strict adherence to "craft unionism" and ignored the workers in the mass production industries.

The leadership initiated minimum labor activity, and the alienation between the leadership and the rank-and-file increased; this, in turn, aided the influx of labor racketeers.

Politics

The political sector, a stronghold of antiunionism in the twenties, modified its stance. The Supreme Court, in the Texas and New Orleans case of 1930, upheld the constitutionality of the Railway Labor Act of 1926. This Act established that "Employees shall have the right to organize and bargain collectively through representatives of their own choosing" (Estey, 1967).

The most striking example of political progress towards unions was the Norris-La Guardia Act of 1932. It outlawed the notorious "yellow dog" contract and greatly limited injunctive abuse. In addition, a statement affirming the intent of Congress was attached. This statement recorded that the public policy of the nation is that workers have the right to organize in unions of their own choosing if they so desire. Excepting for railway workers, this was the first time Congress had sanctioned workers the right of self-organization. The overwhelming majority of Congressmen supported the Norris-La Guardia Act (Miller, 1948).

The unions did not capitalize on the opportunities available in politics. The Norris-La Guardia Act, despite its historical

significance, did not capture the attention of unionists. The Gompersian legacy of nonpartisan political involvement continued; in 1932 the AFL remained neutral in the Hoover-Roosevelt contest. Union respect for political reality did not develop until Roosevelt's first administration.

Labor Racketeers

The intensity of the Depression was most severe during the 1929-1932 period. The hopes and aspirations of millions had been dealt a punishing blow; labor unions, dispirited and without hope, barely managed to survive. Out of this quagmire of despair, labor racketeering flourished and became a definite social phenomenon.

The spectacular growth of labor racketeering, at a time when a brutal Depression held an entire nation in its grip, has been attributed to many factors. One of the most important of these was the status of organized crime. In 1930 organized crime, forged by the lethal Prohibition gangland wars, had become a powerful enterprise. It possessed the capability to infiltrate labor unions at will.

The decision to infiltrate labor unions was the result of economic necessity. The Depression, more effectively than a host of law enforcement agents, had succeeded in curbing the fantastic

profits of illegal alcohol. It was also obvious to many that repeal was almost inevitable. Organized crime, for the sake of survival, had to seek new activities.

The infiltration of labor unions was accomplished swiftly and with relative ease. The transition, however, was not entirely peaceful or welcomed; the labor racketeers, forceful by disposition, quickly developed a tough "pineapple thrower" image. But, overall, their entry was aided by the vulnerability of the unions and the control or neutralization of the political structure.

Labor racketeering, an insignificant social phenomenon in the 1920's, rapidly gained importance. In 1932 Frank J. Loesch, president of the Chicago Crime Commission and a member of the Wickersham Committee, reported that "fully two thirds of the unions in Chicago are controlled by or pay tribute directly to Al Capone's organization." AFL officials admitted that twenty-eight of its Chicago affiliates had fallen into the hands of racketeers (Seidman, 1938).

In New York Louis Lepke Buchalter had decided in the mid-1920's to make his mark in labor racketeering. By the early 1930's Louis Lepke and his partner, Jacob "Gurrah Jake" Shapiro, controlled a large labor and industrial racketeering combine. They dominated a widely assorted number of industries; in ten years the gang "earned" an estimated fifty million dollars (Lyle, 1960).

The 1929-1932 period provided a firm base for labor racketeering. The racketeer, however, despite all the aforementioned advantages, was handicapped by the weakened state of the labor unions. This situation changed dramatically with the election of FDR and the coming of the "New Deal."

Part III: 1933-1940

Introduction

Franklin Roosevelt's Inauguration in 1933 signaled an historical transition for American labor. Actions inconceivable just a few years earlier were initiated; the new President boldly supported the workingman and pro-labor legislation. His actions were to affect the course of American labor profoundly.

The unions, severely repressed in the twenties, reacted vigorously. The National Industrial Recovery Act (1933) and Wagner Act (1935), two milestone acts that guaranteed workers the right of self-organization, were passed; union membership skyrocketed. A number of labor leaders, dissatisfied with the conservatism of AFL leadership, formed a dynamic new organization: The Congress of Industrial Organizations (CIO). The gangsters, seeking new activities following the repeal of Prohibition, observed the new-found strength, wealth, and respectability of labor unions.

Employer Opposition

"The depression," Clark Kerr wrote, "knocked American business off its pedestal." Many of the employers, not unexpectedly, were intransigent and reacted aggressively to the union offensive (Bernstein, 1970). Industry generally sought to nullify the pro-labor National Recovery Act of 1933; "collective bargaining" was referred to as "collective bludgeoning." This attitude led to the renewed adoption of belligerent tactics (Rayback, 1959).

The unions responded with a wave of strikes. There were some victories, many setbacks; employer opposition was powerful. In May, 1935, the Supreme Court invalidated the National Industrial Recovery Act (Rayback, 1959). The fortunes and morale of labor, once again, plummeted. The following August, however, the historic pro-labor Wagner Act became law. The effectiveness of the Wagner Act, however, depended much upon employer compliance.

The antiunion employers did not hesitate to violate the Wagner Act. The La Follette Civil Liberties Committee (1936-1937), which investigated employer malpractices against workers, discovered widespread use of labor espionage and strikebreaking. These findings outraged the public (Rayback, 1959). Many companies also established "service departments" to combat unions. Henry Ford, for example, had a para-military force of nearly 3,000 men (Bernstein, 1970).

In 1937 the Supreme Court upheld the Wagner Act. It became almost impossible to continue ignoring both the Wagner Act and public opinion. Most employers, by 1937, had come to terms with reality. The result was a revolution of sorts in labor-management relations: cooperation, as opposed to conflict, became the common denominator. This relationship also affected the nature of labor racketeering.

AFL-CIO

Franklin Roosevelt's "New Deal" electrified the working masses. And yet, remarkably enough, the AFL continued as before, heedless of the militant sentiments of workers. Martin Estey, author of The Unions: Structure, Development and Management (1967), notes that the AFL was adhering to a philosophy of "business unionism."

Business unionism, as previously noted, assigned top priority to improving the economic conditions of the immediate membership. The structure of business unions was directed towards securing maximum benefits. Efficiency, not democracy, therefore became the guiding factor in union government. An illustration of this sort of efficiency was the long tenure of union officials. Although this may encourage undemocratic or corrupt practices, this objection was generally overruled by the belief that an experienced leadership more effectively serves the membership.

The established business unions also strove to improve or maintain their advantageous positions. Craft-oriented in structure, restrictive membership was practiced to maintain or raise the price of skilled labor. The result was the deliberate exclusion of the unskilled and semiskilled workers from unionization.

The business unions also sought to minimize the pressures of competition. Thus, the practice of granting each national or international union its own exclusive jurisdiction, or exclusive franchise, was intended to provide it with a monopoly over a particular occupational or industrial territory, free from competition from other unions. This practice also had the effect of excluding unskilled and semiskilled workers from unionization (Estey, 1967).

The masses of unskilled and semiskilled were, quite naturally, developing an explosive, almost revolutionary, temperament. Labor's dominant issue in 1935 was industrial unionism, wherein a union embraces skilled and unskilled workers in a particular industry or group of industries, yet the AFL leadership at the convention of that year chose to ignore it. Several of the union leaders, including John L. Lewis, David Dubinsky, and Sidney Hillman, created the Congress of Industrial Organizations (CIO) to advance industrial unionism.

In addition to industrial unionism, the CIO also advocated social unionism. Although not overtly radical or revolutionary,

the workers considered themselves the vanguard of a social revolution (Lens, 1959). The union represented the masses, not the skilled few. The worker was an active participant in his union and this, in turn, served as a partial shield against labor racketeering.

Despite severe employer resistance, the militant CIO made spectacular gains; in one three-week period in early 1937, the CIO won recognition from both General Motors and United States Steel. The membership of the CIO, by the end of 1937, was approximately two million, compared to the AFL's three million, and it could claim five of the ten largest unions. In 1938, however, its momentum faltered; the AFL, galvanized into action, recaptured its position as the dominant labor federation (Estey, 1967).

