

# A department to protect workers' equity

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*The Labor Department stands as testament  
to the ability of institutions to act  
on the social justice impulse  
rationally and democratically*

JACK BARBASH

**H**alf a century ago, John R. Commons spoke of "a new equity that will protect the job just as the older equity protected the business."<sup>1</sup> Commons' concept of equity comes closest, for me, to getting at the bundle of rights implied by the U.S. Department of Labor's statutory mission "to foster, promote and develop the welfare of wage earners of the United States. . . ."<sup>2</sup>

A generation after Commons, Professor Richard A. Lester of Princeton University captured the modern essence of equity in his "welfare concept." The welfare concept encompasses the "network of employer obligations and employee rights that involve not only the dignity and well-being of the individual worker but also the security and well-being of the members of his family."<sup>3</sup>

This article takes as its standpoint the precept that the modern state requires a department of labor or equivalent to guarantee equity as a necessary condition of social stability. Our focus is on how this equity idea has fared in theory and practice over the 75 years of Department of Labor guarantorship.

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## **The meaning of equity**

Equity starts with the premise that labor as a commodity differs from inanimate commodities in having a live human being attached to it. Indeed, the beginnings of the state interest in the labor question are closely associated with the moral outrage provoked by industrialism's treatment of labor as if it were only an inanimate commodity.

In common with the rest of the Western World, the United States has come to a broad consensus that labor as a human resource is entitled to protection against the most grievous consequences of gross exploitation, autocratic management, pervasive insecurity, and unhealthful work. Therefore, equity in employment has come to mean: (1) fair compensation; (2) security of job expectation; (3) reasonable treatment at work, including voice, participation, and representation; (4) due process in the resolution of perceived injustice; and (5) a safe and healthful workplace.

Equity for wage earners is deemed so necessary to social stability that state intervention to this end has been allowed to override freedom of contract and the free market. But equity is achieved not only by law but also through collective bargaining and management policy, the latter frequently referred to as human resource

management. Indeed, a discipline called industrial relations has emerged in the last half-century or so. The essence of industrial relations is equity. Its first principle is that equity is a condition of efficiency and, conversely, resources to pay for equity have to be generated by efficiency. The art of industrial relations consists of the right mix of efficiency and equity.

The Labor Department's theory and practice of equity appears to have been shaped by: (1) Great Events in the nature of labor policy watersheds; (2) the policy directions which presidents and their Labor Secretaries have drawn from these Great Events; (3) external and internal pressure groups and coparticipants in labor policy; and (4) the state of the arts in labor policy—labor standards, labor relations, labor market policy, equal opportunity, wage-price policy, and statistics and information.

### Great Events

The Great Event is a critical development in the nature of war, mass unemployment, or a seminal idea providing the leverage for policy. The Great Events for the Department of Labor have been its founding, World War I, World War II, the Great Depression and the New Deal, the Great Society, and the Reagan revolution. The Department does not, of course, stop living in between. The Great Event establishes a dominant theme for the period ahead until the next Great Event comes along.

The Department's founding grew out of the facts of American industrial development. "Big industry, big business and the related social and political problems and benefits" came between the Civil War and World War I.<sup>4</sup> Not unlike its British precursor a century earlier, the American industrial revolution brought in its wake, as Carroll D. Wright (the founding father of the movement for a labor bureau) surveyed the state of opinion in the 1880's: "(1) the breakup of home life by woman and child labor; (2) unhealthy conditions of labor; (3) increasing intemperance and dissipation; (4) increasing crime and prostitution; and (5) intellectual degeneracy of the worker." But Wright was confident that "if the Bureau of Labor showed government the truth the government would act in a humane and logical way for all the people."<sup>5</sup> And even before Wright, in 1868, William H. Sylvis of the Molders Union—perhaps the first trade union leader of national stature—called for a Federal department of labor in words later to be used in the Department's founding statute, "to foster and promote. . . labor above all interests" and to act as labor's voice in the councils of government.<sup>6</sup>

On the eve of his appointment in 1913, William B. Wilson, the first Secretary of Labor, agonized over "slavery. . . in the mines, in lumber camps and in the steel plants. . . 1,700,000 children under 15 work[ing] 10 and 12 hours a day [and] government by injunction always in the interest of capital and never in the interest of labor."<sup>7</sup>

The Labor Department's founding was more important for its portents than for initial accomplishments. "The first labor laws were little more than the declarations of public policy against the exploitation of little children and, later, women."<sup>8</sup> The Department's founding legitimized the labor question as worthy of public policy and raised the banner of social justice for wage earners as the Department's marching orders.

