



ANGLE TAB VISIBLE-NAME FOLDERS

CAT. No. 50939

✓ Read K&H, mainly. I just criticize a little.

X 1. What is labor? all useful human effort

K&H, & Kiehl, talk about a small segment - org. labor.

✓ & not all org. labor at that. - AMA, Bar Ass,

as the rest of us had no problems.

✓ 15 m out of 60 m. Hoover about "wage-earning class", 200 yrs old.
People have been working for others since dawn of hist.
Ancestors have been thru this all before.

Big oversight.

Consider effects. Closed & open professions.

Org. labor says lets repeal equilibrium principle

Pushing other labor out to lower margins in other professions.
or other areas, for unions strong in some areas, not in others.

Where?

Forgotten man today diff. from '30s: the unorg. laborer.

Voted Repub, & for T-H.

Various ways of pushing men out: outright exclusion, electricians' union, etc.

✓ Hi min. wage req. (law of dim. returns)

2. What determines wages of labor? More in 202.

9s MP - what last man adds to total.

Due to dim. ret., the more complements, the higher wages.

Employers bid more. Or men start own businesses, as on frontier.

How ~~labor produces~~ MP of labor?

1. More land
2. Use what we have better - vast possibilities
3. Create cap, complementary to labor.
4. Org. ac. better - purpose of whole course.

3. Influence of unions.

a. What are unions.

~~the~~ Universal - K of L, IWW

Craft - AFL, Gompers - Green - Meany.

Industrial - CIO, Lewis - Murray - Reuther

b. How operate?

Insulate members from genl labor mkt.

Thus raise some, lower others.

Even an ~~open~~ open shop is 'closed', empl. limited, by

~~the~~ hi wage requirement.

c. Weapons.

Collective bgriz: "social pressure" (w. lead pipes)
Strike, picket, boycott, sabotage, politics, control techniques
now weakened by fed. & state lg.

Employers

Lockout, blacklist, strikebreakers, injunction, yellow-dog, emigrate.

Cap is hard to catch, like greased pig.

(runaway shop)

d. Politics.

a. 8 hr. day. Old goal of labor. ^{Many laws, from 1868 on.} Proved unenforceable.

Came gradually, as productivity, hence wages, rose. - as employers bid more for men.

b. 1935 Wagner Act, legalized collective bargaining, NLRB setup to enforce

c. 1938, Fair Labor Standards Act.

Min wage.

Max hrs - time & 1/2 for over 8 hrs.

d. 1947 Labor-Mgmt Relations Act (T-H)
Outlawed closed shop

4. Union control. Local vs Nat.

Like fed. govt: locals create nat, nat. creates more locals.
Locals strong. Jurisdictional disputes
C 90 postwar so-n offensive

Why? a, Δ polit. support

b, Prevent employers' escap'g by emigration.

" consumers' " " buy'g cheaper elsewhere.

5. What harm are unions?

Reduce mobility. Seal off some trades.

Oppose productivity, new techniques. Painters vs wide brushes & rollers. Antiquated

~~building~~ bldg codes. Oppose time & motion - in extreme, is featherbedding.
"Nursing" jobs.

~~Union restricts~~ ~~Reduces~~ ~~rest~~ ~~ing~~

Cost of strikes. To all, not just men. Longshoremen e.g.

Mopze some ind-y --- ind-y wide bargaining. Teamsters

Confuse lines of authority. are too many cooks already

Throw weight around, abuse power

History: unions as old as ind-l emplmt. Flemish & Florentine weavers. ^{Craft guilds, of} ~~Chained~~
Eng, e.g. Drove cap. into new trade routes, or putting out system

6. What good are unions?

- a. Enhance self-respect of men, vs employer? Make employer + treat like humans. Even if paternalist, union better. Raise morale.
- b. Raise wages, for members } make feel like group members.
Frighten other employers into paying more
- c. Force mgmt to be more effic., to pay higher wages. Is often possible
- d. Communicate desires & grievances to employer. Insist on safety devices
- e. Soc. sec. for members
- f. Political counterweight to big campaign contributors

Mobility vs group membership. 2 ideals often conflict.