The division between the AFL and the CIO is helpful when analyzing labor racketeering. The CIO, born out of disagreements with the senior AFL, provided many contrasts as an alternate labor federation. One difference, entirely unforeseen, soon became a startling reality: the AFL was infiltrated by labor racketeers, the CIO was infiltrated by Communists. An obvious question: why were racketeers attracted to the AFL, repulsed by the CIO?

The CIO of the 1930's was engaged in a bitter struggle. Recently conceived and idealistic, it accepted aid from all quarters. The union leaders felt they were using the communists and other radicals for their own ends; John L. Lewis once retorted, "Who

gets the bird, the hunter or the dog?" (Goldston, 1968). The infusion of idealism served as a repelling force for labor racketeers.

The labor racketeer was more inclined to gravitate towards the AFL. The business union better suited his intentions; the union leadership was "business-oriented" and more willing to compromise union goals for personal gains. Other facets of a business union--long tenure of leadership, authoritarian structure, worker apathy--aided the racketeer's entry into the AFL.

The successes of the CIO astounded the nation. And yet, despite the victories, the AFL's form of business unionism became the dominant model of the American labor movement. One unfortunate consequence has been the vulnerability of American unions to organized crime.

Politics

The unions for many years were alienated from the government. During the 1920's the government represented hostile anti-unionism. Although the government began to change its union position during the Hoover Administration (1929-1933), union suspicions still existed. The AFL continued its Gompersian non-political involvement policies.

In 1933 the worker found a champion in Franklin Delano Roosevelt. It was FDR, not the AFL, that recognized the political

significance of labor. He made the worker a key component of his political coalition and fully supported unionism.

He also supported pro-union legislation. The first significant act was the National Industrial Recovery Act (N.I.R.A.) in 1933. Section 7 (a) was of great importance: it referred to the right of union self-organization. Unfortunately, inadequate enforcement hampered its effectiveness (Miller, 1948). A federal district court, in the Weirton case in late 1934, declared that Section 7 (a) was unconstitutional. On May 27, 1935, the Supreme Court in the Schechter case declared the N. I. R. A. unconstitutional.

The Wagner Act became law in July, 1935. In many ways identical to the N. I. R. A., it also guaranteed workers the rights of self-organization. To effectuate this guarantee, Section 8 listed five unfair labor practices prohibited to employers covered by the Act (Miller, 1948). The Wagner Act was definitely "one-sided;" it specified only the rights of workers and the duties of management. Its sponsors defended this, saying a more balanced approach would fail to achieve its objective (Derber & Young, 1957). The Supreme Court affirmed its constitutionality in 1937.

The Supreme Court, historically an antiunion institution, was beginning to adopt a more progressive position. This was not an accident of fate; it was a direct result of FDR's appointments-- William O. Douglas, for example--to the Supreme Court. If the

AFL was still apolitical, the dynamic CIO was not--and its belief in political involvement won out in the end.

The unions had finally begun to appreciate the importance of coordinated political pressure to achieve their ends. They remained an interest group, however, rather than forming a new political party. As a political bloc, they possessed two valuable assets--money and manpower (Epstein, 1969). The political environment, at the end of the thirties, had become friendly towards labor.

This favorable political environment indirectly aided labor racketeering. Politicians as a rule are inclined to support those who support them. A pro-labor politician can be helpful in Congress in a number of ways. He can prevent antiunion legislation and potentially damaging Congressional investigation committees. And, also of importance, politicians influence law enforcement objectives.

Labor Racketeers

The actual extent of labor racketeering during the 1933-1940 years is a subject of much controversy. A review of the factors examined would suggest a favorable climate for labor racketeering. A strong dissenting opinion, however, asserts that labor racketeering declined during these years.

Malcolm Johnson, author of Crime On The Labor Front (1950), observes that with millions of recruits, the sharpest growing pains for unions were the infiltration of gangsters and racketmen. George Sokolsky, in an Atlantic Monthly article (1938), suggests that the opportunity was there and racketeers took advantage of it.

Those racketeers who had entrenched themselves within the labor movement were not easily shunted aside. Louis Lepke withdrew from the Amalgamated Clothing Workers union in late 1932, but continued his activities in other unions. It was not until 1937 that Lepke's empire collapsed under the combined onslaught of the federal government and Thomas E. Dewey (Seidman, 1938).

Labor racketeering thrived in many cities. The Capone gang in Chicago, the Purple gang in Detroit, "Dutch" Schultz in New York, racketeers in Cleveland--all had hoodlums who exploited unions in a variety of ways (Bell, 1957). These racketeers continued their activities throughout the thirties.

An interesting case involved George Scalise, from the Capone gang. With the backing of the Chicago syndicate, he became Vice-President of the Building Service Employees International Union in 1934, and President in 1937. He realized that a worker's primary concern is his own pocketbook. According to a Business Week account, he set about making himself an effective labor leader: he helped obtain wage increases, shorter hours, and

improved working conditions. That he also stole from the union treasury and extorted large sums from building owners did not overly trouble the membership. They approved his vigorous representation of their economic interests (Bell, 1957).

Many authorities deemphasize the impact of labor racketeering during these years. These authorities recognize and accept the numerous "dramatic" cases on record. They believe, however, that these cases--especially when they involve Capone or Lepke--can be misleading: they are inflated to suggest a trend which may not exist.

These authorities also note that many who make racketeering an issue are antiunionists in disguise. Irving Bernstein, author of Turbulent Years (1970), calls Westbrook Pegler "an anti-labor newspaper columnist who exploited the transgressions of a handful of labor leaders in order to attack the entire labor movement." Many employers, locked in a bitter struggle with labor, did indeed dramatize the racketeering issue whenever possible.

Another argument used to justify the deemphasis of the labor racketeer is that law enforcement was effective in curbing him. Harold Seidman, author of Labor Czars (1930), believes that when criminal overlords such as Al Capone, Murray Humphreys, and the "Terrible Touhys" were sent to prison, the gangsters grip

in Chicago was broken. New York City, he asserts, was a racketeer stronghold that fell with the appearance of Thomas E. Dewey.

Dennis Anderson, writing in American Labor in Mid-passage (1959), states that "mob control of unions diminished after the flowering of the New Deal." His arguments are: (1) the spread of reform government (example: Mayor Fiorello H. La Guardia, New York City) deprived machine politicians of their favor-dispensing privileges, (2) federal and state criminal prosecutions sent many gangsters to jail, and (3) the rise of the CIO which was almost immune from racketeering. He concedes that "the New Deal did not remove the causes or the existence of corruption."

The true extent of labor racketeering in the latter 1930's may never be conclusively determined. The nation, observing the dynamic growth of the unions, was primarily concerned with other issues: the AFL-CIO contest, John L. Lewis, strike tactics, et cetera. The news media accorded secondary attention to labor racketeering.

Labor racketeering, as noted before, was also a highly partisan issue. Conservatives, especially employers, gravely stressed the seriousness of labor racketeering; Liberals, especially union officials, generally ignored or deemphasized the charges. Through the maze of conflicting writings, however, a reasonable estimate can be derived.

The racketeers who infiltrated the unions in the early 1930's, for example, remained. Granted, certain factors such as the Dewey investigations and the LaGuardia Administration controlled the magnitude of labor racketeering. The initial contributing factors, examined in the preceding pages, continued. It can reasonably be concluded that labor racketeering was an important criminal activity, although certainly not of the magnitude attributed by employers.

Summary

Labor racketeering in 1920 was almost non-existent. And yet, in the span of just two decades, it became a major social problem. The environment had grown accommodating and conducive to the nurturing of such an institution.

The labor racketeer first gained notoriety in the 1920's. His initial appearance was on behalf of union pleas for help; he was hired to protect unionists from employer-hired thugs. Many of the racketeers performed their duties and departed; some, however, remained. These racketeers began to offer "protection" and took over union locals.

The extent of labor racketeering in the 1920's, however, remained minimal. A number of factors accounted for this. The chief factor was that the unions themselves were considered

unsuitable for racketeer infiltration. They had been rendered outcasts by the government and weakened by the effectiveness of the "American Plan" campaign. The gangsters, capable of initiating rackets at will, focused their attention on the "El Dorado" known as Prohibition.

