

A HISTORY OF KOHLER COMPANY LABOR-MANAGEMENT RELATIONS: 1873-1941

BY

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INTRODUCTION

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The Kohler Company, a plumbing ware manufacturing firm, is located four miles from Sheboygan, Wisconsin. The family and descendants of John M. Kohler, the company founder, have maintained control of the company for over 100 years. The Kohler family, in addition to building and expanding its factory, designed and financed the development of an industrial community -- Kohler Village.

The Kohler family, as an "employer of men," felt a responsibility to provide for the welfare of its employees. The construction of Kohler Village in the 1920s, a well designed and operated "company" town, showed the company's concern for its employees. The company also provided life insurance, a plant medical facility, recreation facilities, and other benefits for its employees.

The Kohler Company viewed its employees in a paternalistic manner. Grievances were to be settled between the individual worker and his employer. Working conditions, according to the company, were the responsibility of the employer. Kohler's policy of paternalism did not embrace the idea that workers had the right to organize and bargain collectively through representatives of their own choosing.

Between 1873 and 1941, the Kohler Company became one of the three largest plumbing ware manufacturers in the United States. During this period, the Kohler Company faced two strikes by its employees. In each case, the company withstood a union's challenge. In 1897, a one year strike by twenty-one members of the American Federation of Labor

Molders' Union Local 286 ended in the union's defeat. A second strike occurred at Kohler in 1934. This strike by AFL Federal Labor Union Number 18545 was marked by violence which claimed two lives. The company defeated the union with a variety of legal and illegal devices. Kohler's most successful tactic in this strike was the creation of a company union which was able to gain the National Labor Relations Board's sanction as the official bargaining agent for Kohler employees. Federal Labor Union No. 18545 continued its strike from 1934 until 1941, but was unable to gain recognition as the bargaining agent for the Kohler workers.

It is the purpose of this study to examine the labor-management relations at the Kohler Company in the period 1873-1941, with a major focus on the 1920s and 1930s. This study will trace the growth and development of the Kohler Company as it relates to the company's labor policy. An examination of Kohler's policy of "enlightened paternalism" with regard to resulting labor-management relations will be presented. Worker discontent and attempts at organizing a union will be examined. The factors relating to the creation, growth, and death of Federal Labor Union No. 18545 will be studied.

Chapter I, The Formation and Growth of the Kohler Company, 1873-1920, discusses the economic development of the Kohler Company, the Molder's Strike of 1897, and the creation of Kohler Village.

Chapter II, The Kohler Company, 1920-1933, deals with the diversification of the Kohler product line, the policy of company paternalism, the Wisconsin governorship of Walter J. Kohler, the formation of the National Recovery Administration's Plumbing Code, and worker grievances.

Chapter III, The Formation of Federal Labor Union No. 18545 and the Kohler Workers' Association, deals with the events that led to the creation of two "unions" and the attempts at union-company bargaining.

Chapter IV, The 1934 Strike, covers the conditions which caused the strike, the Kohler Company's position on union recognition, the daily events of the first two weeks of the strike, the events leading to a riot, and the inquest into the riot related deaths.

Chapter V, The NLRB Election Decision, deals with the NLRB decision to hold an election for the purpose of determining a union representative at the Kohler Company, the pre-election campaigning of the Kohler Workers' Association and Federal Labor Union No. 18545, the election procedures and results, the factors contributing to Federal Labor Union No. 18545's election defeat, and the Kohler Company's use of the "Mohawk Valley Formula" to defeat Local 18545.

Chapter VI, the Demise of Local 18545, covers union attempts to continue an effective strike, the problems encountered by Local 18545, the factors causing the defeat of the union, and the current labor-management situation at the Kohler Company.

CHAPTER I

THE FORMATION AND GROWTH OF THE KOHLER COMPANY, 1873-1920

John M. Kohler, founder of the Kohler Company, was born in the Austrian Tyrol in 1844. At the age of ten, he emigrated to the United States with his family and settled in St. Paul, Minnesota. In 1862, at the age of eighteen, he went to Chicago, and by the end of the Civil War he was a traveling salesman for a Chicago grocer. Later, he traveled for a Chicago furniture manufacturer until 1872. Probably this job took him to Sheboygan, the location of a number of chair and furniture factories.¹

In 1871, Kohler moved to Sheboygan and on July 5 of that year he married Lillie Vollrath. John Kohler entered his father-in-law's new machine shop and foundry and in 1873 he and Charles Silberzahn bought Vollrath's Union Iron and Steel Foundry.

The Vollrath foundry which Kohler and Silberzahn purchased manufactured agricultural implements, castings for the city's furniture factories, and railroad "frogs." Gradually, other products such as enameled cast-iron ware for chemical laboratories and enameled steel cooking utensils were added. In 1883, the company began producing enameled cast-iron plumbing fixtures.²

¹The Kohler Company, Bold Craftsmen (Kohler, Wis., 1973).

²Ibid., p. 2.

The partnership between John M. Kohler and Charles Silberzahn terminated in 1878. Total sales increased from \$10,028.00 in 1874 to \$12,971.00 in 1878. The year 1876 marked a record sales of \$17,874.00.³

In 1879, John M. Kohler entered into a partnership with Herman Hayssen and John Stehn. The new partnership gave Kohler fifty percent of the company stock with Hayssen and Stehn each receiving a twenty-five percent share of the stock. The partnership of Kohler, Hayssen, and Stehn (1879-1887) produced an increase in company sales ranging from \$14,730.00 in 1879 to \$69,538.00 in 1887.⁴ By 1888, the Kohler firm employed 125 men, a considerable increase over the twenty-one men originally employed in 1873.⁵

During the years of partnership with Hayssen and Stehn, John M. Kohler led an active family and civic life. Before her death in 1883, Lillie Vollrath Kohler gave birth to six children: three girls (Lillie B., Marie C., and Evangeline), and three boys (Robert, Walter, and Carl). Four years after her death, John Kohler married his first wife's sister, Minnie Vollrath, who bore him a son, Herbert V. Kohler. In the 1880s, John Kohler served as a member of the Sheboygan County Board of Supervisors, a charter member of the Humane Society of Sheboygan, and as mayor of Sheboygan for two years.⁶

³Trudi J. Eblen, "A History of the Kohler Company of Kohler, Wi. 1871-1914" (unpublished Masters Thesis, University of Wisconsin, 1965) p. 15.

⁴Ibid., p. 15.

⁵Walter Uphoff, Kohler on Strike, Thirty Years of Conflict (Boston: Beacon Press, 1966) p. 2.

⁶Eblen, "A History of the Kohler Company," p. 48.

