

# Ethical



*"The ethics of a businessman are not good enough for a trade union officer. What might be admired as no more than 'sharp practice' or clever dealing when it is engaged in by an employer, become corruption and unethical practice when indulged in by a trade unionist." – Al Hayes*

**A**lbert J. Hayes joined the IAM in 1917 as an apprentice machinist. He made ten cents an hour in a Milwaukee railroad repair shop. For a seventeen year old, that was good money in the middle of a world war. But a grave injustice limited the take-home pay of Hayes and his fellow apprentices.

The shop foreman refused to shift the apprentices from machine to machine. His pettiness prevented them from gaining the skills required to become journeymen machinists. The apprentices finally rebelled. They elected Al Hayes to be the chairman of their apprentice boys committee.

In meetings with the shop's general foreman,

# Practices



*Former IAM International President Al Hayes, center, testifies before the Joint Subcommittee on Labor-Management Reform Legislation. Hayes was chairman of the AFL-CIO's Ethical Practices Committee, whose mission was to protect the labor movement from corruption.*

Al Hayes, having criticized the compromise, was elected chairman of the new shop committee. In short order, the grievance was settled in the members' favor.

## Elected by the Members

In 1924, Hayes was elected president of District Lodge 7 covering the entire Chicago and Northwestern Railroad System. He became a grand lodge representative in 1934 at the height of the Great Depression. His fight against injustice and for his "boys" continued.

As one of the IAM's most experienced negotiators, Hayes signed first contracts with more than a score of big midwestern corporations, including Nash Kelvinator, American Brass and Simmons Company.

His reputation as a tough negotiator grew. In 1944, IAM President Harvey Brown selected Hayes to fill a vacancy on the Executive Council.

A year later, Al Hayes was elected general vice president and assigned to Grand Lodge Headquarters.

In 1949, upon Brown's retirement, Al Hayes became the eighth president of the IAM. Under his leadership, the Machinists union nearly doubled in size and played a historic role in unifying the American labor movement.

Hayes re-affiliated the IAM with the AFL in 1951. He was elected vice president of the American Federation of Labor in 1953, served as a member of the Joint AFL-CIO Unity Committee, and then became a vice president of the merged Federation in 1955.

## Ethical Practices Committee

For the next decade, Al Hayes chaired the AFL-CIO's Ethical Practices Committee. The committee was charged with protecting "the labor movement from any and all corrupt influences and from the undermining effects of communist agencies and all others who are opposed to the basic principles of our democracy and free democratic unionism." And it drew the vigorous support of the

Hayes secured the apprentices' right to learn their trade and won fairer treatment for his "boys."

Soon a serious grievance arose in Hayes' Local Lodge 1052. The shop committee sought redress from management but, in the course of their talks, managed to compromise the case. Members were outraged. During a stormy lodge meeting, the shop committee resigned.

AFL-CIO's first president, George Meany.

Members of the Ethical Practices Committee included Joe Curran from the National Maritime Union, David Dubinsky from the Ladies Garment Workers, George Harrison from the Railway Clerks, and Jacob Potofsky from the Amalgamated Clothing Workers. Arthur Goldberg, a future Justice of the United States Supreme Court, served as counsel to the committee.

### New Codes of Ethics

Between August 1956 and May 1957, the committee issued six codes of ethics for unions affiliated with the AFL-CIO.

The first code, issued in August 1956, dealt with local union charters. Charters were to be issued only to legitimate trade unions and only to promote the general welfare of the workers. Only a group of bona fide employees who were eligible for membership in, and who were with-

in jurisdiction of, the union issuing the charter could apply for a charter. This first code of ethics effectively barred the chartering of phantom locals or locals designed to enrich employers or labor racketeers.

In early 1957, three more ethics codes were issued. The first sought to prevent "crooks, racketeers, Communists and Fascists" from holding union offices. Affiliates had to amend their own constitutions to explicitly make such individuals ineligible to hold office. And unions could not retain in office anyone who was convicted of a crime involving moral turpitude or was commonly known to be a crook or racketeer.

The second code dealt with conflicts of interests. Union officers could not have a personal financial interest in any represented company. Kickbacks, under-the-table payments or personal gifts from employers were prohibited. The Ethical Practices Committee believed that union officers had a fiduciary duty to serve the membership honestly and faithfully and to avoid any personal economic interests that might conflict with the full performance of that duty.