The purpose of World War I mobilization was to win a war, not to advance labor equity. But the need to cope with labor shortages and strikes which interfered with mobilization gave the new Department and the unions the leverage to press for labor standards equity. World War I also brought the Department to prominence and gave it its first experience with large-scale administration of labor policy.

Immediately after the war, obscurity returned to the Department, lasting until the next Great Event, the New Deal. The labor movement suffered a similar fate but only after a social convulsion which, for a moment, looked to many as if the Russian Revolution had crossed the Atlantic.

Frances Perkins, riding the New Deal momentum, presided over the creation of a modern labor policy and a modern department whose outlines she sketched early in her tenure.<sup>9</sup>

#### I. Employment:

- a. Steady work in private enterprise
- b. Emergency work on public-works projects
- c. Adequate facilities for securing jobs . . .
- d. Adequate facilities for training . . .

#### II. Conditions of employment:

- a. Reasonably short hours of labor
- b. Adequate annual income from wages
- c. Safe and healthful physical conditions of work
- d. Practical industrial relations based on:
  - (i) Collective bargaining
  - (ii) Conciliation, mediation, and arbitration through Government agencies
- e. Elimination of child labor

#### III. Social security:

- a. Adequate provision as a matter of right when incapacitated to earn [as a result of] accident, industrial disease, unemployment, or old age

#### IV. Social and living conditions:

- a. Practical low-cost housing designed and built with wage-earner cooperation
- b. Adult education planned and conducted with wage-earner cooperation



William B. Wilson

- c. Relief and ordinary rehabilitation of the victim of the unemployment crisis with wage-earner cooperation
- d. Community life (civic, social, cultural) designed to include wage-earner participation
- e. Assimilation of the foreign-born workers by the administration of the naturalization acts for this purpose.

World War II brought in new initiatives and refurbished old ones. Again, equity was not the war's primary purpose but the ensuing full employment served as equity's main chance. Manpower planning and mobilization and comprehensive systems of labor dispute resolution and wage policy amounting to compulsory arbitration opened new frontiers of labor policy, but in this war, administered by agencies independent of the Labor Department, the Department was relegated to a supporting role. A resurgent labor movement, even though divided, was now able to speak up vigorously for equity.

### Policy directions

The big push for the Great Society came during President Lyndon Johnson's administration but many of its seeds were planted in the years of Presidents Eisenhower and Kennedy. The U.S.S.R's threat to "our preeminence" in the efficient production of goods prompted Secretary James P. Mitchell, in his 1959 annual report, to call for "a substantial increase in employment, improvement in the quality of our labor force and the more effective utilization of existing skill."<sup>10</sup> President Kennedy and Secretary of Labor Arthur J. Goldberg presided over the pioneering Manpower Development and Training Act of 1962.

Manpower policy, geared successively to automation, depressed areas, and the young, evolved under the Johnson Great Society into a wholesale attack on the causes of poverty. It was not a "matter of adjusting to change," Secretary Willard Wirtz wrote in his annual report, or being "on the defensive against change. . .but how to be on the offensive with change and make it an influence for a man's deliverance, instead of. . .his destruction."<sup>11</sup> "The door of economic opportunity had opened for the great majority of Americans. . .but prospects for advancement for minorities and women remained bleak."<sup>12</sup>

The Great Society sought to break down the structural barriers of race, gender, age, ethnicity, depressed areas, obsolete skills, and discrimination resistant to aggregate-demand, full-employment strategies. Intervention by way of social policy was also necessary because aggregate demand alone was insufficient.

The Labor Department became "primarily a manpower department"<sup>13</sup> deep into programs

for youth, veterans, hard-core unemployed, public job creation, able-bodied poor on welfare, welfare reform—in effect, adding "an active manpower policy. . .to fiscal and monetary policies that had been the chief tools for attaining 'full employment.'"<sup>14</sup>

The Reagan Presidency turned away from the New Deal and Great Society as Eisenhower, Nixon, and Ford had not. To be sure, their Secretaries had points of difference with the past. Secretary George P. Shultz thought the emphasis on strike avoidance was misplaced. Strikes served the function of confronting unions with the costs of uneconomic demands. Secretary John T. Dunlop objected strenuously to the undue legalism in labor policy.