In 1888, Kohler, Hayssen, and Stehn incorporated and changed their firm's name to Kohler, Hayssen, and Stehn Manufacturing Company. The period of incorporation (1888-1900) marked an increase in sales from \$72,376.00 in 1888 to \$175,126.00 in 1900. The company weathered the 1897 depression period with only a small decline in total sales.⁷ Although a financially stable and growing company, Kohler, Hayssen, and Stehn had not solved all its problems. In 1897, it faced a strike by the company's molders.

Near the end of 1896, the company installed new machinery to accelerate production which, according to company officials, enabled molders to double their wages at the existing piece rate.⁸ However, in March 1897, the company cut the molding rate on bathtubs. The molders, members of Local 286 of the Iron Molders Union, rejected the new rates, contending that wage reductions would average twenty-five to thirty percent.⁹ On March 6, 1897, twenty-one molders of Local 286 went on strike.

The Kohler firm responded to the strike by stating its reasons for the wage reductions. The company listed falling prices, the decline in home building, the use of convict labor by competing industry, increased freight cost in shipping goods, and the added expense of installing new machinery in the plant as the reasons for the wage reductions.¹⁰ The Kohler firm did not negotiate with the workers during

⁷Ibid., p. 44.

⁸Eblen, "A History of the Kohler Company," p. 45.

⁹Ibid., p. 45.

¹⁰Uphoff, Kohler on Strike, p. 4.

the strike. Kohler labor policy consisted of an ultimatum which directed the workers to return to work on the company's terms.

During the long strike which lingered into 1898, the discipline of union members was hard to maintain. In August 1898, the Iron Molder's Journal reported that two suspended union members and one union member who had received strike benefits for over a year were fined for "scabbing" at the Kohler plant.¹¹ Union members also engaged in tactics which created ill-will in the community. Strikers frequently "escorted" scabs to their homes and "greeted" them in the morning. The Sheboygan Times, on July 10, 1897, described the striking molders as "hard working and perhaps well meaning men being led and corrupted by outsiders."¹² The Sheboygan Herald, on August 21, 1897, observed that the strikers "wear red button hole bouquets whether indicative of anarchy or blood, we know not."¹³ The comments related to "outside agitators" involvement in the strike probably stemmed from the speaking engagements of Eugene Debs and Victor Berger in Sheboygan on July 10, 1897.

During the strike, the Iron Molder's Journal placed Kohler on the "unfair list" and urged a boycott of Kohler products. This boycott did not appreciably affect Kohler sales. The Kohler firm claimed that they did not lose a single customer because of the union boycott --

¹¹Iron Molder's Journal (August, 1898) as quoted in Eblen, "A History of the Kohler Company," p. 46.

¹²The Sheboygan Times (July 10, 1897) as quoted in Eblen, "A History of the Kohler Company," p. 47.

¹³The Sheboygan Herald (August 21, 1897) as quoted in Uphoff, Kohler on Strike, p. 5.

although the company admitted that some clients briefly ceased buying Kohler products to appease union representatives.¹⁴

The Kohler firm used a variety of techniques to blunt the union boycott. For example, the Kohler Company sold bathtubs without labels to customers who, if questioned by the union, could claim no knowledge that the goods were not union made.¹⁵ Since the employer and employees, in Robert Kohler's words, were engaged in a "battle for dictatorship" over the company, any tactic seemed justified.¹⁶

In the fall of 1897, most of the union members gave up the strike and found jobs in other area factories. The strike failed for a variety of reasons, including the company's refusal to negotiate with the strikers, the lack of local union discipline, the limited support of the strikers by the national union, the ineffectiveness of the boycott of Kohler products, and the availability of scab replacement labor.¹⁷ The company continued production during the strike with replacement workers hired from the woodworking factories of Sheboygan. The Kohler Company thus repelled a union's challenge to its authority.

In 1899, with the strikers routed and the plumbing ware business again prosperous, Kohler, Hayssen, and Stehn considered enlarging its physical plant. Since the land adjacent to the plant was inadequate

¹⁴Eblen, "A History of the Kohler Company," p. 48.

¹⁵Ibid., p. 49.

¹⁶Ibid., p. 48.

¹⁷Uphoff, Kohler on Strike, p. 6.

for future expansion, Kohler, Hayssen, and Stehn (K. H. and S.) purchased twenty-one acres of land in an area called Riverside, (the present Village of Kohler), four miles south of Sheboygan. By January 1900, K. H. and S. opened a new foundry at Riverside which employed 250 men.¹⁸ Although he would later be credited with envisioning a model village at Riverside, John Kohler stated in a 1899 letter that the company did not buy the land to have a new town built but because it was suitable for building a factory.¹⁹

The years 1900 and 1901 proved to be years of change and tragedy at K. H. and S. On November 3, 1900, Walter J. Kohler married Charlotte Schroeder of Kenosha, Wisconsin. Two days later, John M. Kohler, age sixty-five, died of pulmonary congestion. On February 17, 1901, before reorganization of the company's leadership could be accomplished, the new K. H. and S. Company buildings were almost completely destroyed by fire. After the fire, Herman Hayssen and Mrs. John Stehn (inheritor of John Stehn's stock), sold their stock to the Kohler family. Thus, on September 18, 1901, the company reincorporated as J. M. Kohler Sons Company. Robert Kohler became president of the firm with Walter Kohler as vice-president and treasurer.

In the first fifteen years of the twentieth century, John M. Kohler Sons Company grew faster and showed greater profit than ever before. Annual sales between 1900 and 1915 rose from \$175,126.00 to

¹⁸Eblen, "A History of the Kohler Company," p. 55.

¹⁹Ibid., p. 55.

\$466,171.00.²⁰ In this period, J. M. Kohler Sons expanded its plumbing ware offerings. The firm offered increased variety in its line of bathtubs, toilets, and drinking fountains.²¹ Products bearing the Kohler trademark were guaranteed. Unguaranteed products (seconds) were sold to jobbers at discount prices. After 1915, Kohler marketed only one, fully guaranteed line since problems arising from the sale of seconds made them an "unworthwhile nuisance."²²

The years 1904 and 1905 marked further reorganization of J. M. Kohler Sons. In 1904, Carl Kohler died. In the following year, Robert Kohler died leaving Walter J. Kohler to accept the entire leadership of the company. Walter Kohler, already familiar with the business, easily assumed control. Under Walter's leadership (1905-1940), the Kohler Company became one of the nation's largest plumbing ware firms. Recognizing a need for expansion and an increase in the company's stock, Walter reorganized the company's management in 1912. This reorganization resulted in changing the company's name to the Kohler Company.