The Depression was a tremendous catalyst for labor racketeering. The unions, although weakened, managed to survive; of still greater importance, antiunion institutions were forced to change. Business lost its exalted status and the government began to modify its union position. Organized crime, now a powerful confederation forged by Prohibition, infiltrated labor unions on a large scale.

The environment for labor racketeering remained attractive after 1933. The unions multiplied in membership; it became respectable to be identified with the labor movement. The favorable political environment, unfortunately, had an unforeseen side effect: it indirectly aided labor racketeering.

Certain union principles indirectly aided labor racketeering. The principle of autonomy, a firm tenet of the AFL, made it nearly impossible for the AFL to investigate internal matters in member unions. Business unionism was another key principle, or factor. This tenet of the AFL, which triumphed over the ideology-oriented unionism of the CIO, fostered a conducive environment for labor racketeering.

The changing labor-management relationship also contributed to labor racketeering. This relationship, which in the late 1930's replaced conflict with collaboration, changed the nature and image of the labor racketeer. The union became part of the establishment and this, in turn, made the detection of the labor racketeer considerably more difficult. Labor racketeering, once an infant activity, had become a powerful challenge to law enforcement.

CHAPTER III

THE PERIOD: 1945-1960

Chapter II noted the dramatic impact of labor unions, and labor racketeering, in the latter 1930's. Pearl Harbor defused labor racketeering as an issue; the nation's interest focused on winning the war (Lens, 1959). American unions emerged from World War II with more than 12.7 million members, almost 25 per cent of the civilian work force (Miernyk, 1962).

Chapter III will describe labor racketeering in the post-war era, 1945-1960. The chapter is divided into two sections: (1) 1945-1955, and (2) 1956-1960. Labor racketeering, during this period, once again became an issue of national concern.

Part I: 1945-1955

Shortly after World War II ended, the labor unions, still sheltered by the Wagner Act (1935), initiated a vigorous offensive. The massive strike wave of 1945-1946 attained many union goals, but it also alienated the public (Rayback, 1959). Other union practices, such as stewardship abuses, jurisdictional strikes, and the refusal of some unions to bargain in good faith, caused a widespread demand for remedial action (Taft, 1964).

The Eightieth Congress, elected in the fall of 1946, felt that it had a mandate to "reform" labor legislation. Over one hundred "reform" bills were introduced: Congress finally passed, with heavy majorities, the restrictive Case bill. President Truman vetoed it. He also vetoed the Taft-Hartley bill, but this time Congress overrode him and the bill became law in 1947.

Alarmed labor leaders were fearful that the Taft-Hartley would reintroduce "slave labor"; the Act, indeed, followed in large degree the suggestions made by the National Association of Manufacturers. Among these: the use of injunctions requiring cooling-off periods, the prohibition of the closed shop, and the right for states to outlaw union shops. Another restriction, directed toward the "leftist" CIO, required that each union official of a national or international body had to file an affidavit that he was not affiliated with communism or the Communist Party (Rayback, 1959).

The Taft-Hartley Act, according to Philip Taft, did not become the decisive deterrent feared by labor leaders: despite restrictions, the unions continued to register significant membership gains through 1952. However, to prevent further antilabor legislation, the unions entered politics on an unprecedented scale. The politically oriented CIO had established the Political Action Committee (PAC) as early as 1943; the AFL, in 1947, established Labor's League for Political Education (LLPE) (Taft, 1964). The

unions had a fair degree of success in the 1948 elections. Indeed, Gerald Pomper (1961) asserts that if the unions had more cohesion and a willingness to compromise, a favorable revision of the Taft-Hartley Act could have been secured in 1949.

The labor movement confronted another challenge in 1949. The CIO, which initially had welcomed communist talent, was now alarmed by their overt ambition. The CIO was especially concerned about the increasing number of communist-dominated locals, and decided to take corrective action. What followed was an interesting illustration of union efforts to eradicate an undesirable influence.

The CIO, disregarding the protests of autonomy, proceeded to expel the communist-infiltrated unions (Goldberg, 1956). The unprecedented action affected nearly 20 per cent of the CIO membership. Expulsion, however, was not the total solution; the ousted unions continued to thrive. The CIO met this challenge by establishing competing unions that successfully won the allegiance of the expelled membership.

The successful eradication of communist influence was accomplished without government intervention. Even the Taft-Hartley non-communist affidavit, Arthur Goldberg notes, was ineffective; almost all of the officers of the eleven expelled unions had filed these affidavits, either prior to their expulsion from the

CIO or since. The AFL, noting this, has repeatedly asserted that internal "housecleaning" is preferable to government intervention when seeking to eradicate racketeer influence.

The labor movement became conservative (stabilized) during the early 1950's. Certain factors contributed to this evolution: the Korean War, the election of Eisenhower in 1952, the increasing trend towards business unionism, and the deaths of President Green (AFL) and President Murray (CIO), also in 1952. After several turbulent decades, the unions were at last acquiring a conservative, established image.

A few ominous signs, however, disturbed these tranquil years. One concerned the International Longshoremen's Association (ILA). Malcolm Johnson, author of Crime On The Labor Front (1949), had written a series of articles about the ILA that had won the Pulitzer Prize. A book, Waterfront Priest, and a movie, On The Waterfront, had increased interest in labor racketeering on the docks.

The details of the waterfront situation were discussed at the AFL Convention in September, 1953. The ILA was expelled and a new union, the ILA-AFL--later known as the International Brotherhood of Longshoremen--was chartered to compete with the ILA. To the chagrin of the AFL leadership, however, the efforts of the new union were unsuccessful (Goldberg, 1956). It became

apparent that the racketeers were formidable opponents, much more difficult to dislodge than the Communists.

Another ominous sign concerned the union welfare fund scandals (includes union health, welfare, and pension plans). The welfare funds grew tremendously during World War II and the Korean War when, with a wage freeze in effect, the unions were granted welfare increases. The Douglas Senate subcommittee, formed in 1954 to investigate these multibillion dollar funds, uncovered many abuses. The subcommittee gave particular consideration to a dynamic vice-president of the Teamsters, Jimmy Hoffa (Bell, 1954).

A Fortune magazine article (July, 1955) noted that during the period of 1953 to 1955, the Justice Department had quietly initiated 1500 investigations into corrupt acts. The union leaders were indicted under either the Hobbs antiracketeering statute, which makes it a felony for a union leader to demand a payoff, or under the Taft-Hartley Law, which forbids union officials to accept gifts from employers (Donovan, 1955).

However, politics soon entered the investigations. A 1954 congressional hearing that began looking into Hoffa's affairs ended abruptly. One congressman, Wint Smith, Republican of Kansas, remarked: "Pressure came from so high that I can't even discuss it" (Lens, 1959). It is almost axiomatic that congressional

investigations of labor racketeering are greatly influenced by the political factor.

These events, occurring primarily in AFL affiliates, did not deter the AFL-CIO merger in December, 1955. The CIO demanded, however, that the new constitution have strong anti-racketeering provisions. These demands were met: Article VIII gives the executive council broad powers to deal with affiliates under the influence of either racketeers or communists. It permits the executive council, at the request of either the president or any member of the council, to investigate any situation that demands attention. The executive council is also given the authority to suspend by a two-thirds vote any union found guilty of such charges (Goldberg, 1956).

The union leaders in 1955 were content, optimistic. The AFL-CIO was a strong organization, with a combined membership of over fifteen million workers, and Walter Reuther predicted this figure would double. The two political factions, PAC and LLPE, became one: the Committee of Political Education (COPE). To the casual observer it appeared, indeed, that "Happy Days were here again."

Part II: 1956-1960

The complacent mood continued throughout 1956. In retrospect, it was the lull before the storm; 1957 was a year of startling revelations. In January, Congress authorized Senator McClellan to be chairman of the Senate Select Committee on Improper Activities in the Labor or Management field. The McClellan Committee, extending its investigations over a two year period, dramatized the importance of labor racketeering. In November, some sixty-odd organized crime figures were apprehended at Apalachin, New York; according to Robert Kennedy (1960), chief counsel of the McClellan Committee, twenty-two of these were involved in labor-management relations.

The sudden prominence of labor racketeering provoked many Americans to demand reform; Congress, subsequently, passed the anti-racketeering Landrum-Griffin Act (1959). Unfortunately, the McClellan hearings established erroneous premises by assigning certain individuals--Dave Beck, Jimmy Hoffa, Johnny Dio--excessive credit for the "rise" of labor racketeering.