The Reagan revolution was the culmination of two mutually reinforcing tendencies: (1) America's fall from preeminence in the world economy and (2) the emergence of a conservative tide in rebellion against the welfare state. The Labor Department in particular was criticized by the Heritage Foundation for its "general bias in favor of organized labor. . .and its general distrust of business."<sup>15</sup> Equity's dysfunctions in the unionized sector—low productivity, high labor costs, inflexible work rules, and unions with too much power—now moved into center-stage.

Secretary Raymond J. Donovan, following up on the Reagan mandate, put the Department through, as he said, a "long and sometimes painful process of reevaluation and restructuring" to make it "leaner, more efficient and more purposeful." "Private cooperation" replaced "government confrontation," especially evident in the Occupational Safety and Health Administration's "first voluntary compliance program." Training was put "where it belongs, in partnership with the private sector."<sup>16</sup>

Relations with the unions turned unfriendly and hostile throughout the Donovan term. Secretary William E. Brock, who replaced Donovan, brought better union relations.<sup>17</sup>

### Style differences

We need to say something about the diverse styles of the Secretaries to give substance to the President-Secretary relationship as an important variable.

Frances Perkins' long tenure in a time of crisis under a President who gave her free rein makes her unique both as to her strengths and failings.<sup>18</sup> Her career provides almost a composite of the Labor Secretary's job specifications. It is also helpful that her times are sufficiently documented and removed from the present to allow something like a detached judgment.



Frances Perkins

As to her strengths: She had the President's full trust and the New Deal momentum to allow unparalleled freedom of action. Never wanting to be anything else, she stayed at the job long enough to master it completely; and perhaps, she felt, too long—as she kept telling the President in her unavailing attempts to resign during Franklin D. Roosevelt's third and fourth terms. She was a thorough professional by training, experience, and commitment even before her accession to the Cabinet. She was moved by a profound passion for social justice rooted in deeply held religious beliefs. But she nonetheless understood the limits of power—particularly of executive power—in enforcing social justice in a Federal democratic system.

Secretary Perkins fell somewhat short of being the "compleat" Secretary of Labor as we think of it. Neither she nor any other Secretary could successfully enforce the Labor Department's primacy in the labor field. There was little political side to her when it came to dealing with the Congress. And, perhaps for the same reason, she could not be one of the boys when it came to dealing with union leaders. She was probably more prolabor than prounion.

### Pressure groups

In a democracy, the state intercedes for equity in the employment relationship in an environment of pluralism, pressure groups, and politics. The pressure groups that matter most to the Department, and for whom the Department matters most, are (1) the trade unions; (2) business; (3) the Department civil service: that is, Weber's classic bureaucracy; and (4) public interest pressure groups: that is, academic associations, learned societies, protective organizations on behalf of women, children, health, and so forth, sometimes—but never here—referred to negatively as "do-gooders."

Day in, day out, the unions form probably the most persistent pressure group. They have the electoral, lobbying, and research resources; they employ staff experts to monitor agencies and policies; finally, in some indefinite sense, union leaders think of the Labor Department as "their" department. Most significantly, the unions constitute the single most important political base for the Department's programs.

Union influence varies from administration to administration. Democratic administrations are as capable of crossing union interests in any specific case as are Republican administrations. Conversely, most administrations do not deliberately incur the enmity of the unions. At the very least, they will make a bow in the union direction: Many Republican administrations typically do more to conciliate union interests.

Access to the state is necessary to the unions because the state's policies affect vital union interests. Even though American unions view public policy as auxiliary to collective bargaining, the state and the Department are, nonetheless, strategic resources for achieving most union ends; more so in times of adversity when collective bargaining power tends to wane. It is therefore rare for the union movement to sever diplomatic relations altogether with the administration in power.