Recognizing the need for improved marketing techniques, Walter Kohler established a number of branch sales offices throughout the United States and in London. Kohler wisely chose to establish branch sales offices rather than branch manufacturing plants. By rejecting decentralized control which branch manufacturing plants would involve,

²⁰Ibid., p. 58.

²¹The Kohler Company, Bold Craftsmen, p. 10.

²²Eblen, "A History of the Kohler Company," p. 60.

Walter retained centralized control of production at the Wisconsin manufacturing facility. Kohler felt that decentralized production would create management, production, purchasing, and labor problems which would offset any gains.²³

The Kohler Company continued to grow in the period 1912 through 1917. The company's taxable income increased from \$79,863.00 in 1912 to \$380,227.79 in 1917.²⁴ In 1918, a huge company profit increase occurred when the United States became involved in World War I. A taxable income figure of \$852,999.70 in 1918 reflected profits amassed by the Kohler Company through its production of munitions.²⁵ Kohler manufactured projectiles and hand grenades for the government during the war. To meet its labor needs, the Kohler Company hired a number of foreign born workers. Additional buildings were erected to meet war production needs. These buildings were later used for increased production of plumbing ware during the 1920s. Taxable income of the Kohler Company decreased sharply after the war (\$219,708.43 in 1919), but by 1922 Kohler's taxable income was \$1,494,303.84.²⁶

In addition to its status as a major manufacturer of plumbing ware, the Kohler Company is also known for its establishment of a

²³Ibid., p. 67.

²⁴Walter Uphoff, The Kohler Strike, Its Socio-Economic Causes and Effects (Elkhart Lake, Wis.: Privately Printed, 1935) p. 5.

²⁵Ibid., p. 5.

²⁶Ibid., p. 5.

"model village." Following its purchase of land for a new manufacturing center in 1899, the Kohler Company expressed concern about the development of housing near the new plant. Walter J. Kohler, dismayed at the development of other industrial towns in the United States, engaged architect W. C. Weeks in a study of well-planned villages. Kohler's rationale for developing Kohler Village appeared to stem from a desire to retain control over a labor force which depended on Kohler Company paychecks that paid for the homes in Kohler Village and from a genuine concern for the worker's welfare.

In 1912, Walter Kohler and W. C. Weeks visited Europe and studied various "garden" cities. Upon Kohler's return, the company engaged town planners, landscape experts, architects, engineers, and community leaders in the development of plans for Kohler Village. As his chief planners, Walter Kohler chose the Olmsted Brothers of Boston who were noted for their development of Central Park in New York City and the Harvard University campus. Kohler envisioned a community with a large "green belt" separating the factory from the village. By 1916, plans for the new village were completed and after World War I building began.²⁷

The houses of Kohler Village, built after World War I, were constructed of brick, having a living room, dining room, and kitchen downstairs with three bedrooms and a bath upstairs. Houses and lots were designed to be moderately priced and sold as close as possible to con-

²⁷The Kohler Company, Bold Craftsmen, p. 33.

struction costs. The Kohler Company assumed landscaping costs and pledged to construct and maintain sewage facilities. In addition, the Kohler family donated land for parks in Kohler Village.

In order to facilitate the building and sale of homes, the Kohler Company organized the non-profit Kohler Improvement Company. To finance the homes in Kohler Village, the Kohler Building and Loan Association stock was bought by many people who supported the idea of building Kohler Village. The Kohler Building and Loan Association offered two types of stock; paid-up stock, which paid five percent interest, and participating stock for those who bought homes.²⁸

To control the future development and the sale of homes in Kohler Village, the Kohler Improvement Company retained the right to buy back, at the highest certified offer, any home that was for sale in Kohler Village. In addition, any alteration on a home or grounds required the approval of Kohler Improvement Company officials.

A village board, elected by the citizens of Kohler Village, governed Kohler Village. Since Kohler Village was a "company town," most residents tended to equate village interests with company interests. Kohler Company proposals to the village board generally received favorable action.²⁹

Most of the growth of Kohler Village occurred during the 1920s. The American Club, a large dormitory, was built to accommodate single

²⁸Uphoff, The Kohler Strike, p. 3.

²⁹Uphoff, Kohler on Strike, p. 8.

men who worked at the Kohler Company. To further enhance life in the village, the Kohler Company funded band concerts and other civic events. By 1934, 1,800 people occupied the 450 homes in Kohler Village.³⁰

³⁰The Kohler Company, Bold Craftsmen, p. 6.

CHAPTER II
THE KOHLER COMPANY, 1920-1933

The 1920s marked a period of prosperity and expansion for the Kohler Company. The company's taxable income figures rose sharply during the twenties. Company profits increased from \$446,784.73 in 1920 to \$1,329,750.56 in 1929 with peak profits of \$3,336,771.00 in 1925.¹ Increased prosperity at Kohler resulted from the favorable post-war economic climate, diversification of product lines, wise management and marketing techniques, and increased building construction which resulted in a need for more plumbing fixtures.

To meet consumer demands, Kohler diversified its product line and increased production in all plant areas. In 1920, Kohler started to manufacture engines. The engines, ranging from four to twenty-four horsepower, powered construction, agricultural, and industrial equipment. In 1925, the Kohler Company constructed a pottery plant which produced vitreous china plumbing fixtures. The pottery enabled the Kohler Company to produce a hard, glass-like surface on its plumbing ware which resulted in an improved product. During this period, Kohler added plumbing fittings and precision controls to its product line. The "brass" section of the Kohler plant produced faucets, fittings, and bathroom accessories.

¹Uphoff, The Kohler Strike, p. 5-6.

Wise management and marketing techniques also contributed to Kohler prosperity in the 1920s. In this respect, the Kohler Company became one of the nation's top three plumbing ware producers during the 1920s. In addition to diversifying production and opening sales offices throughout the country, the Kohler Company placed greater emphasis on nation-wide advertising.² Kohler advertisements promoted the sale of bathroom sets (tub, toilet, and lavatory) in matching colors. Advertisements urged consumers to look at the decorative as well as functional uses of plumbing ware.³ New management techniques were applied to increase production. Time-study, piece work, and job evaluation became commonplace in the Kohler factory. By the middle of the 1920s, when the plant was operating at full capacity, Kohler employed 4,000 workers.⁴

During the 1920s, the Kohler Company showed concern for the welfare of its workers. Kohler, as an "Employer of Men," fostered a policy that it would later label "enlightened paternalism."⁵ The creation of Kohler Village best exhibited the company's professed concern for its employees. But Kohler also expressed paternalism in other ways. The company provided smoking and reading rooms for employee lunch hour use. Company sponsored band concerts were presented on Monday afternoons. Recreation facilities allowed workers to participate in baseball, tennis,

²The Kohler Company, Bold Craftsmen, p. 10-11.