It would seem that certain factors, rather than personalities, are responsible. Historians use the German word "Zeitgeist" to describe such a situation. The Zeitgeist, the spirit of the times, had to be just right for the events to occur. The individuals are

unimportant--if Beck, Hoffa, and Dio had never been born, three other men would have performed the same functions. Their individual style would have been different, but the same deeds would have been accomplished, just as surely as Gray would have credit for inventing the telephone if Bell had not been born. The remainder of Chapter III is subdivided into six sections that analyze the McClellan Committee disclosures in the context of the Zeitgeist.

Labor Racketeers

Organized crime was attracted to labor unions in the 1950's for a number of reasons. The unions had become powerful, established institutions; union assets in 1959-1960 were valued at more than 1.5 billion dollars, plus an estimated 2.5 billion dollars in welfare and pension funds (Martin, 1962). The unions had also become involved in a multitude of activities: the Amalgamated Clothing Workers, for example, owned banks and insurance companies, and had investments in an assortment of projects (Lawrence, 1964).

It would be erroneous, however, to believe that organized crime found unions attractive on the basis of monetary value alone. Organized crime, in the 1950's, was engaged in numerous illegal activities and viewed labor racketeering as an integral part of syndicate operations (Lens, 1959). Viewed in this perspective, labor

unions performed several valuable functions for organized crime. For example, unions provided a cloak of legality for underworld figures. They were also a valuable vehicle, somewhat like the Trojan horse, for capturing legitimate businesses. In addition, the unions were used to channel excess capital and serve as a base for a host of traditional illegal activities--gambling, loan-sharking, narcotics, et cetera. The corrupt union, in short, was a valuable component of organized crime operations.

While certain types of unions have proved more vulnerable to labor racketeering than others, the popularly-held explanations that account for this "selective" racketeering are often insufficient. J. F. Bell (1959) believes, for example, that "neither the size of the union nor the degree of centralization is a correct indicator of labor racketeering." He notes that "the United Auto Workers and Teamsters are both big; one is corrupt, the other not." In regards to centralization, he observes that "the United Mine Workers and the United Steel Workers are strongly centralized unions and free from scandal while the International Union of Operating Engineers is highly centralized and also highly corrupt" (Bell, 1959).

Many people believe that labor racketeers, because of the leverage they can possess, are particularly attracted to firms handling perishable items (generally farm products). Paul Weinstein (1966) maintains that perishability is not a true variable.

"If it were a true variable, " he adds, "one would expect firms to leave the industry as a consequence. "

David Saposs (1958) offers a more plausible explanation for "selective" labor racketeering. His variable, however, is the business firm, not the union. He believes that small business firms where intense competition is the rule are most susceptible to labor racketeering. He notes that there was practically no racketeering in large scale, limited competition industries such as steel, automobiles, railroads, mining, and rubber. He notes that hoodlums found transportation unions attractive because "by controlling certain key Teamster Unions they could dominate small, decentralized industries with relative ease. "

The preceding paragraphs suggest the type of union which was particularly susceptible to organized crime. Generally, labor racketeering appeared in unions where the industrial field was composed of small, competing firms; the transportation field, particularly because of its capability to conduct many illegal activities, was particularly attractive.

A note of caution must be observed, however: organized crime does not necessarily adhere to "the rules of the game. " It will infiltrate any union if the returns look promising. New trends can influence this possibility: for example, if organized crime seeks to infiltrate unions as a means of capturing legitimate

businesses, all unions become potential targets for infiltration. The point must be stressed: all unions are vulnerable, although some more so than others.

At this juncture, it is feasible to consider examining the nature of labor racketeering in the 1950's. The researcher, in so doing, has two options: to evaluate general trends, or conduct a specific, in-depth analysis of labor racketeering. This researcher has selected the former option. The reason for this choice is that the primary concern of the thesis is directed toward examining those factors that encourage or promote labor racketeering; an analysis of the nature of labor racketeering is still a secondary consideration. To borrow a phrase from the field of engineering, we are more interested in the overall system than in the components.

The McClellan Committee disclosures provide a valuable source for analyzing labor racketeering in the 1950's. The interest and efforts of the McClellan Committee were especially drawn to Jimmy Hoffa and the Teamsters. Following a few televised appearances before the Committee, Hoffa gained a public image as the symbol of labor racketeering.

There are several interpretations that seek to explain why Jimmy Hoffa cooperated with organized crime figures. According to Robert Kennedy (1960), Hoffa used gangsters to help advance his political power. By 1949 he had consolidated his power in the

Michigan Teamsters but wanted to expand. To help gain control of the midwest, he used the services and friendship of Chicago underworld figure Paul Dorfman. In 1953 he enlisted the aid of gangster Johnny Dio to help gain control of the New York Teamsters. After Dave Beck was imprisoned, Hoffa assumed the Teamsters' presidency in 1957.

There is another speculative interpretation, however, that is equally acceptable. Hoffa enjoyed the company of "tough guys" and liked to project a "tough guy" image. He also won good contracts--and it is very probable that his "tough guy" image helped win them. As for his use of organized crime figures, Hoffa could very well have quoted John L. Lewis: "Who gets the bird, the hunter or the dog?" Apparently, judging by union election results, few teamsters objected strongly to Hoffa's tactics.

The McClellan Committee noted that much of the corruption in the Teamsters was concentrated in the upper-echelon levels. Two abuses--the use of "paper locals" and trusteeship--attracted the interest of investigators. These abuses, of course, were also associated with racketeers in other unions.

In the first instance, dishonest international officers granted racketeers a union charter. The racketeers then gave the employer two choices: he could enter into a "sweetheart contract" or he could refuse to do so. Refusal, of course, was an invitation

for violence and harassment. The result was the establishment of a "paper local;" no effort was exerted to organize the workers (Bell, 1959).

The second abuse concerned trusteeships. Arnold Weber (1961) defines trusteeship as "a procedure by which an international union deprives an affiliated local (or any other subordinate body) of its autonomy to correct some irregularity in the local's operation." The local union continues to exist as a going concern, but authority for the administration of its affairs is transferred to a "trustee" who is appointed by, and acts in the name of, the international's executives.

The Teamsters succeeded in corrupting the original purpose of trusteeship. The international officers would divert local union funds to their own personal use, enforce illegal arrangements with employers, or exact money from rank-and-file members. Trusteeship was also an effective means of controlling dissident local union officers who might object to corrupt practices (Weber, 1961).

The public easily accepted the tough, "sinister" Jimmy Hoffa as the symbol of labor racketeering. Paul Jacobs (Zagri, 1966) observes that "newspaper photos had made him so notorious that even the crews on the planes he flew would leave the cockpit to stare at him, fascinated by the aura of evil strength that had

been projected around him. " Many people were fearful of Teamster strength; Robert Kennedy (1960) said the Teamsters were "the most powerful institution in the country after the federal government. "

Many people, as a consequence, began to perceive Hoffa's Teamsters as synonymous with labor racketeering. This is perhaps an unfair generalization: if a portrait of "typical" labor racketeers were drawn, Hoffa would very likely represent an aberration. The "typical" labor racketeers of the 1950's, indeed, tended to be more subtle and less violence-oriented (at least publicly) than their counterparts of the 1930's. The preoccupation with Jimmy Hoffa unfortunately deflected attention from other labor racketeers.

AFL- CIO

The resoluteness of the McClellan Committee in its investigation of union affairs brought neither joy nor satisfaction to AFL- CIO headquarters. The AFL- CIO philosophy was firmly against government intervention; union lobbyists in Congress had fought proposals favoring such intervention (Mollenhoff, 1959). Nevertheless, the AFL- CIO, thrust into the midst of the embroiling labor racketeering controversy, emerged with honorable prestige and esteem.

The AFL- CIO earned accolades for their determination in ousting labor racketeers. Joseph Shister (1967) notes that "one

of the outstanding features of the AFL-CIO merger was the establishment of the Ethical Practices Committee and the promulgation of ethical codes. " These measures were designed to help eradicate labor racketeering.

