

# The Rise of Labor Unions



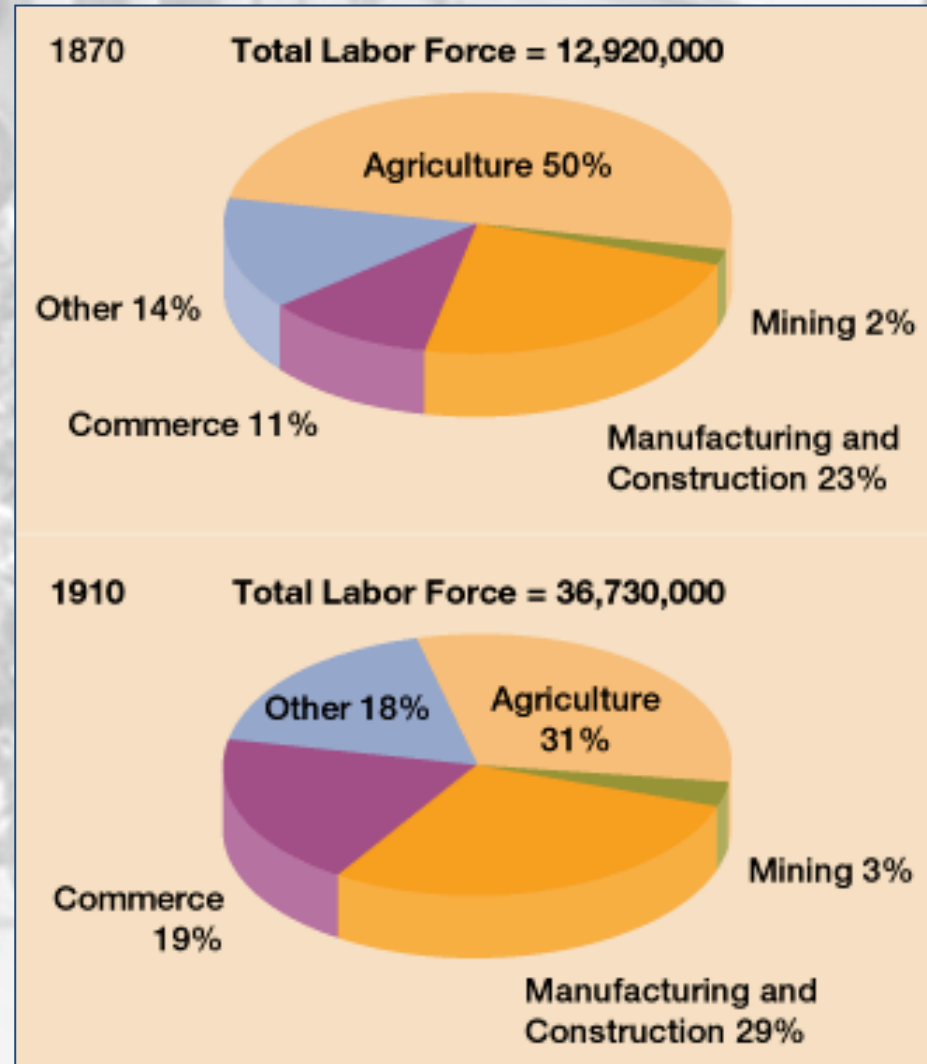
**LABOR-**

**MANAGEMENT**

# Changing Labor Force

## Effects of the Industrial Revolution:

- *Laissez-faire* capitalism led to poor working conditions
- Wages were low because of a large, unskilled labor force
- North saw more industrialization because of the stable presence of capital and labor