³Ibid., p. 11.

⁴Uphoff, Kohler on Strike, p. 10.

⁵The New York Times (May 6, 1973) Sec. 3, p. 1, 7.

and horseshoe throwing. Group Life Insurance was provided through a company sponsored plan.⁶ A company picnic, entirely funded by the Kohler Company, was an annual event. For Christmas, the Kohler Company distributed geese to its workers. A company medical department, staffed by doctors and nurses, provided physical examinations and health care to Kohler employees. Kohler Company paternalism also included classes in civics for foreign born workers who desired to become American citizens. Walter Kohler's concern for "Americanizing" his men included taking his employees, on company time, to the Sheboygan courthouse where they obtained citizenship papers.⁷

In 1928, Walter J. Kohler expressed his civic concern by becoming a candidate for governor of the State of Wisconsin. Kohler, a long time Republican, won his party's endorsement and defeated Albert Schmedeman, the Democratic candidate, 547,738 to 394,368.⁸ During the campaign, Kohler engaged in some questionable campaign practices which included the use of plant supervisory personnel to campaign throughout the state while still retaining these men on the company's payroll.

As governor of the State of Wisconsin, Walter Kohler directed some changes in government operation and organization. Under the Kohler administration, the state budget produced a surplus of one million dollars. Kohler reorganized many state agencies and created the first full-time State Highway Commission. Walter Kohler asserted that under

⁶Uphoff, Kohler on Strike, p. 10.

⁷Ibid., p. 9.

⁸Ibid., p. 20.

his leadership major pieces of labor legislation were enacted. The labor laws signed by Kohler included strengthening Workmen's Compensation and outlawing "yellow dog" contracts.⁹

1929 spelled the end of prosperity in the United States and the demise of Walter Kohler's political fortunes. In 1930, Phillip LaFollette successfully challenged Kohler for the Republican Party's gubernatorial nomination. LaFollette went on to win the governorship by defeating his Democratic opponent. In 1932, Walter Kohler opposed LaFollette for the Republic gubernatorial nomination. Although successful in gaining his party's nomination, Kohler was soundly defeated in the Democratic landslide of 1932 by Albert Schmedeman who defeated him by a vote of 590,114 to 470,805.¹⁰ During the 1932 campaign, the Kohler organization conducted numerous tours of the Kohler Company plant and Kohler Village stressing the "amicable" relationship between the workers and management.¹¹

The Depression, which began in 1929, erased the Kohler Company's era of prosperity that was enjoyed during the 1920s. The Kohler Company first felt the impact on the Depression in 1930 when the firm lost \$150,000.00. Company losses continued in the following years with losses of \$428,000.00 in 1931, \$778,000.00 in 1932, and \$842,000.00 in 1933.¹²

⁹The Kohler Company, Bold Craftsmen, p. 27-28.

¹⁰Uphoff, Kohler on Strike, p. 21.

¹¹Ibid., p. 21.

¹²Uphoff, The Kohler Strike, p. 6.

Since economic conditions were rapidly deteriorating in the plumbing ware industry, the National Recovery Administration began work on drafting a plumbing fixtures code in early 1933. Walter J. Kohler was appointed chairman of the code drafting committee. On July 29, 1933, the plumbing fixture industry submitted a code to the government. The code, which became effective in January 1934, established minimum wage rates of forty cents per hour (thirty-five cents per hour in the South). The Kohler Company put the wage increases into effect on August 1, 1933, approximately five months prior to the enforcement date. Kohler would later contend that ninety-five percent of its employees received wages in excess of forty cents per hour during 1933.¹³

Although seemingly generous in instituting early code wage compliance, Walter Kohler would later be subjected to criticism for his participation in drafting the plumbing ware code. In a January 28, 1935 letter from American Federation of Labor Organizer Paul Smith to AFL President William Green, Smith charged that Mr. Kohler "saw to it that he was made head of it (Plumbing Fixtures Code) and the code was framed with the idea of eliminating from the industry all small manufactures." Smith further asserted that Mr. Chase, the former personal attorney of Mr. Kohler, who became the attorney for the code authority "took to harass and annoy the smaller companies and make them conform

¹³Kohler of Kohler News (Kohler, Wi.: August 1934), p. 6.

to code provisions which had for its purpose [sic.] the elimination of these small companies."¹⁴

The Kohler Company, a durable goods producer, felt the full impact of the Depression. As economic conditions worsened, the Kohler Company began laying off men, cutting hours, and reducing wages. Instead of laying off most men and retaining a small work force, the company attempted to spread employment and give employees one or two days work per week. Although the company stated that this was an uneconomical policy, it justified this policy by citing its long-standing policy of furnishing "continuity of employment."¹⁵ Workers rejected this policy as being non-benevolent -- citing their belief that it was cheaper for the company to retain experienced workmen than to train new workers.¹⁶

On September 1, 1934, Walter Kohler stated his company's labor policy at a National Labor Relations Board hearing in Sheboygan. Kohler stated the company's concern for the welfare of its workers. As evidence of this concern, Kohler cited the maintenance of wage scales that "kept abreast with the wage payments of its leading competitors" and the existence of a minimum wage at Kohler "long before the N.R.A. brought it up in its code." Kohler characterized the company's labor

¹⁴Paul Smith to William Green (Jan. 28, 1935), American Federation of Labor Papers, Strikes and Agreement File, Box 10, Federal Labor Union No. 18545 Folder (Madison, Wi.: Wisconsin State Historical Society, Manuscript Library); hereafter cited as Local 18545 Papers.

¹⁵Uphoff, Kohler on Strike, p. 15.

¹⁶Ibid., p. 15.

policy as an attempt "to maintain a happy relationship with the men who worked in the shop."¹⁷

Walter Kohler then cited his varied work experience in the Kohler Company ranging from work in the enamel shop at the age of fifteen up to his present status of company president as formative factors in his labor policy. Commenting on workers' hours and wages, Kohler stated that an eight hour shift was instituted because "twelve hours is entirely too long." Kohler further cited his belief in good working conditions, the continuity of employment, and regularity of income as "substantial factors in the well being of any worker's life."¹⁸

Asserting his belief in maintaining a "continuity of employment" policy, Kohler commented that the company employed "a thousand to fifteen hundred more men than the company should have carried in 1930" because of the "importance of some regularity of (worker) income even if it wasn't as large as would be desired." Although the "continuity of employment" policy would bring "considerable loss and inconvenience" to the company, Walter Kohler justified his actions by stating that "the laid off men probably would have in time gone on public relief, which we did not want, and which they did not want."¹⁹

Addressing himself to other factors which affected the company's labor policy, Kohler cited a decline in residential building which by 1933 was less than ten percent of the yearly building figure of the

¹⁷Uphoff, Kohler on Strike, p. 16.