Can reconcile by having open groups. Unions close 'em — & frighten many to cling to petty vested int.

7. When can union Δ wages?

a. From employer. If fixed; & w. hi prop. inc. Rwy, e.g.
But K-F-Willgo, voted -10% wage cut.

b. Consumer? If inelast. demand, & no comp'n ... ind-y wide b'gng.

7. Unions lead to soc-sm?

1944, kaput. "... something to conserve".

But deadlocks, govt takes over.

8. Tend to equalize inc?

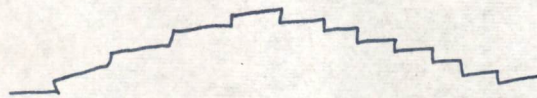
Not among labor. Improve some, hurt others. ^{Tacoma vs Seattle} Split labor
into selfish groups. So "Who speaks for man"?

So labor is exploited, often. Are unions any answer?

Collective bargaining:

Ch. 21 good.

1. Equity



2. Effic.

a. Equimgmt.

b. Strikes, boycotts
2 day disruption.

Deadlocks - ~~off~~

Reaction - slowdown, "lump of work" theory.
Jurisdiction Disputes. Featherbedding.

(Something to it, dim. returns.

(Try to reduce supply

(Thus redistribute in their favor.

3. Lead to socialism?

-- something to conserve.

But deadlocks.

4. When successful?

~~1. 1. 1.~~ Demand for labor inelast. (doctors, lawyers)

i. ~~1. 1.~~ Monop

ii Org whole ind, make it a monop

iii 2 firm mgmt firm.

~~iv 1. 1.~~ Cap. can't escape. - unlike A.J. Higgins.

~~1. 1.~~ Does union gain from employer or consumer?

Depends.

If demand elastic, & supply of other resources
inelastic, from employer.

Opp, from cons.

5. Final result: union & industry combine, jointly monop vs public.
Reuther to contrary: guaranteed annual wage, not wage rate. Forces production.

How Δ all wages? Δ productivity, labor opp.

How do that?

Conquer more land.

use land better

Create capital

Organize ee. better - better roads, more specialization, ~~in~~ etc.

Inventions. -- not labor saving, but land-saving. Trade is land saving - ~~import~~ trade products of 2 home acres for what wd take 4 acres to produce at home.

"Business unions" vs idealistic unions.

Must a union have "closed shop" to have any power?

(No - can have min. wage

Local vs nat. authority. - or "Internat."

Mixed. Wildcats. $\&$ Tax. tract.

Locals create nat, nat. creates more locals - eg. CIO, postwar offensive vs south.

Why does nat. want to unionize other ind.? Keep cap. from running away - as it was to south. & raise ps, whole ind.

X

Labor weapons:

Strike (is sitdown strike legal?)

Picket

Boycott (2 day boycott legal?) (generally not)

Sabotage.

Politics

Types of union.

Craft (name some - where most common, Hdg trades. AMA?)

Industrial

"Labor" - K of L.

AFL, CIO, KLF, IWW; Indeps - r.r.; Company Unions - went out, most of 'em, with '35 Wagner Act, which set elections.

✓ Radical vs Conservative. Are unions radical? Vested int. Inheritance.

"Internat." - all over world?

c. 1m AFL

c. CIO

c. 60 m labor force

Gompers, Green, Meany

Lewis, Murray, Reuther

✓ '35 Wagner Act, legalized collective bargaining - set up NLRB to encourage it.

(Anti-union shop) Open shop, union shop, closed shop

✓ ——— Is there just so much work to go around.

Labor as mopp. "Mopping" job.

Min wage & max hrs laws

8 hr day - many laws passed, from 1868 on, but unenforceable.

Finally came when labor wanted it, bcs better off.