The third code covered



*Former IAM International President Al Hayes at a Congressional hearing.*



*Counsel to the McClellan Committee, Robert F. Kennedy, second from left, questions a witness during a committee hearing as his brother, Senator John F. Kennedy, listens in 1957.*

the administration of health and welfare funds. The committee drew up a comprehensive list of guiding principles including:

- ban on union officials who receive a full-time salary from receiving any further fees or salaries from a health and welfare fund;
- prohibition against personal ties with anyone doing business with the fund;
- requirement for maintaining complete records, conducting regular audits and issuing annual reports;

- an admonition to select insurance carriers only on the basis of competitive

bids; and

- set of rules to prevent investment of fund reserves in the business of any contributing employer.

Trustees receiving an unethical payment were to be removed and legal steps taken to recover lost funds. Designed to prevent raids on these health and benefit funds, this code was a reaction to the theft of almost a million dollars by one union official.

In May of 1957, the AFL-CIO Executive Council approved two more codes

*The AFL-CIO Ethical Practices Committee defined the boundaries of propriety for trade union officers.*

recommended by the Ethical Practices Committee. The first detailed the financial practices unions should follow. The second ethics code addressed the basic principles of union democracy.

The Union Democracy Code said “Each member of a union should have the right to full and free participation in union self-government. This should include the right (a) to vote periodically for his local and national officers, (b) the right to honest elections, (c) the right to stand for and hold office, subject only to fair qualifications uniformly imposed, (d) the right to voice his views as to the method in which the union’s affairs should be conducted.”

*The McClellan Committee called 1,525 witnesses. It was one of the largest Congressional investigations in American history.*

### The Glare of Publicity

The codes written by Hayes’ Ethical Practices Committee and adopted by the AFL-CIO came *before* the start of an unprecedented set of Senate hearings.

Senator John McClellan

chaired the Senate Special Select Committee on Improper Activities in the Labor Management Field from January 1957 until its final report was published in late 1959. With 100 staff members, it was the largest congressional investigative staff in American history.

Holding nearly 100 days of hearings, the Committee called 1,525 witnesses to probe organized crime’s influence in various unions and industries. The committee’s Chief Counsel, Robert F. Kennedy, grilled high-ranking union officials and mobsters alike.

As a result of the McClellan hearings, Congress passed the Labor-Management Reporting and



Photo by Douglas Jones

*McClellan Committee Counsel Robert F. Kennedy confers with his brother, Senator John F. Kennedy.*



Senator John L. McClellan, left, Chairman of the Senate Special Committee on Improper Activities in the Labor Management Field, and Robert F. Kennedy, his chief counsel, questioned 1,525 witnesses between 1957 and 1959.

Disclosure Act of 1959, more commonly known as the Landrum-Griffin Act. The new law provided for a union members' bill of rights and imposed financial reporting requirements on unions.

### Conscience of the Labor Movement

Speaking at the University of Notre Dame in 1958, Al Hayes explained that the AFL-CIO Ethical Practices Committee was meant "to define, in certain and unmistakable terms, the boundaries of propriety for trade union officers.

"Until recently there were no such rules, and trade union officials had only the ethics of a busi-

ness society to guide them," Hayes reminded his audience. "The ethics of a businessman are not good enough for a trade union

*During Al Hayes' four terms in office, the Machinists union grew from 518,000 to 875,000 members.*

officer. What might be admired as no more than 'sharp practice' or clever dealing when it is engaged

in by an employer, become corruption and unethical practice when indulged in by a trade unionist."

Hayes asserted that the Ethical Practices Committee "might be called the conscience of the labor movement" and "it is a very active conscience." And he had the facts to back up his claim.

During the previous summer, Hayes' committee brought charges, held hearings, and took action against five affiliates. The 1957 AFL-CIO Convention then expelled three unions and placed two under supervision.

Al Hayes and his Ethical Practices Committee were praised for their efforts to ferret out corruption in

the labor movement.

Senator Paul Douglas (D-IL) said “that these ethical practices codes are not mere paper pledges can be seen from the way the AFL-CIO is moving to enforce them: If a struggle should develop within the labor movement, I am confident that Illinois labor, in overpowering numbers, will actively support George Meany, Al Hayes, Joe Keenan and Walter Reuther rather than the discredited practitioners of union power politics.”

### A Legacy of Growth and Integrity

Al Hayes retired as international president in 1965. During his four terms in office, the IAM grew from 518,000 to 875,000 members; the number of members covered by pension plans increased from five percent to 50 percent; and those with health insurance increased from 27 percent to 90 percent. Mere numbers, however impressive, cannot capture his legacy.