¹⁸Uphoff, Kohler on Strike, p. 16.

¹⁹Ibid., p. 16, 17.

middle 1920s. Since the Kohler Company depended heavily upon residential building for sale of its products, any building decline affected plumbing ware manufacturing firms. Walter Kohler further contended that unionization of a company in the plumbing manufacturing industry can have disastrous effects. Kohler asserted that unionization of the Richmond Radiator Company forced it to close down and liquidate its inventory.²⁰

In regard to wages, Kohler contended that cuts in wages were made reluctantly and only when necessary. Kohler stated that his company complied fully with the NRA Plumbing Code even when other manufacturers did not honor the code. In the summation of his testimony at the NLRB Hearing, Walter Kohler stated that:

Our company lost a good deal of money. That is not generally believed, perhaps, but it is true. . . . It broke down even in 1930. In 1932, it lost nearly \$2,000,000.00 largely because the company kept the men employed, and in 1933 it lost nearly \$700,000.00 -- and is losing money this year at the rate of a million dollars a year.²¹

The testimony of Walter Kohler at the 1934 NLRB Hearing presented the picture of an employer, hard pressed by the Depression, trying to provide employment for his workers. Although Walter Kohler stressed the company's concern for its workers, no mention was made of worker grievances. But beneath the surface of worker-management "tranquility" during the 1920s and the early 1930s, worker discontent could be found.

²⁰ Uphoff, Kohler on Strike, p. 17.

²¹ Ibid., p. 17.

During the 1920s, "scientific management" became prominent in American industry. Industry tried to "promote greater production per worker, reduce labor turnover, and improve technical standards" through a process of "rationalization" in industrial management. Frederick W. Taylor, father of the movement, introduced time and motion studies, the development of piece work, and increased productivity on the assembly line. Trade unionism, which had no place in the "scientific management" scheme, was substituted for by shop councils, employee representation plans, and company unions. Devices to keep workers happy included company sponsored picnics, glee clubs, dances, sports events, and other recreational activities. As envisioned by the National Association of Manufacturers, "scientific management" and company unions would insure labor peace.²²

At the Kohler Company, efficiency experts were employed to implement time-study, piece work, and job evaluation. Piece work, according to the Kohler Company, rewarded the diligent worker and eliminated the loafer. Originally, piece rates allowed the worker to earn substantially more money than his hourly rate. But soon management employed the policy of cutting piece rate wage quotas if workers exceeded the rate too frequently. This policy of cutting piece rate wages angered the Kohler worker. But since the workers were unable to collectively challenge the company's policy, they were forced to accept piece rate price reductions.²³

²²Foster R. Dulles, Labor in America (N.Y.: Crowell, 1949), p. 255-256.

²³Uphoff, Kohler on Strike, p. 12.

Working conditions provided another grievance of the Kohler workers. Although the Kohler Company did provide a medical department, ventilation facilities, and safety equipment, a serious health menace continued to exist. Silicosis, a respiratory disease resulting from the inhalation of silica (sand particles), was the most serious health related problem in the Kohler plant. Workers in the plant's sand blasting area frequently developed silicosis even though respirators were worn. The Kohler Company was aware of the silicosis threat as early as 1911 when it commissioned Doctor Alice Hamilton to study the problem. Dr. Hamilton recommended that the employees be given yearly chest X-rays and that they be provided respirators.²⁴ Chest X-rays and respirators did not effectively solve the problem. Silicosis cases became more numerous in the 1920s. The frequency of former Kohler employees being admitted to Sheboygan County's Rocky Knoll Sanitorium caused workers to label the institution "Kohler Pavilion." Due to increased unrest over the health problem, the Kohler Company instituted a policy of rotating employees in the sand blasting area and increasing the wages of sandblasters.²⁵

Another issue causing worker-management friction occurred over deductions for defective workmanship. The company contended that it could legally charge workers for defective work. This policy, certainly after 1931, seemed to conflict with a State of Wisconsin law which prohibited such practices.²⁶ Workers cited instances where they were

²⁴Eblen, "A History of the Kohler Company," p. 80.

²⁵Uphoff, Kohler on Strike, p. 14.

²⁶Uphoff, The Kohler Strike, p. 10.

charged for defective work which resulted from storage and shipping accidents.²⁷

Although a number of other grievances existed between workers and management at Kohler, the basic point of conflict centered on the question of providing for the worker's welfare. The company's policy of paternalism asserted the right and duty of management to control all conditions of employment. By 1933, Kohler workers were ready to challenge this contention. The workers in that year began to assert their rights to determine wages and working conditions. In the words of one observer, "paternalism, despite its generous aspects, was no substitute for a union."²⁸

²⁷Uphoff, Kohler on Strike, p. 14.

²⁸Ibid.

CHAPTER III
THE FORMATION OF AFL FEDERAL LABOR UNION
NO. 18545 AND THE KOHLER WORKERS ASSOCIATION

On June 16, 1933, President Franklin D. Roosevelt signed the National Industrial Recovery Act. Section 7(a) of that act read:

Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions: (1) that employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in the self-organization or in other concerted activities for the purpose of collective bargaining or mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

A.F.L. President William Green described Section 7(a) as a Magna Charta for labor.¹ The National Association of Manufacturers viewed Section 7(a) as an opening for closed shop labor unions.² Organized labor felt that Section 7(a) provided a legal basis for expanded unionization of workers throughout the United States. An intensive organizing campaign was initiated by the American Federation of Labor.

¹Irving Bernstein, Turbulent Years, A History of the American Worker, 1933-1941 (Boston: Houghton Mifflin Co., 1971) p. 34.

²Ibid., p. 35.

Workers at the Kohler Company quickly responded to the passage of Section 7(a). Assured that the government would give them support, workers began to organize. Workers held discussions before and after working hours.³ Early in the summer of 1933, a group of Kohler workers contacted the Wisconsin State Federation of Labor. J. F. Friedrich, a Milwaukee based labor organizer of the State Federation of Labor, went to Kohler and addressed the workers. Friedrich explained worker's rights under the new labor law and urged the workers to establish a local organizing committee which could set up headquarters and distribute membership application cards. By July 1933, Kohler Company employees were sufficiently enough organized to become members of the Central Labor Council of Sheboygan. In August 1933, the union applied for and received a charter from the American Federation of Labor designating their organization as Federal Labor Union No. 18545.⁴

Shortly after Local 18545 received its charter, a company dominated union came into existence at the Kohler Company. The Kohler Workers' Association (KWA) was officially organized on September 7, 1934. Members of Local 18545 viewed the creation of the KWA as a deliberate attempt to break their union. In November 1933, Local 18545 made an appeal to the National Labor Relations Board for an election to determine which organization represented the Kohler Workers. Local 18545 had 1,865 active members at the time and was confident that their

³Uphoff, Kohler on Strike, p. 26.