AFL-CIO President Meany pledged full support to the anti-racketeering campaign. When union leaders began taking the Fifth Amendment before the McClellan Committee, he said: "Union leaders taking the Fifth Amendment don't have a right to their jobs." Only one man on the executive council voted against this resolution: Dave Beck, the Teamster boss (Anderson, 1959).

President Meany also broke tradition when he said to Congress: "The AFL-CIO will cooperate with the Congress in the enactment of constructive, maturely considered legislation directed to meeting specific disclosed abuses which cannot be adequately dealt with without government support." (Muir, 1958). His sentiments on labor racketeering were followed by action: the AFL-CIO, within one year after the McClellan Committee began, had expelled three unions--including the Teamsters--that constituted one-tenth of the federation's total membership (Anderson, 1959).

It is an imperative necessity, however, that the negative interpretation of the AFL-CIO's role also be presented. The AFL had historically opposed any form of anti-racketeering probes. David Dubinsky, President of the International Ladies' Garment

Workers' Union and an ex-CIO leader, introduced a resolution at the 1940 AFL Convention that would give the AFL the "summary power to order the removal of any officer or officers who had misused their official position for personal gain." The 1940 Convention, chiefly because of the autonomy issue, watered down the resolution by substituting "moral suasion" in place of "summary power" (Danish, 1957).

The AFL expelled the racket-ridden International Longshoremen's Association in 1953. The expulsion for racketeering was unprecedented, but it must be qualified. Racketeering, after all, had existed on the waterfront for many years. The decision for expulsion, it should be noted, followed the adverse publicity incurred by the ILA in the early 1950's.

The AFL-CIO adamantly opposed Congressional investigations of labor racketeering. The attitude of the AFL-CIO was similar to an Italian anti-defamation league; an investigation of the Mafia, or a corrupt union, was interpreted as an attack upon Italians or unions in general. Clark Mollenhoff, in a 1959 speech, observed that "the AFL-CIO couldn't claim credit for helping the McClellan Committee get started, for their lobbyists had opposed it in January, 1957."

George Meany's anti-racketeering has often been commended, but some authorities question his expulsion of the

Teamsters (1957). The Teamster expulsion followed intensive adverse publicity; it was only the second time in history that a union had been expelled because of racketeering influence. It is conceivable that, in the absence of such intensive publicity, the expulsion might never have occurred (Jacobs, 1966).

The tremendous emphasis on Teamster activities reduced the scope of and probably reduced the effectiveness of the McClellan Committee. Paul Sultan, author of The Disenchanted Unionist (1963), notes that "in confining the attention of investigating teams largely to one union, Congress could avoid the political consequences of mobilized union opposition to such investigations." Victor Riesal (1956) also believes that "scapegoat unions" impaired the investigations. He notes the popular belief that racketeers were "restricted solely to the trucking and garment industries and the waterfront."

Those who subscribe to a negative interpretation also cite the ineffectiveness of AFL-CIO anti-racketeering sanctions. The AFL's campaign to oust the ILA racketeers provides an illustration of this. A new union was chartered to compete with the ILA, but its efforts were unsuccessful. A Commonweal editorial (Skillan, 1956) offers a probable explanation: the expulsion of racketeers cannot be equated to the expulsion of Communists. Where the Communists are concerned, the membership can be alerted and

the Communists outvoted. Racketeers, however, do not usually gain control of a union by ballots, and once they are in command they cannot normally be ousted by votes alone.

The effectiveness of expulsion, the ultimate sanction, is a subject of much debate. Logically, it is an impractical, self-defeating measure; the more unions the AFL-CIO expels, the weaker it becomes. Arthur Goldberg (1956) does not consider expulsion a severe handicap; "it does not rule a union out of existence nor does it make a particular union activity illegal. "

Many unions, in fact, have quite successfully survived periods of nonaffiliation, including the United Mine Workers, the United Auto Workers, and the Teamsters (Goldberg, 1956). A Newsweek article (Miur, 1958) notes, for example, that it was "business as usual" between the AFL-CIO and the Teamsters following the latter's expulsion; the AFL-CIO kept relations friendly to the extent of refusing charters to the handful of Teamster locals that wanted to leave the Hoffa fold.

It must be concluded, in regard to labor racketeering, that the AFL-CIO was an inadequate sanction. President Meany and the AFL-CIO Executive Council opposed racketeering, but historical patterns and the ineffectiveness of sanctions negated their endeavors. The AFL-CIO, even with the test of intentions, was limited in its capability to combat labor racketeering.

Union Structure

Chapter II demonstrated how the structure of a union can influence the degree of labor racketeering. The following section is devoted to examining the union structure of the 1950's. Particular interest is directed toward analyzing the evolution and entrenchment of the union bureaucracy. Serious consideration is also given to related issues. For example, could, or would, workers protest the presence of racketeers in the modern union bureaucracy? Is government intervention necessary for the restoration of union democracy? And lastly, is restoration of union democracy an effective anti-corruption measure? Knowledge of these issues will aid in ascertaining the relationship of union structure and labor racketeering in the 1950's.

Labor unions in the 1950's were much removed from the hectic, turbulent years of the 1930's. Frank J. Donner (1969) lamented that the traditional values of unionism--voluntarism, participative democracy, autonomy, labor solidarity, class consciousness--were being undermined. Instead, he notes, "unions have a heritage of brave rhetoric, flowery constitutions, social stereotypes, and traditions which are increasingly at odds with reality."

His criticism is harsh, yet realistic. Richard Lester (1958) notes that "unions in the 1930's had to fight for their

existence and for goals generally considered radical. " Under the circumstances, morale was high and the leaders were militant. Even the AFL, startled by the dramatic gains of the CIO, waged a vigorous offensive in the latter 1930's.

As unions gained acceptance in society, they began to evolve or "mature" into a new organization. One of the outstanding features of the maturing process was the development of a union bureaucracy. William Miernyk (1962) asserts that the development of a union bureaucracy was almost inevitable: "the exigencies of size alone, " he maintains, "dictated the need for staff specialists and an apparatus for administration. "

The role of the union official was transformed. Militancy was unfashionable and unnecessary; union bureaucracy required professional leadership. The "new" leadership, unfortunately, could not devote full attention to the workers; it also had responsibility to the employers and to the union bureaucracy. The predictable result was a growing estrangement between the leadership and the workers (Mills, 1948).

Some cynics suggest that the primary concern of a bureaucracy is perpetuating its existence. The union bureaucracy appears to conform to this principle. An indication of this "survival emphasis" was exemplified by the cooperative relationship of unions

and employers. Serious endeavors were made (i. e., the long-term contract) to avoid crisis situations (Nossiter, 1957).

The bureaucracy also seeks to preserve its lofty status within the union organization. An abundance of union democracy rhetoric notwithstanding, reality, as C. Wright Mills (1948) observed, "is a democracy of machine politics imposed upon a mass of apathetic members." Mills refers to labor leaders as the "new men of power."

A review of selected union traditions will help illustrate the favored position of the incumbent leadership. Martin Estey (1967) notes, for example, "that unions typically do not have a two-party political system." A candidate may announce his opposition but if defeated, in accordance with union tradition, he will be exposed to political humiliation, social disgrace, and economic hardship (Sultan, 1963). Other incumbent advantages include "protective" union constitutions, the use of patronage, and control of the union newspaper. The result, predictably, is that "incumbent officials are generally nominated to succeed themselves, and they generally face the final stage of the election unopposed" (Estey, 1967).

The bureaucracy, as described herein, is a powerful entity. An obvious question: could, or would, workers protest the presence of racketeers in a union bureaucracy? There is reason to believe

that workers generally would not complain in the midst of high wages. Under the guiding philosophy of business unionism, workers perceive union dues as an investment in obtaining increased benefits (Lawrence, 1961). In this fashion, Jimmy Hoffa's actions are tolerated on the basis of the good contracts he wins.

If inclined to protest, the workers are restricted by severe limitations. One limitation concerns the right to resign from the union. This issue has generated publicity in the open shop versus closed shop debate, referred to in recent years as the right-to-work controversy. Right-to-work (open shop) means that no person shall be denied work because he refuses to join a union. The unions insisted upon a closed shop wherein all workers are required to join a union. The closed shop is the dominant mode in the majority of states.

