

They were successful against Schenley with the first contract covering a very few people. But why were they successful?

In my opinion, Schenley Corp. took a look at all the intellectuals picketing the liquor stores, and they said, "Settle that thing out in California."

There was a secondary boycott regarding Schenley. If the farm industry had been covered under NLRA, the farmworkers would not have been able to boycott Schenley or DiGiorgio in terms of their other products.

Mr. FORD. Also, on page 6, is a list of things that you thought were exceptional. From your answer to Mr. Scheuer, I got the impression that you thought that it was at least startling that management would agree to the union shop.

Dr. HAUGHTON. As a first contract, really a first major contract in an entire industry. You and I know that if General Motors did not have a union shop, they would—

Mr. FORD. General Motors management has disassociated itself as much as anyone else in the industry from an effort to fight repeal of 14(b), because they now believe it is to their advantage to have union shop, as distinguished from the farm industry.

Dr. HAUGHTON. I wouldn't know. I would accept your statement.

Mr. FORD. This committee has held hearings, and one of the interesting places where we have found relative labor peace has been in the automobile industry.

In hearings we have had in the past, everyone in the automobile industry has very carefully disassociated themselves from the attempts by the regular working people to fight the concept of the union shop. They stop short of national endorsement, but they demonstrate that it is something that they prefer to live with.

Dr. HAUGHTON. I can understand what has been said here.

I will say that General Motors management and management of that type are unbelievably sophisticated, and whatever answers they are to be had, they know how to get them, and they know how to analyze them.

If one goes even into upstate Michigan, it would not be hard to find an employer covered under the NLRA who would be violently opposed to the union shop.

This does not bother me. This is his privilege, and there would be unions who would be for it.

The point I am making is that except for these highly sophisticated places a union shop is still considered controversial.

I don't think the union shop is noncontroversial in our society.

Mr. FORD. Can you tell me what the principal item was that had to be settled by the first arbitration procedure?

Dr. HAUGHTON. We had a preliminary sort of administrative arbitration on who gets to vote. We will forget about that.

We had only one arbitration, and there is some scheduled arbitration now under this new contract, under "grievances."

Mr. FORD. What was the most serious issue?

Dr. HAUGHTON. Money and money items, because we recommended voluntary coverage under the California Unemployment Insurance Act, for example. To a totally unsophisticated person that is not money, but it is 2.8 percent of the payroll.