⁴Ibid., p. 26.

union was the choice of the majority of the workers. The possibility of holding an election soon ended when the Kohler Company refused to accept a National Labor Relations Board election.⁵

The formation of the KWA prompted Local 18545 officials to charge that the Kohler Company interfered with the self-organization of its employees, a violation of Section 7(a) of the NIRA. The Kohler Company responded to these charges by asserting that "the Kohler Worker Association was an independent union which represented its members in collective bargaining with management."⁶

Although Local 18545 and the Kohler Company exchanged numerous charges over the legal basis of the KWA, no final decision on the KWA's legality was made until the National Labor Relations Board issued a ruling on September 16, 1934. The National Labor Relations Board decision traced the origin and development of the KWA. The National Labor Relations Board decision stated that the KWA was created with the aid and approval of the Kohler Company management. When approached on September 6, 1933 by a company chemist with the request to form an "inside workers organization," Walter Kohler approved of the idea and assigned his assistant, H. J. Thorkelson, to help in the "drafting of a constitution for the proposed organization." The next morning, the new organization (KWA) held a meeting with an "organization committee of eighty-two workers." A mimeographed copy of the proposed organization's constitution and application blanks for membership in the

⁵Uphoff, The Kohler Strike, p. 14.

⁶Kohler of Kohler News (Kohler, Wi.: September-October-November 1934).

organization were distributed. The company's support for the KWA presented itself when Walter Kohler addressed the four shifts of Kohler workers on that day. Mr. Kohler "commented favorably on the proposed organization" and pledged to "pay all of the expenses of the KWA and hold all KWA meetings on company time." KWA organizers distributed membership application cards after Walter Kohler's speech. Although the application card stated that "failure to join the Association would not militate against any worker," the cards required that each applicant sign his name and number. It was impossible for any worker to secretly register his approval or disapproval of the proposed Association.

Following the September 7, 1933 meeting, the company allowed KWA organizers to put up posters in the plant and canvass the plant for members -- a privilege denied to AFL Local 18545. Meetings between the KWA and the company from September 1933 to July 1934 produced the settling of "a considerable number of minor grievances" and a wage increase in one department just before the July 1934 strike.

The NLRB, upon reviewing the legality behind the formation of the KWA, concluded that "the company participated in forming and engaged actively in promoting the new organization," "workers had no opportunity of expressing an unfettered choice as to whether or not they wished to belong to it," and that the company "stood ready to finance its (KWA) existence." The NLRB decision cited the KWA's lack of independence and its seemingly contrived birth "at a time when an outside union was just being formed" as evidence that the KWA "can only be considered as a deliberate design to influence the allegiance

of the employees and of interference with their free and unhampered self-organization which Section 7(a) guaranteed."⁷

Kohler Company labor policy in 1933 and 1934 followed the guidelines established by the National Association of Manufacturers (NAM). The NAM advised that under the National Industrial Recovery Act, employers remained free to bargain on either an individual or collective basis with their employees. The NAM justified the creation of company unions by stating that the NIRA "does not attempt to describe the kind of organization, if any, with which employees should affiliate."⁸

Prompted by Local 18545's appeal to the National Labor Relations Board for an election to determine the collective bargaining representative of the Kohler workers, the Kohler Company stated its willingness to meet with all employees either individually or in groups. From 1933 through June of 1934, three meetings occurred between Local 18545 and the Kohler Company. The company insisted on its intent to meet with Local 18545, the KWA, and individual employees. The meetings were frustrating and disappointing to Local 18545. On June 22, 1934, the Kohler plant closed down indefinitely. Local 18545 interpreted this as a Kohler maneuver to squeeze them out in spite of the fact that the company had been operating in the midst of a depression.

Local 18545 representatives and Kohler Company officials met on July 6, 1934 to discuss a fourteen-point proposal presented by the union. The union proposals included requests that the company comply

⁷National Labor Relations Decision (September 16, 1934) as quoted in Walter Uphoff, The Kohler Strike, p. 74-75.

⁸Irving Bernstein, Turbulent Years, A History of the American Worker, 1933-1941, p. 38.

with Section 7(a) of the NIRA Code related to collective bargaining for working conditions and wages, the use of the seniority system as the criterion for laying off and rehiring workers, a minimum wage of sixty-five cents per hour for common labor with piece rates thirty percent higher, deductions for faulty work be determined by a joint union-management assessment team, and the establishment of an arbitration procedure to resolve disagreements.⁹

The following excerpts from the July 6 meeting demonstrate the frustration that Local 18545 experienced with the Kohler attitude. The company committee consisted of Walter J. Kohler; A. O. Kroos, Secretary-Treasurer; H. J. Thorkelson, assistant to the president; L. L. Smith, the publicity man; and L. P. Chase, the company attorney. Local 18545 was represented by Henry Ohl, President of the Wisconsin Federation of Labor; Charles Heymanns, Rudolf Renn, and A. F. Kuhn, all of Local 18545, and Maud McCreery, editor of the New Deal, a Sheboygan area labor newspaper.

The discussion of the Kohler Company's compliance with the NIRA's collective bargaining requirement produced little agreement. Walter Kohler asserted that the company complied with the NIRA by its willingness to "meet with the KWA, Local 18545, and individual employees at anytime." Henry Ohl asserted that under the present conditions at Kohler, it was impossible to establish standards for wages and hours since the company did not recognize an exclusive bargaining agent for the workers. Ohl further contended that the company aimed to

⁹Federal Labor Union No. 18545, "June 22, 1934 Contract Proposal to the Kohler Company," as quoted in Uphoff, The Kohler Strike, p. 25.

circumvent the provisions of Section 7(a) of the NIRA. When asked by Ohl if the company would "deal with this Committee (Local 18545) for conditions in the plant," Kohler replied that "we will for such conditions for the men you represent."

The question of the institution of a negotiated seniority system within the Kohler Company yielded a solidification of union-management positions. Mr. Heymanns, spokesman for the union, asserted that a seniority was the only fair way to protect "a man who has worked long and faithfully for the company." Walter Kohler responded to the union's demand by asserting that the company must view "efficiency, special skill, and company needs" as factors relating to retention and re-employment of workers. Discounting the need for a seniority system, Kohler cited the long standing "fairness of the management in taking care of the workers."