The vehicles through which the unions, like other groups, seek to press their interests are lobbying, advisory committees, appointment of union officials to Department of Labor posts, and tripartism. Pressure group relationships are not one-way. The Department uses these vehicles as forums for the airing of tensions before they erupt publicly. Pressure group representatives on advisory committees, for example, are good sounding boards on how far or how little the Department and its agencies can go. John Dunlop has made the point that there is not enough interaction between the interest groups and the state. "The rulemaking and adjudicatory procedures do not include a mechanism for the development of mutual accommodation among the conflicting interests."<sup>19</sup>

The incentive to settle questions in dispute between unions and the Department is greater in Democratic administrations because the parties, as political allies, are reluctant to bring disagreements out into the open.

Business spokesmen are more likely to want to restrain labor policy initiatives; the unions to advance them. Business' Department, so to speak, is historically Commerce; agribusiness' Department is, of course, Agriculture. Neither of these is centrally important to unions. But business is far from *un*-influential in the Labor Department. The Department cannot afford to have its evenhandedness questioned by business.

In Republican administrations, business groups will have much to say about the Department, with many occupants of the top posts recruited from the business community. Even Democratic administrations will include some personnel recruited because of their business background. Just as rare is a Republican administration that does not try to recruit some officeholders from the ranks of Republican labor leaders. An administration which wants to make a particularly strong bid for union support will appoint Secretaries from union circles even if they are Democrats. This invariably puts a heavy strain on the relationship. The official from the union ranks has to prove to his labor constituency that he has not sold out. For its part, a Republican administration cannot go so far in acquiescing to union demands as to raise

questions in party and business circles as to whose side the administration is really on. There is some sentiment in the unions that they are better off under a Republican administration with a nonunionist Labor Secretary, like a George Shultz, James Mitchell, or William Brock.

Many union officials have occupied sub-cabinet posts in the Department and some have even become Secretaries of Labor. But few officials at the top of a union or very close to it are inclined toward high government positions because of the job's impermanence, their unease with bureaucracy, the constant strain on their loyalties, and a sense of loss of autonomy. Union professionals—economists, lawyers, and so forth—do better in government where, by contrast, they are likely to feel less constrained than in the union.

### Interagency relations

The Department of Labor also needs to find its way around interagency rivalries, intradepartmental interests, and the convolutions of Presidential politics. The Department is, therefore, as much a standard-bearer for equity as it is equity's exclusive representative.

The Department's influence over labor policy areas is uneven. Only the Secretary of Labor can range over the entire terrain and then mostly as spokesman and advocate, not as policymaker, which is actually quite circumscribed. Subject to the allocation of power within the Labor Department, the Department is most influential in labor standards and labor market policies and preeminent in statistics and information.

The Labor Department is influential in maintaining equal opportunity employment among Federal contractors. Other agencies enforce equal opportunity in private sector employment. The Department is also influential in unemployment insurance administration, which it shares with the States. The rest of Social Security is the jurisdiction of the Social Security Administration in the Department of Health and Human Services.

The Department plays a supporting role in labor relations policy in the private sector where the brunt of the action is borne by the National Labor Relations Board (NLRB). Wage-price policy (or, as the Europeans call it, incomes policy) becomes the responsibility of ad hoc agencies outside of the Department, agencies noted for their impermanence. Finally, the Department functions by precept, as it were, in areas where it lacks coercive sanctions. This has been the case in the Children's and Women's Bureaus, in State labor standards, and, most recently, in labor-management cooperative programs.

The Department's influence is, of course, circumscribed by the Congress and by the courts. The heyday of the courts and the States in labor policy was the half-century or so prior to the New Deal. The leading role of the Federal executive branch in labor policy began with the New Deal. The Reagan Presidency marked a resurgence of State interest and some lessening of the Federal role. But the States are still far from equal partnership in labor policy.

Department unity has had to contend with the fragmenting effects of intradepartmental decentralization. The Department "has traditionally operated as a group of independent 'administrations,' each carrying out its own programmatic mission largely independently with limited central direction and control . . . a key element of Labor's organizational 'culture' for many years," concluded a General Accounting Office report.<sup>20</sup>

Equity is a means to extraneous ends as much as it is an end in itself. The equity gains achieved in time of war, for example, are mostly the price which unions demand for cooperation in reducing strikes and wage claims. When the contingency serving as equity's leverage passes, the situation can revert to the *status quo ante*, as happened after World War I. Or, when circumstances allow, equity continues to advance after the crisis, as after World War II.

At times, the state and the Labor Department are moved to assert species of "pure" equity; that is, equity is primary rather than secondary. The Great Society and New Deal appear to be the paramount examples here. In more recent times, the Department has had to restrain its advocacy of equity in the interests of retarding inflationary pressures and advancing the free and flexible market principle.