When Al Hayes died in 1981 in Milwaukee, his obituaries described him as “a strong advocate of labor unity ... a person of unquestioned integrity ... a consummate peacemaker and mediator ... a plain work-

*“Al Hayes stood for everything that was decent, honest and good in the American Labor Movement.”*

William W. Winpisinger  
Former IAM President

ingman and a dyed-in-the-wool trade unionist.”

IAM International President William W. Winpisinger wrote that Al Hayes “stood for everything that was decent and honest and good in the American Labor Movement. He made us all proud to be Machinists. He left a high standard for all who have come after.”

### Revitalizing the Ethical Practices Committee

And yet, Al Hayes’ work is never done. His example, however, guides us even today. The labor management reforms enacted in the late 1950’s are now being enforced with a vengeance. The most anti-union administration in living memory is using sections of the Landrum-Griffin Act to require unions to completely

revamp their financial reports — the new LM-2’s are far more detailed and the new LM-30’s are more invasive than any set of forms filled out by business. And aggressive government investigators will use these recently rediscovered tools to go after union after union.

Fifty years ago, the American Labor Movement was the champion of reform. The AFL-CIO set up its Ethical Practices Committee two years before the resolution creating the McClellan Committee was even considered. Four of its six ethical codes were in place before the committee ever met. And the AFL-CIO’s expulsions of three unions occurred long before the McClellan Committee final report was written.

Now, fifty years later, it is time to revitalize the Ethical Practices Committee.

During the 1995 debate for the AFL-CIO’s top leadership post, then President Thomas R. Donahue spoke eloquently about labor’s public image. “Part of the bad perception of us is that we’ve allowed some unethical practices to grow up in this movement. None of us wants it, none of us approves of it.

“But none of us are quick enough to condemn it and quick enough to

turn our back on those who are guilty of them,” said Donahue.

Donahue explained that when he sought to review the AFL-CIO’s ethical practices codes, he was told “Don’t do that because ... people will be critical of us.” His debate response was, “if we don’t do it ourselves, the questioners here and all their colleagues would be happy to do it for us.” (Three reporters, Al Hunt of the *Wall Street Journal*, Ken Crowe of *Newsday* and Michelle Amber of the *Bureau of National Affairs*, questioned candidates during the 1995 AFL-CIO debate.)

The day before his defeat, Tom Donahue’s resolution to empower the Executive Council to adopt an ethical practices code with appropriate enforcement systems and sanctions was adopted unanimously and without debate.

The resolution created a new section in the AFL-CIO constitution dealing with an ethical practices code, a code whose sanctions could only be imposed by a two-thirds vote.

The convention ignored Donahue’s last admonition: “We better learn to control it (these unethical practices) within the movement and police it better than we

have in the past.”

Since 1995, the Ethical Practices Committee has met infrequently. No sanctions were imposed on any AFL-CIO affiliate. The two-third’s rule precluded such action and, as a result, the Ethical Practices Committee became moribund.

### IAM Leads the Way

Al Hayes’ example of diligent investigations and decisive action has receded into the mists of labor history.

The American Labor Movement ceded its responsibility to the Department of Justice and the FBI. And, in an era when government is intent upon the absolute destruction of labor’s power, that represents a gilded invitation to do great harm.

Now is the time to seize the initiative. At the

*“We expect the rest of the labor movement to join us in this effort to protect our integrity and independence.”*

R. Thomas Buffenbarger  
International President

AFL-CIO Convention in Chicago in July, International President Tom Buffenbarger and the IAM Executive Council will seek to amend the federation’s constitution to provide for a simple majority vote on the adoption of new ethical practices codes and sanctions.

He and the IAM delegation will also seek to expand the membership of the Ethical Practices Committee from its current seven members to eleven members to provide an impetus for more effective oversight.

And they will seek to impose an age limitation of 70 years old on the election of AFL-CIO executive officers. Similar to the language contained in the IAM Constitution, this resolution was first proffered by the IAM in 1995 and was never acted upon by the AFL-CIO Committee on Resolutions.

“The International Association of Machinists, as it did in 1955 under Al Hayes’ leadership, will lead this charge,” explained Buffenbarger. “We expect the rest of the labor movement -- the dyed-in-the-wool trade unionists -- to join us in this effort to protect our integrity and independence.”