The Kohler Company attitude concerning its relationship with workers came up in regard to the presenting of grievances. Walter Kohler stated his belief that all worker grievances could be settled through the company's management structure. According to Kohler, workers could demand a hearing before himself in all matters related to employment. Kohler contended that he could personally resolve worker problems since he "worked in the plant side by side with the men." The company thus rejected the union's request for the drawing of negotiated rules for disciplining and dismissing workers.¹⁰

¹⁰ Stenographic Report of the Meeting Between the Kohler Company and Federal Labor Union No. 18545, Sheboygan, Wi., July 6, 1934 as quoted in Uphoff, The Kohler Strike, Its Socio-Economic Causes and Effects, pp. 26-28.

Local 18545 found the Kohler Company's position on its fourteen-point proposal to be unsatisfactory. The union asked the company for a more definite response to its proposals. Kohler replied to the union with a fourteen-point statement of company policy which reflected positions already enunciated in earlier union-company meetings.

The company contended that it fully conformed with the National Industrial Recovery Act as evidenced by its willingness to meet with "individual employees, any group of employees, or their representatives." Rejecting union demands for seniority as the sole factor governing the reduction and rehiring of workers, the company asserted that factors relating to an employee's "family situation, home obligations, individual skill, and efficient service" must be considered. Kohler restated its intent to comply with NRA wage and hour codes. Union demands related to the establishment of arbitration procedures and joint union-management determinations of deductions for faulty work produced few company concessions. The company reiterated its belief that all worker-management problems could be solved through channels already provided within the company's structure.¹¹

¹¹The Kohler Company Reply to Federal Labor Union No. 18545, July 6, 1934 proposal as quoted in Uphoff, The Kohler Strike, p. 43-44.

CHAPTER IV
THE 1934 STRIKE

On July 13, 1934, Federal Labor Union No. 18545 held a meeting to discuss labor-management relations at the Kohler Company. Union leaders reported that no progress was made in discussions with the Kohler Company. Unsettled grievances arising out of charges for faulty workmanship, inadequate seniority and job rights, and the disabilities and injustices resulting from the silicosis hazard continued to foster worker discontent.¹ The Kohler Company decision to indefinitely shut down the plant on June 26, 1934 was interpreted by the workers as a union-breaking measure. Believing that their grievances were just and convinced that negotiation with the Kohler Company was impossible, Local 18545 decided to call a strike, effective July 16, 1934. A strike committee composed of seven members with an aggregate of eighty-two working years at the Kohler Company directed strike activities. The strike committee consisted of Arthur F. Kuhn who had been employed 19 years; Otto Reichert, 14 years; Rudolph Renn, 11 years; Charles Heymanns, 11 years; Frank Reinhalter, 10 years; Christ Gorde, 9 years; and Fred Zeitter, 8 years.²

The strike decision of Local 18545 did not surprise the Kohler Company. The Kohler Company, as early as July 7, 1934, requested

¹Uphoff, Kohler on Strike, p. 36.

²Ibid., p. 37.

"undercover men in connection with strike troubles" from the William J. Burns International Detective Agency, Inc.³ Kohler further prepared for an impending strike by having the Village of Kohler deputize men to defend Kohler Company property. Badges and "billies" used by the deputies were made in the Kohler plant. Deputies, who received four dollars per day, furnished their own firearms. The number of special deputies at the height of the strike would number more than 1,000.⁴

On the night preceding the strike, the Kohler Company began to call men back to work, in person, by telephone. This was an unusual move since the plant was technically shut down. The first employees returning to work were largely supervisory personnel and "loyal" employees who lived in Kohler Village.

At 3 a.m., on the morning of July 16, 1934, picket lines went up around the Kohler plant. On the first day of the strike, over 1,000 pickets, under the direction of picket captains, manned the lines. Approximately ninety-five percent of the pickets were Kohler employees according to a union and Sheboygan Press estimate.⁵ The Kohler Company asserted that not more than 500 or 600 pickets were Kohler employees -- an assessment later used as a basis for charges of "outside agitator" involvement in the strike.⁶

³Uphoff, Kohler on Strike, p. 35.

⁴Ibid., p. 69.

⁵The Sheboygan Press (July 16, 1934) as quoted in Uphoff, Kohler on Strike, p. 37.

⁶Uphoff, Kohler on Strike, p. 37.

The largest group of pickets were located in front of the major plant entrances. Carrying American flags and signs demanding union recognition, the pickets circled back and forth in front of each entrance to the plant. One group of pickets carried a long rope which made movement through the picket line more difficult. Picketing continued throughout the day. The union provided food and refreshment for pickets at a near-by lunch stand.

Events of the first day of the strike proceeded in a relatively peaceful manner until an afternoon "coal car" incident occurred. Pickets on duty at the railroad track entrance to the plant blocked the passage of six cars of coal. Kohler Village Police Chief Jack Case and Herbert Kohler, Vice-President of the Kohler Company, arrived at the scene and ordered the strikers to allow the passage of the cars. In response to the strikers' refusal to move, Chief Case pointed his pistol at the strikers and restated his order. Striker intransigence caused the police to throw gas bombs at the men. The strikers anticipated trouble and were prepared for gas with vinegar-soaked sponges. The strikers caught some of the bombs and threw them back at the police forcing the police to flee the scene. The pickets then blocked the cars with tin cans and railroad ties and opened the hoppers on four cars, dumping coal along the tracks.⁷

The first day of the strike ended amid company charges that the pickets had "trapped" 200 office employees inside the plant. The

⁷Uphoff, The Kohler Strike, p. 47.

strikers responded to the charges by offering safe passage to anyone that wanted to leave the plant. Office workers refused the offer since they felt that doing so would admit the strikers' right to mass picketing.⁸

On the second day of the strike, the wives of the strikers joined their husbands on the picket line bringing the total picket number to two thousand. Numerous rumors spread among the pickets. Reports that manhole covers were being welded shut to permit passage under the picket lines spread among the strikers. Ominous rumors of the Kohler Company's preparation for violent confrontation seemed to gain credence when huge search lights were erected on Kohler Company buildings. Chief of Police Case further angered pickets by charging them with responsibility for breaking Kohler Company plant windows. Strikers contended that the windows were broken by young boys and spectators. To prevent further incidents, pickets stationed men around the plant perimeter to keep spectators away.⁹

A mass meeting of strikers was held at 8:15 a.m. on High Street. Maud McCreery, editor of the New Deal, Al Benson, a former Socialist Sheriff of Milwaukee County, and C. V. Niland, an AFL organizer, addressed the crowd, urging them to continue their struggle until a satisfactory settlement could be reached. The arrival of Father J. W. Maguire, a mediator with the Chicago Regional Labor Board, increased the strikers' hope of settlement. Father Maguire, who had successfully

⁸Uphoff, Kohler on Strike, p. 40.

