

October 7, 1947

Chairman Eccles

Speech by Mr. Clarence W. Avery

Kenneth B. Williams *KBW*

"Industrial Relations and the Taft-Hartley Law"

Mr. Avery's speech is divided into three sections. In the first two sections, his views appear to be the usual ones of business spokesmen. In the third section, he discusses Murray Corporation policy and here he indicates a high degree of fairness, honesty, and reasonableness.

In the first section, Mr. Avery reviews briefly the background and consequences of the Wagner Act. His remarks are the customary ones about the failings of the Act as interpreted and administered under the New Deal. His comments are generally one-sided and somewhat lacking in perspective. For example, such undesirable union practices as mass picketing, sit-down strikes, and use of violence are treated as if they were the normal and general practices of all unions. Little account is taken of undesirable management practices that led to the passage of the Wagner Act or that stimulated the unions' use of drastic measures. The Wagner Act seemingly is held responsible for all union abuses. Indeed, one might obtain the impression that there had been no labor troubles before passage of the Act.

In the second section, Mr. Avery briefly summarizes and endorses the major provisions of the Taft-Hartley Act. He places particularly strong emphasis on the desirability of the responsibility clause which permits unions to be sued in Federal courts for contract violations.

In the third section, Mr. Avery discusses labor relations policies of the Murray Corporation with particular reference to the recent strike there, the first in ten years. The sole issue involved in the strike was the union's insistence upon inclusion in the contract of a clause which would permit the union to avoid legally any responsibility for contract violations. Mr. Avery refused to accept this clause.

Mr. Avery's attitude appears to me to be reasonable. Obviously, his refusal to accept the union clause was not because of a desire to weaken or break the union by suing it for contract violations beyond its control. In the end, the union apparently was convinced that

Mr. Avery's motives were honest and accepted a compromise clause. In essence, the compromise clause requires the union to accept full legal responsibility for authorized violations of the contract. However, it relieves the union of legal responsibility for unauthorized stoppages on the condition that the Company is given a free hand to discipline union members involved in such wildcat strikes.

The agreement appears to be a reasonable solution for both sides. Management is given assurance that the union will live up to its contract; the union is given assurance that its existence will not be jeopardized by the company taking advantage of insurgent groups in the union or by the behavior of individuals acting without authorization.

In his discussion of the matter, Mr. Avery gave every evidence of honestly wanting to reach an agreement that was fair to all parties. On the whole, I was favorably impressed with Mr. Avery's speech and not inclined to attach much importance to the general statements in the first two sections.

KSW:mmm