Paul Sultan (1963), following interviews with union members, notes the consequences: the workers interviewed believed that the freedom to resign from a union was the only effective control device over union policy. This right of resignation had been taken away. One worker commented: "as long as the union member can be free to get out, he has all the leverage he needs without government intervention."

Union discipline is essential, yet it also serves as a throttle for worker protest. Clyde Summers (1950) observed that

"the most important characteristic of punishable offenses are the heavy accentuation on disciplining for internal political action."

"Two-thirds of the unions," he notes, "have clauses which expressly restrict internal political action, and these clauses encompass a wide range of activity--from slandering union officers to issuing circulars to members." The workers, then, are an inadequate sanction against a racketeer-infiltrated bureaucracy.

Many authorities believe that a democratic union, with rights restored to the workers, would be an effective preventive measure against labor racketeering. Senator McClellan (1958) said that his proposed legislation had one primary purpose: "to protect rank-and-file members from corrupt leaders." He firmly believed in a "Bill of Rights" for workers.

Archibald Cox (1960) notes that Americans do not entrust their own government with self-restraint in dealing with basic liberties. Indeed, "reliance is placed upon written constitutions enforced by an independent judiciary." Benjamin Aaron, author of Employee Rights and Union Democracy (1969), believes that "unions should not be regarded as private voluntary organizations but as quasi-public organizations, subject to the same constitutional limitations that apply to any instrumentality of state power." The unions, however, are adamantly opposed to government intervention; many historical experiences support their contention that the government is not a neutral umpire (Mills, 1948).

There is powerful evidence, however, that suggests that restoration of union democracy would not be a practical solution for labor racketeering. Emanuel Stein, author of The Dilemma of Union Democracy (1963), believes that "the lessening of union democracy is inextricably and inevitably interwoven with the large growth of unions and centralized leadership."

Stein also believes that "centralized leadership is more a product of market forces than the personal ambitions of union leadership." In the central area of union function--collective bargaining-- the leaders must have sufficient authority to be effective. "It is unfair," he maintains, "to equate undemocratic unions with corrupt unions."

Seymour Lipset, co-author of Labor and Trade Unionism (1960), believes that "the degree of bureaucratic centralization in unions was necessitated by the extent of centralization in the outside groups with which they must deal." "The dictatorial mechanisms found in many unions," he asserts, "are an adoption to management's insistence for union responsibility." Emanuel Stein (1963) concludes that "the most rigid emphasis upon civil rights will be ineffective as long as certain factors compel the concentration of power in the hands of the leadership."

The "mature" union structure of the 1950's provided a conducive environment for labor racketeers. Some authorities felt that

restoration of union democracy would effectively deter labor racketeers; the likelihood of this happening, however, was extremely remote. It must be concluded that the labor unions--bureaucracy and workers--are an inadequate sanction against labor racketeers.

Politics

Many people in the latter 1950's were deeply concerned about union political power. They viewed the united AFL-CIO as an awesome political force, with massive manpower and funds readily available. The facts alone were sufficient cause for concern: the unions in 1955 had over fifteen million members, over half of them concentrated in the politically important states of New York, California, Pennsylvania, Illinois, and Ohio (Klein, 1966).

On the local level, worker allegiance was shifting from the city machine to the union local. Louis Friedland (1964) believes that this occurred because the city machines were unable to provide modern and professional social welfare services. This function was provided by unions which were increasingly becoming the instrument for the labor constituency. If they so chose, labor leaders had a great opportunity to expand their political influence.

However, the unions continued to follow Samuel Gompers's advice and ignored political affairs. Suddenly, in 1947, the Taft-Hartley Act was passed, and union leaders became aroused. Many

union leaders, in fact, perceived the Taft-Hartley Act as a challenge to their very existence. Abruptly placed on the defensive, the AFL adopted the CIO's philosophy of political involvement. Political labor organizations were formed to "educate" the workers and collect "contributions" for pro-labor candidates (McDonald, 1969).

The 1948 elections were the first major test of union political strength. The election results dramatized the impact of labor's "political consciousness:" Truman won the Presidency in a stunning upset victory, and Rep. Hartley and the mostly antiunion GOP Congressional majority were defeated (Miernyk, 1962).

Labor, however, failed to defeat their number one target, Senator Robert Taft. Although Taft credits his victory to the Taft-Hartley Act, Fay Calkins, author of The CIO and the Democratic Party (1952), disagrees. She attributes Taft's victory to the poor quality of his opponent, Mr. Ferguson, and the decision of the Democratic Party not to support him. The CIO eventually contributed 88 per cent of Ferguson's campaign funds. This fact, in itself, sums up the lesson of 1948: the labor movement is a power in the field of politics, but only one of many powers.

The labor unions of the 1950's, although powerful, did not fulfill the expectations of alarmists. There are many factors, or limitations, that account for this. For example, organized labor, like most mass movements, was not a monolithic political

unit. Although overwhelmingly Democratic, several powerful unions, including the Teamsters, have supported Republican candidates. Even within the Democratic Party, labor must compete with other factions--the South, Blacks, Liberals--for political influence (Epstein, 1969).

Many alarmists feared the political consequences if the millions of unorganized workers were successfully unionized. They felt that the union leaders had a logical incentive to "organize the unorganized": it would be possible to eliminate existing legislation and prevent new restrictive legislation that affected union affairs.

Joseph Shister (1967) believes there are several fallacies to this argument. He notes that the primary incentive for organizing among business union leaders is to protect or enhance collective bargaining gains. If organizing new members does not serve their interest, the existing leadership, he believes, will remain indifferent. He also notes that union fervor, rather than the size of the labor movement, has a more positive impact on favorable labor relations legislation.

There were other limitations as well. The workers, for example, did not necessarily consider the union their paramount concern when voting (Epstein, 1969). Nor can it be ignored that the employers represented a powerful, formidable opposition. The unions, indeed, met resistance and defeat on several important

issues: the passage of the Taft-Hartley Act, the formation of the McClellan Committee, and the passage of the Landrum-Griffin Act. Bert Cochran (1959) notes that "the idea of a labor counter-offensive was all but forgotten. "

The above paragraphs have presented the alarmist and negative interpretations of union political strength. From this, a realistic assessment can conclude that the labor movement, despite several important limitations, was still powerful; with over fifteen million members, it represented the largest special interest bloc in the nation (Lens, 1959). Although the workers do not necessarily vote according to economic interests, they have demonstrated a willingness to do so when union interests are threatened. The labor movement of the 1950's was a significant factor in American politics.

Labor had entered politics to safeguard and represent union interests. Although the political setbacks have been notable, they accomplished an outstanding victory: the sensitization of the political structure to the reality of union political power. The three branches of government--President, Congress, Supreme Court--have all been affected by union political power.

We noted how Franklin Roosevelt established a rapport between the unions and the Presidency. As Gus Tyler (1956) observes, the unions soon became aware of the President's influence

upon the fortunes of labor: (1) he appoints National Labor Relations Board members, (2) he appoints Supreme Court Justices, and (3) he is capable of setting the national mood, either for labor or against.

The relationship, however, was reciprocal: the Presidency also became aware of union political power. Truman, for example, was pro-labor, a factor that undoubtedly contributed to his astonishing upset victory in 1948. In 1952, the AFL endorsed presidential candidate Adlai Stevenson, the first such endorsement since 1924 (Tyler, 1956). Despite the outcome of that contest, presidential candidates have developed a realistic awareness of unions as a political force.

The rising political influence of Labor also affected Congress. In one sense, this becomes readily apparent: the increasing number of politicians, mainly Democrats, who were elected with labor support and would defend labor interests whenever necessary. These Congressmen, judged by their voting records alone, were not difficult to identify.

Less perceptible, however, has been the gradual transformation in attitudes of antilabor politicians. Historically, for example, these politicians would have used the McClellan Committee disclosures as a basis for attacking all unionism. In the latter 1950's, however, a careful distinction was made between

good unions and corrupt unions--and attacks were generally confined to the latter.

Labor political power also influenced the temperament of the Supreme Court. The Supreme Court had a historic antiunion bias and had presented a major obstacle to the cause of labor. During FDR's second term, however, the Supreme Court began adopting a more moderate union position. By the 1950's, antiunion bias had been neutralized; no outstanding antiunion decisions were made in the postwar era.