### State of the art

By the state of the art, we mean (1) what's in and what's out in labor policy; (2) the growing emphasis on methodology in the administration of labor policy; and (3) the emergence of a formal "public interest" standpoint.

Substantive policy has alternated (relatively speaking) between (a) free and regulated markets; (b) full employment and varying levels of unemployment; (c) "pro" unionism and "anti" unionism; and (d) selective and comprehensive labor standards.

Public policy in the economy at large has moved from "free" markets, as the term was commonly understood, to the interventionist push of the Progressive era checked by the courts, to World War I mobilization, to free market "normalcy" of the 1920's, to macroeconomic intervention of the New Deal and World War II, and the Great Society to Reagan dereg-

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ulation and, currently, the prospect of counter-regulation.<sup>21</sup>

The New Deal sought to cope with mass unemployment, but full employment would be attained only under conditions of a war economy. The achievement of full employment or near it led to concern over sections of the population excluded from it because of race, color, gender, or skill obsolescence. Phillips-curve theory led to the conclusion that a little unemployment need not be a dangerous thing; it *may* even be a necessary condition for a price-stable economy.

The passage and constitutionality of the Wagner Act represented the high point in "prounion" labor policy, we now know. World War II consolidated union gains by sustaining full employment and by discouraging counterunion offensives. Taft-Hartley and Landrum-Griffin marked declines in union membership, at first relatively and later absolutely. Union efforts to remove legislative impediments to organizing lately came a cropper even though endorsed by the administration which the unions had worked to elect. But it took the great recession of the early 1980's to reverse the labor relations field decisively, a process assisted by the "tilt" in NLRB decisions. The antiunion effects of recession have now become permanent. As noted, the Labor Department has had to address labor relations pathologies of racketeering and embezzlement.

The point is usually made that U.S. labor relations policy is mostly procedural, not substantive. Maybe. Within the Department of Labor's realm, the Fair Labor Standards Act, the Walsh-Healy Act, and the Davis-Bacon Act put wage floors under nonunion competition and, in effect, raised the bargaining threshold, as did the Occupational Safety and Health Act (OSHA) and the employers' legal *obligation* to bargain health and pensions.

In the United States, as everywhere, outrage at the plight of women and children in early industrialization ushered in state intervention on behalf of more-civilized labor standards. The New Deal extended *minimum* wage regulation to all private sector employment in commerce, and *prevailing* wages for work under Federal contract. Labor standards protection has been additionally extended to "undocumented aliens," plant safety, and, in one large stride, to the health effects of modern—particularly chemical—production technologies, so to speak, from the quantity of life's goods to the quality of life at work.

Comparable worth and pay equity grew out of demands by the feminist movement with eventual effects on the entire structure of compensation. At the moment, the action for pay equity comes mainly through the States and court liti-

gations, not from congressional action which the Reagan administration has opposed.

Secretary Ray Marshall, in his farewell annual report, described succinctly the road we have traveled in labor policy:<sup>22</sup>

Workers are now assured that they will not be unfairly discriminated against on the basis of their race, religion, national origin, sex or race. Basic wage standards have been provided. Income and other protections have been enacted to assist the unemployed, the poor, our retired citizens, and those who experience work-related medical problems.

We attempt to protect workers against the perils of occupational diseases and injuries. We provide opportunities for job training and public service work for those who are unemployed. We have enacted a variety of laws to assure fair treatment for those with special needs.

In 1962, President Kennedy told a Yale audience that what the times needed were "sophisticated solutions to complex and obstinate issues . . . not some grand warfare of rival ideologies."<sup>23</sup> This is a concept, it seems to me, of a "positive" or "public interest" policy in which the agenda is shaped by government. As Kennedy's Secretary of Labor Arthur Goldberg said, government ought to "assert and define the national interest."<sup>24</sup>

Positive public policy contrasts with partisan public policy. In the latter, the balance of pressure group power shapes public policy. The Wagner Act and the Taft-Hartley Act are examples of the latter; manpower policy of the 1960's, wage-price policy, OSHA, and equal opportunity are offered as examples of the former.