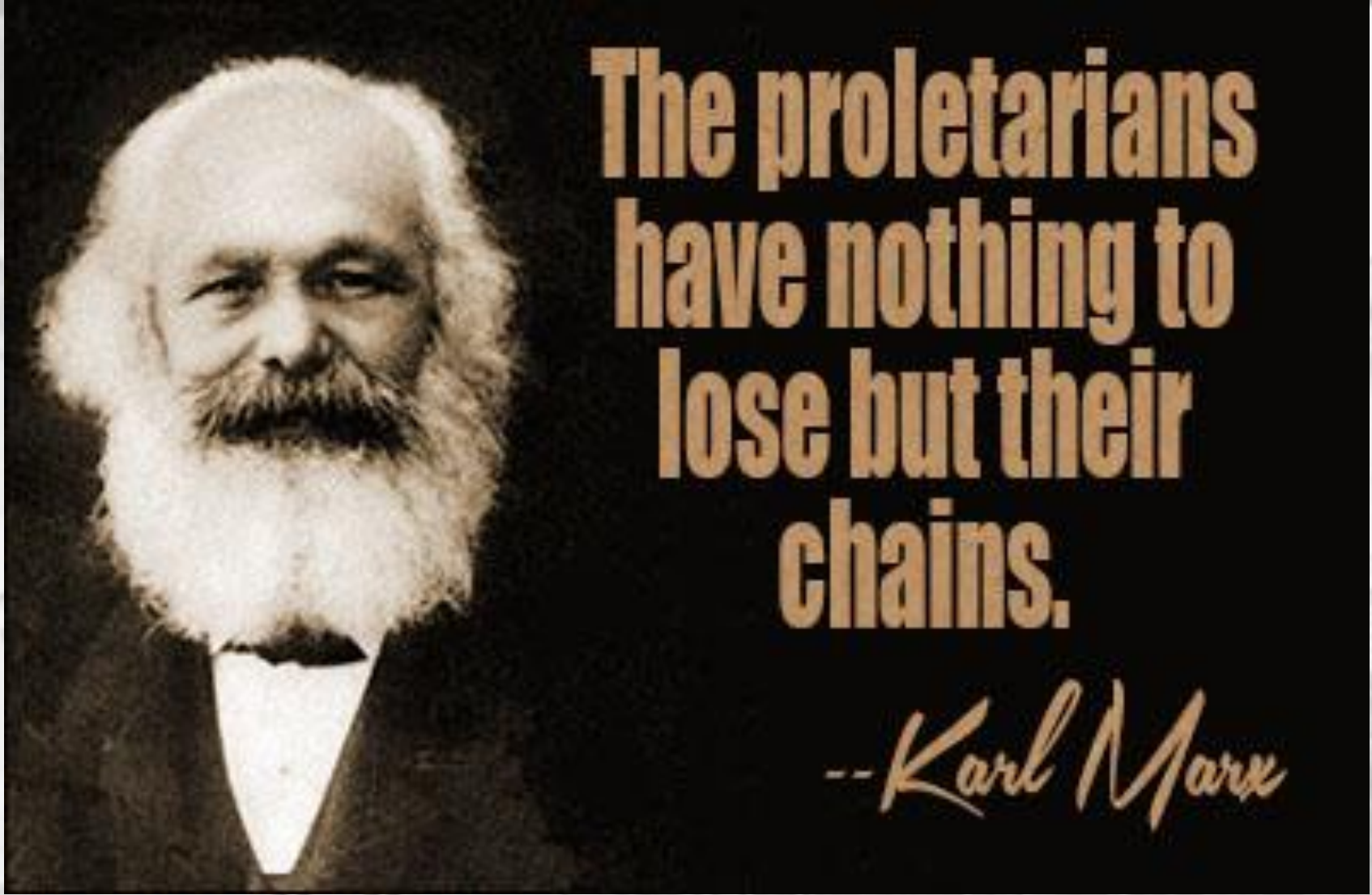


# Working Conditions

- Small, crowded rooms
- Specialization made workers tired, bored, and more likely to be injured
- Managers paid less attention to working conditions
- Poorly lit and ventilated “sweatshops” were common
- Unsafe workplaces
- Long hours
- Low wages
- No job security







**The proletarians  
have nothing to  
lose but their  
chains.**

*--Karl Marx*

- Karl Marx/Frederick Engels wrote The Communist Manifesto comparing the system to capitalism in 1848; Proletariat struggle against the Bourgeoisie
  - Workers (Proletariat) are exploited by factory owners (Bourgeoisie)
  - Workers should overthrow the capitalists and redistribute wealth and property

# Panic of 1893

RRs going “nowhere to nothing”  
too fast → many go bankrupt →

Stocks plummet →

Banks lose confidence and stop  
giving loans →

Farmers had borrowed too much  
& businesses had sold too much  
on credit

Result: Govt revenue and reserves  
drop → value of gold drops



# Coxey's Army

-Led by Ohio businessman Jacob Coxey

-The purpose of the march was to protest the unemployment caused by the **Panic of 1893**

-Lobbied for the govt to create jobs which would involve building roads and other public works improvements

-Wanted workers paid in paper currency which would expand the currency in circulation



1<sup>st</sup> significant popular protest march on Washington, D.C. (500+ men)

Result: Coxey was arrested for trespassing on public property and the protestors dispersed

# Labor Tactics

- Picketing: public protest against mgmt. practices that involves members marching and carrying signs at work site
- Strikes: walkouts - most effective
- Wildcat Strikes: striking without labor union leader authorization
- Boycott: refusing to purchase the products of a company



# Business Owners/Management

## Issues

- Granting any of the labor's demands would cut into profits
- Large supply of labor meant workers could easily be replaced
- The U.S. govt showed no support for labor
- Press/media at the time was typically biased or even paid to report negatively about union activity

## Tactics Against Labor

- Lockout: mgmt. closed the factory or place of employment
- Blacklist: record kept by companies of employees who shouldn't be hired because of union activity
- Scabs: non-union, replacement workers hired during a strike
- Yellow dog contracts: employee agreement not to get involved in union activity (before hired)



# Union Security

- **Closed Shop:** union membership is a prerequisite to employment - later outlawed by the Taft-Hartley Act (1947)
- **Open Shop:** membership is voluntary
- **Union Shop:** hire members or nonmembers, but they must become members after a certain period of time or they have to be terminated
- **Maintenance of Membership Agreement:** must continue their memberships until the termination of the agreement