Although political activity promoted union interests, it also, unintentionally, provided a protective umbrella for labor racketeers. The investigation of organized crime, for example, is often dependent upon the discretion of politicians (Peterson, 1958). The question arises: would politicians be reluctant to challenge labor racketeering? It can be assumed that politicians would indeed be reluctant, particularly if an aroused AFL-CIO portrayed them as antiunionists.

It can be argued that the McClellan Committee, despite political opposition, was initiated anyway. It must be noted, however, that the racketeering uncovered by the committee had been going on for years; that several prior investigating committees had been killed for lack of funds; and that the committee itself was politically oriented. One can conclude, after reviewing the arguments

in this section, that the political structure--President, Congress, and the Supreme Court--is an inadequate sanction against labor racketeers.

Employer-Union Relations

Chapter II noted the hostility that characterized employer-union relations in the 1920-1940 period. The employers in the 1920's had waged a vigorous campaign that almost succeeded in crushing organized labor. Corporate supremacy, however, was severely jolted by the Depression and challenged, following FDR's Inauguration (1933), by a renewed union offensive. The remainder of the 1930's were, as Irving Bernstein phrased it, "the turbulent years": strikes, lockouts, sit-ins, violence, company spies, et cetera, became common instruments of employer-union warfare.

The labor-management relations of the 1950's contrasted sharply with the "turbulent thirties." The state of hostilities had gradually ceased; a new era, characterized by mutual cooperation and "peaceful co-existence," had come into being. C. Wright Mills notes, for example, that a partial integration of company and union bureaucracies had taken place; the union, as a junior partner, was responsible for much of the company's personnel work and often concurred in decisions concerning the productive process.

The close collaboration between unions and employers provides an obvious advantage for labor racketeers. It also suggests that an appraisal of the employer's role in labor racketeering is in order. Paul Weinstein (1966) notes, for example, that labor racketeers almost always focus their efforts on the employer, not the employee. The employer, however, does not always offer resistance; often, indeed, he extends a willing cooperation.

The idea of employers willingly cooperating with labor racketeers cannot be disregarded as unrealistic. Sutherland (1949) once observed that "crime in corporations is persistent to the degree of being almost acceptable; businessmen violating laws designed to regulate business do not lose status among their associates." It is the businessman's creed that prompts him to take advantage of whatever avails--sometimes to the extent of collusion with labor racketeers.

Labor racketeers provide numerous "services" for employers, including stabilization of an industry; it is no accident that Jimmy Hoffa was highly regarded by trucking company employers (Lens, 1959). Philip Taft (1964) provides an example of labor-management collusion: an employer, fearful of genuine unionization, would initiate a substandard contract with a racketeer union. Ralph Salerno, author of The Crime Confederation (1969), notes that "an employer threatened with unionization, or unreasonable

contract demand, could seek the services of a "labor consultant" to straighten things out. " It is "services" such as these that can determine the survival, or the amount of profit, for a company in a competitive industry.

It should be evident that employers perform an important role in labor racketeering. And yet, as David McDonald, author of Union Man (1969) notes, the McClellan Committee, which was supposed to investigate racketeering in labor and management, focused nearly all their attention on labor. John Fitch (1957) detects a double standard: "In extortion or bribery cases, the employer giving the bribe is seldom prosecuted, although the Taft-Hartley Act makes the gift of a bribe and the acceptance of one equally illegal." Robert Kennedy (1960) adds that "not one management group or association made a single move to rid itself of members who were found to be involved in collusive deals."

Congressional Committees

There is a wide diversity of opinions concerning the merits of congressional committees as a law enforcement tool. A Congressional Digest (1958) notes that state and local laws were ineffective against labor racketeers because of the interstate character of labor unions. The McClellan Committee, as a consequence of its investigations, was a catalyst for aroused public interest and Congressional legislation.

Congressional committees are also subject to much criticism. Jerold Auerbach, author of The La Follette Committee and the New Deal (1966), asserts that "Congressional committees during the thirties assumed a new role: influencing public opinion to mobilize support for administration programs."

The new role, in effect, introduced politics to the investigations. Politics, indeed, almost prevented the formation of the McClellan Committee; it also was present during the hearings as, for example, when Senator Goldwater stated that he favored a conservative (although corrupt) Hoffa over a liberal Walter Reuther (Cochran, 1959).

Irwin Ross (1957) observes that for a Congressional investigating committee to be effective, it often has to be "a cross between a scholarly study, a newspaper expose, and a detective hunt." These standards, of course, are difficult to attain.

Ross warns, for example, that "excesses develop when zealous investigators abuse their authority." David McDonald (1969), President of the United Steel Workers, was also fearful of the McClellan Committee's power: "it forced the witness into a position of repeatedly denying charges collected from all sorts of irresponsible sources." He felt that the committee created "a vague feeling in the public mind that where there is smoke there must be a fire."

Sidney Zagri, who served as Legislative Counsel for the Teamsters, believes that the McClellan Committee was, in effect, a trial by news media. He believes that "Hoffa's position, after appearing on 48 separate occasions before televised Senate Committee hearings, had been compromised." Congressional committees may serve a valuable function but they also "can be perverted to serve partisan political purposes, build a Congressional nonentity into a national figure, pursue a private vendetta, or confuse and distort issues (Horton & Leslie, 1970).

Critics of Congressional investigating committees have also debated their effectiveness. Fitch (1957) notes that "of nearly 200 National or International unions in the United States, not more than four unions were affected by the McClellan investigations." Sidney Lens (1959) notes that "even in these few unions, only a few men were convicted or removed from office--and the corruptive forces still continued." Hoffa's Teamsters, which came under sharpest attack from the McClellan Committee, actually made dramatic gains in membership despite the adverse publicity (Saposs, 1958).

The likelihood of a Congressional committee on labor racketeering in the future is doubtful; political and ethical reasons, as well as the apparent ineffectiveness of such a committee, are

severe obstacles. It is reasonable to conclude that Congressional committees are not an adequate sanction against labor racketeering.

Summary

This chapter noted the seriousness of labor racketeering during the postwar era, 1945-1960. An evaluation of certain factors, or sanctions, that were commonly thought to prevent or reduce the challenge of labor racketeering was made; it was concluded that these sanctions were, in fact, inadequate.

Congress, believing that special legislation was necessary to curb labor racketeering, passed the Landrum-Griffin Act (1959). The Act had a number of provisions: it required filing of financial statements by all unions, forbade conflicts of interest, and did not permit the borrowing of union funds by officers or members in excess of \$2,000. The law also regulated trusteeships according to their imposition and duration. A "Bill of Rights" specified the rights of members to free speech, assembly, and trial. The Secretary of Labor was given power to ask remedies in the courts for denial of rights to members, and misuse of funds are made offenses under federal law (Taft, 1964).

The list of provisions are impressive: the Landrum-Griffin Act represents a firm commitment by Congress to contain and eradicate labor racketeering. Upon its enactment, many people

felt that the problem of labor racketeering had been solved. The next chapter, devoted primarily to an evaluation of the present status of labor racketeering, will evaluate the validity of this assessment.

CHAPTER IV

THE PERIOD: 1960-1972; SUMMARY

Chapter II and Chapter III examined those factors that rendered unions susceptible to organized crime in the 1920-1960 era. Chapter IV provides an interpretive summary of labor racketeering in the context of the present era (1960-1972).

Chapter IV is divided into several sections. The first section is an evaluation of the McClellan Committee and the Landrum-Griffin Act; the second section is an evaluation of sanctions relevant to labor racketeering; and the third section is an evaluation of labor racketeering in the present era.

An Evaluation of the McClellan Committee and Landrum-Griffin Act

During the latter 1950's, the McClellan hearings provoked much debate and controversy. Those who debated the issue of labor racketeering were unable to secure an agreement of opinion; the conflicting views, at that time, were too often based upon political rhetoric. The following evaluation has the advantage of being determined after an interval of a full decade.

The positive results of the McClellan hearings were dramatic. Public interest was attracted to the problem of labor racketeering; Congress had little difficulty securing passage of the anti-racketeering Landrum-Griffin Act. In the early 1960's, largely through the efforts of Attorney General Robert Kennedy, the federal government began viewing organized crime as a social problem demanding urgent attention. The Justice Department, particularly the Organized Crime and Racketeering section, was given increased support for its campaign against organized crime.