Positive public policy purports to be above pressure groups. The new discipline or science of "policy analysis" practiced by a new breed of social scientists, including economists and statisticians, and by behavioral, computer, and environmental scientists is very prominent in the making of labor policy.

The new policy sciences have undoubtedly narrowed the zones of disagreement. But they have not altogether replaced what Commons once called "due process of thinking,"<sup>25</sup> which includes "public hearing, notice of hearing and related procedures . . . the discovery through investigation and negotiation of what is the best practicable thing to do under the actual circumstances of conflicting economic interest."<sup>26</sup>

No source has fed the movement of equity from social reform to "due process" of thinking and policy science more than the Labor Department itself. The Department's technique of policy analysis through investigation, research, administration, and evaluation has been fed back into the industrial relations environment to become part of the general stock of expert knowl-

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edge, skill, and methodology. The willingness of the parties to industrial relations to act on this stock has undoubtedly normalized the labor bargain from class confrontation into something like an economic transaction.

There are still confrontations; nor have differences in interests been eradicated. But the struggles that rocked the industrial relations of the past are much less important in determining today's outcomes. Some part of this is due to the related process of industrial relations professionalism and the substitution of policy for trial by ordeal.

The Consumer Price Index is a good example of how a formula regularizes changes in the wage bargain and makes possible the practice of the long-term contract. Bureau of Labor Statis-

tics data have interacted with other influences to create a field and discipline, if not yet a full-dress science of industrial relations, with journals, professional associations, university degrees, and research institutions.

Vital differences still exist in industrial relations. They have only been moderated and civilized, not removed, by knowledge and technique. There is still room for mediation by human judgment, humane values, and the precepts of human experience.

The Department of Labor's implementation of equity began with an impulse to social justice. The Department stands as a testament—although it is much more than that—to the ability of institutions to act on the social justice impulse rationally and democratically; and yes, equitably. □

—FOOTNOTES—

<sup>1</sup> John R. Commons, *Legal Foundations of Capitalism* (New York, Macmillan, 1924), p. 307. Commons was a University of Wisconsin professor who, with his students and colleagues, laid much of the intellectual groundwork for the "new equity."

<sup>2</sup> Public Law 426, 62d Cong.

<sup>3</sup> Richard A. Lester, "Revolution in Industrial Employment," in E. Wight Bakke, Clark Kerr, and Charles W. Anrod, *Unions, Management and the Public* (New York, Harcourt, Brace and World, 1967), p. 471; and *Labor Law Journal*, June 1958.

<sup>4</sup> Jonathan Hughes, *American Economic History*, 2d ed. (Glenview, IL, Scott Foresman, 1987), p. 307.

<sup>5</sup> Quoted in James Leiby, *Carroll Wright and Labor Reform: The Origin of Labor Statistics*, Harvard Historical Monographs 46 (Cambridge, MA, Harvard University Press, 1960), p. 40.

<sup>6</sup> W. B. Wilson and others, *The Anvil and the Plow: A History of the United States Department of Labor, 1913-63* (Washington, U.S. Department of Labor, 1963), p. 259.

<sup>7</sup> Roger W. Babson, *W. B. Wilson and the Department of Labor* (New York, Brentano's, 1919), p. 146.

<sup>8</sup> U.S. Bureau of Labor Standards, *Growth of Labor Law in the United States* (Washington, U.S. Department of Labor, 1967), p. 1.

<sup>9</sup> *Anvil and the Plow*, pp. 72-74.

<sup>10</sup> *Ibid.*, p. 191.

<sup>11</sup> *Ibid.*, pp. 253-54.

<sup>12</sup> Sar A. Levitan, Peter E. Carlson, and Isaac Shapiro, *Protecting American Workers* (Washington, The Bureau of National Affairs, Inc., 1986), pp. 5-6.

<sup>13</sup> Jonathan Grossman, *The Department of Labor* (New York, Praeger, 1973), p. 118.

<sup>14</sup> U.S. Department of Labor, Employment and Training Administration, *Research and Development, A 16-Year Compendium (1963-78)* (Washington, 1979), p. vii.

<sup>15</sup> Heritage Foundation, *Mandate for Leadership, Policy Management in a Conservative Administration* (Washington, 1981), p. 453.

<sup>16</sup> U.S. Department of Labor, *Annual Report* (Washington, Superintendent of Documents, Government Printing Office, 1983), p. ii.