✓ 1938, Fair Labor Standards Act - max hrs, min. pay. Time & $\frac{1}{2}$ for over 40 hrs/wk. Many exceptions, but much enforced.

"Make work"

Lincoln Electric, bonus payments.

+ The strike as weapon - destructive. Leads to govt control & ownership. Why involve force? To keep out strikebreakers, other workers.

✓ → Effect on empl. - shows need to discuss M, saving, etc.

Read book for basic facts. Here, discuss.

✓ + When propitious to strike? -- Limits to labor movement. New kind of prop.

Hi fixed costs

Spoiling, other goods

Firm's demand elastic - will lose business to others. No -

Output is perishable - no latent demand will build up.

✓ - Firm is rich - not mgt. Or else customer's rich, demand inelastic. Barbers.

Employer won't reduce ~~wage~~ ^{empl.} much. as wage Δ s.

+ Employer uses:

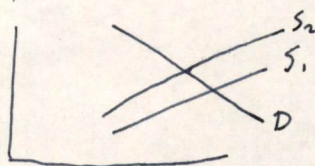
Lockout, blacklist, strikebreakers, injunction, ^{now weekend by state & fed leg.} yellow-dog,

(Immigration)

Effect of higher wage rates on spending.

What det.s spending? Inv. opp. Most cash held by businesses, looking for inv. opp. As for labor, as such, lives from hand to mouth - if gets M spends, if not, not.

Higher wage rate demands are a form of restricting supply



Get fewer employed. Maybe more spending for labor, maybe less. But certainly less for other resources, factors. & less total. $MV = PT$.

Exception: if other factors hoard inc., & labor spends all. From that, some conclude shd Δ wages. But that in itself is one thing making others hoard, not just incomes, but, what is more imp-nt, cash on hand.

Effect of imports.

Labor intensive goods

1. Basic fallacies. - labor buys as well as sells.
2. Grain of truth: labor intensive goods. But a small grain.

Wd. wages ever go up w/o unions. How?

(employer's bid, when need labor. Men move out & employ selves.
Proclamation Line. Benton. Homesteads.

Advantages of ~~free~~ labor mobility:

Labor move to where needed - where productive. Flexible - no pensions, seniority, etc.

Maximize total output. Now, have men working in less productive employments, than might be.

If min. wage law, must employ everyone? Unempl. results. What do advocates answer? A demand. Shows we must study that before concluding. So defer conclusion.

1938, Fair Labor Standards Act, 40 hr week. Did that mean no one could work longer? No - time $8\frac{1}{2}$. Max. hrs law unenforceable.

Industry-wide bargaining.

Do unions gain from employer, or consumers? - defer to 202.

When can union be successful:

- Employer ~~dim~~ has many assets.
- Customers can meet higher p , take as much (inelastic dem)
- Empl. cannot move assets away.
- Sharply dim. returns.
- Output perishable, so employer vulnerable.

Basic source of "farms" problems is too many resources in ag. - b.s.
'chronic overproduction' - b.s.

More competitive, techn. advance, & less mobile. B.s.

Other sectors merged, push people to farm.

No recognition of l.v. problem.

Parity, 1910-14. Stabilizes buying power of unit of farm output.

Non-recourse loans.

Largest benefits to richest farms

Surplus wasted. Or withdraw land, waste it. And by reducing allotments on 90 basis, lose = ingratism.

Problems, no answers.

Labor unions & distrib-n of income.

Wagner Act, '35, made employers bargain w. employee reps.
certified by N.L.R.B.

(Big news: AFI & CIO now joined)

c. 15m. members.

Not sure if unions Δ d members' wages. Maybe Δ d output/man
(MP?) & infl-n.

Effect on non-union wages? Not sure. b.s.

Conclusion - complacent; & inconclusive. We don't know nothing;
& we ain't responsible.

Sem. ch. 28, Labor. Very good chap, students read closely.

Much nat. res. makes labor productive U.S.

Dis returns, more labor, w. large free trade area.

Possibility that is an "opt. pop." - bs, static.