The McClellan hearings, according to some observers, were contaminated by serious flaws. One of the most serious charges concerns the adverse publicity which all unions received. The AFL-CIO, in the 1956-1961 period, suffered a decline in membership; union organizers attributed this to the "McClellan image" of organized labor (Norton-Taylor, 1962). Senator McNamara (D. Mich.), who resigned from the McClellan Committee, also felt the Committee was responsible for creating the image of a labor movement infested by racketeers (Bloch, 1961).

Another serious criticism directed at the McClellan hearings concerns their treatment of Jimmy Hoffa. Hoffa's abrasive personality fitted the caricatured stereotype of a "glowering Labor Czar of awe-inspiring power"--and the McClellan Committee and news media took full advantage of it (McWilliams, 1961). In

addition to impairing the effectiveness of the labor racketeering investigation, this "scapegoating" of Jimmy Hoffa may very well have reflected, as Fred Cook (1964) maintains, "a undesirable subversion of American justice."

It has been noted how Congressional concern, generated by the McClellan hearings, led to the Landrum-Griffin Act. The American people logically assumed that the problem of labor racketeering had been curbed. One might question, however, whether a singular act of legislation, in itself, is sufficient enough to contain labor racketeering.

Many authorities challenge the effectiveness of the Landrum-Griffin Act. Philip Taft (1961) notes that "the results of the Landrum-Griffin Act were less effective than many of the proponents of reform had anticipated." The issue of trusteeships, which attracted great attention during the McClellan hearings, provides a good illustration of this. When the Landrum-Griffin Act became effective, the actual percentage of trusteeships in unions was less than one per cent. After two and a half years, this percentage had been reduced by half (Barbash, 1967). It is conceivable, however, that this reduction would have occurred regardless of the Landrum-Griffin Act. In matters of union democracy, the Landrum-Griffin Act did little to alter the union structure (Taft, 1961).

The Landrum-Griffin Act has also been criticized for its ineffectiveness in curbing abuses in certain types of unions. Philip Taft (1961) believes that "the Landrum-Griffin Act affects small unions, about whose practices ethical questions have not been raised, more than it affects the large unions whose practices have been investigated and questioned." He believes that this has occurred because "large unions can retain lawyers to handle their affairs."

Whether his reasoning is valid or not, the Teamsters did in fact have a collective group of 150 lawyers which was referred to as the "Teamsters Bar Association" (Brinks, 1961). The board of Teamster monitors, assigned by a federal judge to supervise Teamster activities, became so entangled in litigation that its reform activities were effectively undermined (Groom, 1961). The AFL-CIO, at their 1963 Convention, charged that the Landrum-Griffin Act, particularly the "Bill of Rights," had "operated to invite frivolous, unwarranted, costly and harassing litigation" (Goldberg, 1965).

It is very probable that the majority of Americans believe that the McClellan Committee and the Landrum-Griffin Act, by themselves, were sufficient anti-crime measures in the campaign against labor racketeering. The theme of this section, although giving allowance to positive contributions of the McClellan

Committee, has dissented from this general belief by stressing the imperfections of such measures. The question remains, however: is the contemporary public image of labor racketeering a valid one?

An Evaluation of Sanctions Relevant
to Labor Racketeering

The thesis has illustrated how selected factors, over the span of several eras, have influenced the growth and development of labor racketeering. These factors have constantly evolved into different forms, but their influence upon labor racketeering remains.

The AFL-CIO changed little following the McClellan hearings. The unions at first declined in membership, but in the mid-1960's enjoyed a moderate comeback (Young, 1969). This comeback was most noticeable in the "conservative" unions; the unions that grew in the 1955-1965 decade were old-line AFL unions, and those that lost membership were former CIO unions (Widick, 1965). As Richard Cortner (1962) notes, the labor movement continues to pursue "business unionism" and the winning of economic benefits for its workers.

The inability of AFL-CIO efforts to eradicate labor racketeering from within can largely be attributed to the autonomy issue. Autonomy, indeed, is Labor's great dilemma: it is a

shield for labor racketeers yet without it the AFL-CIO would not likely survive as a labor federation.

It is unreasonable to assume that the AFL-CIO will radically alter its structure to combat labor racketeering. The commitment to autonomy is powerful: it is considered democratic, for example, in that it prevents a potentially dangerous concentration of authority. It would also be very difficult, if not impossible, for the AFL-CIO leadership to comprehend the intricate problems of each member union. The result, predictably, is an AFL-CIO leadership noted for its reluctance to intervene in union affairs.

An illustration of this reluctance occurred in the latter 1950's. The McClellan Committee cited irregularities in the Carpenters Union, but the AFL-CIO, conscious of the large size of the union, was compelled to overlook these abuses (Estey, 1967). It is very probable that even the Teamsters, but for Meany's personal hostility toward Hoffa, would have been readmitted to the AFL-CIO some years ago. For these and other reasons, it must be concluded that the AFL-CIO of the 1970's, as in the 1950's, is incapable of combatting labor racketeering.

The modern relationship of unions and politics, which became firmly established in the 1950's, has continued into the 1960's and 1970's. Nearly all politicians, conservative or liberal, acknowledge union political power; both major parties actively

compete for union votes. This political power, as noted before, makes the likelihood of a congressional investigation most unlikely. The employer-union relationship, which beginning in the 1950's stressed cooperation, not conflict, has remained unchanged; the result has been an increased collusiveness between racketeers and employers, often at the expense of consumers. It must be concluded that both of these relationships are inadequate sanctions against labor racketeering.

The greatest transformation in factors conducive to labor racketeering, if it were to occur, was expected in the internal union structure. The primary design of the Landrum-Griffin Act, after all, was to aid the development of union democracy; this, however, proved impractical. After nearly fifteen years of the Landrum-Griffin Act (enacted in 1959), the union structure remains essentially unchanged (Taft, 1961).

It is organized crime, however, that attracts the most interest. A generation ago, it was not uncommon for a top organized crime figure to be well known to the public; today he takes extraordinary precautions to maintain a covert criminal identity. He has also, in recent years, concentrated his efforts on capturing legitimate "respectable" businesses.

The interest of organized crime in legitimate businesses has influenced labor racketeering. Blakely (1967) observes that

closely paralleling its takeover of businesses, organized crime has infiltrated labor unions. The thesis has noted several reasons for this with Salerno (1968) providing perhaps the most logical explanation: "the control of unions is the most effective way to prey upon or take over a legitimate business. "

An Evaluation of the Contemporary Status of Labor Racketeering

With the passage of the Landrum-Griffin Act, and the decline of news media interest, many Americans assumed that labor racketeering had been curbed. This disinterest, unfortunately, has had a negative effect on research; opinions advanced on labor racketeering after 1960, for example, have had little evidence to substantiate them. In this speculative setting, a researcher must rely upon past trends and utilization of whatever relevant facts are available to support his beliefs and opinions.

An historical analysis of labor racketeering, which has been the format of this thesis, provides the most effective means of detecting such trends. It has been shown, for example, that the factors promoting labor racketeering in past eras still exist. It was also shown that the supposed sanctions against labor racketeering are, in reality, ineffective. Congressional committees on labor racketeering have been established, and anti-racketeering

legislation enacted, yet labor racketeering has persisted as a recurring social problem.

An accurate assessment of contemporary labor racketeering is impossible. And yet, on the basis of selected trends of labor racketeering, the researcher concludes that while labor racketeering is not the massive social problem portrayed by alarmists, it would be unwise to ignore it. The trends noted herein suggest that labor racketeers are still capable of much mischief; this, coupled with the fact that labor racketeering is an organized crime activity, should suffice as sufficient notice to law enforcement officials that a serious challenge exists.

Summary

The thesis has presented an historical analysis of labor racketeering. The analysis began with 1920 when labor racketeering was almost non-existent and then, within the context of several eras, noted various factors that contributed to its growth. It also noted, in Chapter IV, the challenge that these factors still pose today. In all four chapters, the researcher has held to a central theme: to create an awareness and understanding of the nature of labor racketeering.

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