<sup>17</sup> Marianne Means, "Labor Secretary, Pragmatic Member of Reagan Cabinet," *Seattle Post Intelligencer*, Sept. 21, 1987.

<sup>18</sup> Based mainly on George Martin, *Madam Secretary, Frances Perkins: A Biography of America's First Woman Cabinet Member* (Boston, MA, Houghton Mifflin Co., 1976).

<sup>19</sup> "The Limits of Legal Compulsion," *Labor Law Journal*, February 1976, p. 70.

<sup>20</sup> U.S. General Accounting Office, *Strong Leadership to Improve Management at the Department of Labor* (Washington, 1985), p. 9.

<sup>21</sup> Alan Murray and Ellen Hume, "Reagan's Fiscal Policy. . .," *The Wall Street Journal*, Nov. 17, 1987, p. 1.

<sup>22</sup> U.S. Department of Labor, *Annual Report* (Washington, Superintendent of Documents, Government Printing Office, 1980), pp. vii-viii.

<sup>23</sup> Quoted in *The New York Times*, June 12, 1962, p. 20.

<sup>24</sup> Quoted in H. S. Roberts, "Toward an Understanding of Public Interest in Collective Bargaining," in Jack Barbash, ed., *The Labor Movement: A Re-Examination* (Madison, WI, University of Wisconsin, Industrial Relations Research Institute, 1966), p. 142.

<sup>25</sup> Commons, *Legal Foundations of Capitalism*, p. 35.

<sup>26</sup> John R. Commons, *The Economics of Collective Action* (New York, Macmillan, 1950), p. 25.

### Helping workers and employers

*The Labor Department's role in helping workers and employers is illustrated by the following brief excerpt from the recollections of Clara M. Beyer, who began working in the Department in 1917 during the tenure of William B. Wilson, the Department's first Secretary, and served in a number of key executive positions until 1958, when she became a labor adviser for the Agency for International Development. Mrs. Beyer, now 94, lives in Washington, DC.*

Miss Perkins was a strong supporter of workers' education—training to equip workers to improve their understanding of the role of unions, the importance of the labor movement, the skills of negotiation, and matters of that sort. The Labor Department assisted workers in organizing, but so much more was left undone.

The preparation of a model shop steward's manual proved to be an interesting affair, both in its conception and eventual publication.

One day the Personnel Director from Lockheed whom I knew, came to visit me in frustration. He said, "Clara, I'm wasting such time with these trade unionists. We have a union, but the leaders just don't know how to operate, or what their functions are. I spend all my time on grievances. I've got a group in here who have come all the way to Washington to try to settle a particular issue that should be settled right in the plant without any trouble. Could you talk to those men if I send them up?"

I agreed to see them and shortly five or six men trooped into my office. I put them in a good frame of mind by asking what their troubles were, and what problems they were dealing with downstairs, how negotiations were going. I then gave them a briefing on how I conceived the union should build itself into a strong organization to enable it to handle matters in dispute without having to come to Washington. I explained why they would need to have a complete understanding with the employer on how grievances were handled, an agreed procedure for resolving disputes from beginning to end. I gave them a good trade union speech and when they said

they didn't know where to begin, I said, "Do you want me to send somebody out to help you draw up your contract with the employer?" They responded, "That would be great."

I sent out Jean Flexner, a member of my staff, to work with the union in Los Angeles. She arrived on the West Coast on December 7, 1941, the day of the Japanese attack on Pearl Harbor. Despite the pandemonium she spent about a month in intensive study and observations, sitting in on meetings, talking to foremen and workers, seeing the problems as they arose, and analyzing the cause of labor troubles in the past. Out of that, she drew up a contract of understanding of whose responsibility was what, at what stage the union representative took a matter back to the management, of what information they had to have, what management similarly had to have, among other matters. She had gotten that cleared by both the union and management, and it was all pulled together in a shop steward's manual, because it was on the shop floor where trouble usually started.

When she brought back the manual, I took it around to the A.F. of L. and showed it to them. They were quite excited about it; they agreed they should have a shop steward's manual for their people. They took whole paragraphs out of the manual Jean Flexner prepared, and copied it for their own use.

With the manual serving as a model, we also developed a similar guide for management entitled, "Foreman's Guide to Settlement of Grievances." These were the forerunners of supporting publications, all of which had wide circulation and use.