⁹Ibid., p. 42.

settled all other labor disputes assigned to him, met with union leaders for a long period of time on the day of his arrival.¹⁰

Wednesday, July 18, was a relatively peaceful day on the picket line. The major strike related news centered on the circulation of a petition addressed to Kohler Village President Anton Brotz requesting the opening of the Kohler plant. The office workers, superintendents, and Kohler Workers' Association members who circulated the petition promised jobs and an increase in pay to potential signers. Company personnel also continued their recruitment of more special deputies for the Kohler Village Police Force.¹¹

Thursday, July 19, was marked by a Kohler Company request to allow coal cars to pass into the Kohler Company for the purpose of operating machinery that supplied water to Kohler Village. Since Kohler Village was dependent on the Kohler Company for drinking water and fire protection, Federal Mediator Father Maguire relayed the request to the union. The union's strike committee replied to the Kohler Company request by allowing one car load of coal to enter the plant every two or three days for the purpose of supplying water to Kohler Village.

Union Attorney David Rabinovitz replied to Kohler Company charges that "outside agitators" were directing the strike. Rabinovitz stated that over "90% of the pickets are Kohler workers" and that the union's objective was "to gain a collective bargaining agreement, higher wages, and better working conditions."¹²

¹⁰Ibid., p. 42.

¹¹Ibid., p. 43.

¹²Ibid., p. 44.

Thursday's major event occurred when Father Maguire addressed a group of 1,000 to 1,500 strikers. Father Maguire urged the strikers to refrain from the use of violence. Father Maguire asserted that he was "a sincere, true, and honest friend of organized labor and I would not counsel you to do anything that would weaken your case." He also reported that the local National Guard unit was returning to Kohler from summer camp and would be storing their equipment in a Kohler Company building which had been rented by the government. Father Maguire urged strikers not to be alarmed and to allow the National Guard to store their equipment without incident.¹³

Events of Friday, July 20, began with the return of the local National Guard unit which stored its equipment in a Kohler Company building without incident. At 9:00 a.m., a carload of coal was shipped into the Kohler Company according to the pre-arranged schedule. The major event of the day occurred when the Kohler Company issued a statement concerning strike picketing activities. The company statement warned that "anyone who prevents the free passage of employees into or out of the plant is violating the law." The company statement rejected the use of picket issued "passes" to enter or leave the plant since the company felt that acceptance of passes is "tantamount to admitting that they (pickets) have the authority to take the law into their own hands." Rather than accept "passes," the company stated its willingness "to remain in enforced imprisonment indefinitely."¹⁴

¹³Ibid., p. 46.

¹⁴Ibid., p. 46.

A petition, signed by 380 women and presented to Kohler Village President Anton Brotz, marked the major event of Saturday, July 21. The petition urged Brotz to contact legal authorities about the picketing which separated men in the plant from their families. In other events of the day, it was reported that men on the picket line were carrying sticks and clubs, even though this practice violated the order of strike leaders.¹⁵

On **Sunday**, July 22, Kohler Village was the scene of a huge labor rally and demonstration. Approximately 4,000 members and friends of the Central Labor Council of Sheboygan gathered in Kohler to demonstrate labor's solidarity in the Kohler strike. The gathering of workers was addressed by Local 18545 President Arthur Kuhn, Maud McCreery, Attorney David Rabinovitz, and union organizers Paul Smith and Felix Olkives. Maud McCreery, the principal speaker, stated that the strikers were prepared to stay out "until next winter" if necessary to win.¹⁶

Monday, July 23, was a quiet day on the picket line. In the only incident of the day, a few strikers attempted to break a company searchlight with stones fired from a slingshot.

A statement by Walter J. Kohler was the most important event of Tuesday, July 24. In his statement, Walter Kohler asserted that the company was "determined to stand by its loyal employees" and would continue to meet with employees in groups or individually.¹⁷

¹⁵Ibid., p. 47.

¹⁶Ibid., p. 48.

¹⁷Ibid., p. 51.

On Wednesday, July 25, union attorney David Rabinovitz sent a letter to the Chicago Regional Labor Board. In the letter, Rabinovitz requested the Board "to hold an election among the employees of the Kohler Company to determine the committee which would represent the workers for the purpose of collective bargaining under Section 7(a) of the NIRA." In other events, the strikers built two tents out of railroad ties and gunny sacks near the east end of the Kohler plant for the purpose of providing shade.¹⁸

The appearance of specially equipped trucks with heavy gauge metal sides in Kohler Village cast an ominous shadow over the events of Thursday, July 26. The four Village of Kohler trucks had wire screening over the windshields and radiators. A machine gun was mounted on one of the trucks.

Tension mounted as the day progressed. A petition, signed by 1,500 employees of the Kohler Company, was presented to Kohler Village President Anton Brotz. The petition contended that "an organized group, not from Kohler Village . . . is forcibly and riotously interfering with our entering the plant." The statement continued with demands for "full protection of the legal authorities in entering and leaving the factory and otherwise."¹⁹

Responding to the petition, Anton Brotz issued a public notice. The notice listed a series of acts which "constitute violations of the law punishable by fine and imprisonment." The list of punishable

¹⁸Ibid., p. 51.

¹⁹Ibid., p. 54.

offenses contained prohibitions against "preventing others from engaging in pursuit of lawful work by threat, intimidation, or force," "blocking the entrance to any place of employment with ropes or in any other manner," and the carrying of "black-jacks, hose, stones, or slingshots." Brotz' public notice urged women and children "for their own safety to stay away from the vicinity of all unlawful assemblage." The proclamation ended with warnings that "outsiders will not be permitted to continue unlawful and riotous conduct with impunity."²⁰

The stage was now set for violent confrontation between the strikers and Kohler Company controlled special deputies. The Kohler Company was ready for violence as evidenced by the armed guards with steel helmets and billy clubs.²¹

Violent confrontation between the strikers and special deputies occurred on Friday, July 27. Before the day ended, forty-seven strikers were injured by gunshot wounds and two strikers were killed.

The day's violence began when the special deputies opened the plant entrances through the use of the armored trucks. The deputies then confronted twelve pickets who attempted to block a car load of coal destined for the Kohler plant. Strikers refused to allow the coal car to pass since it was in violation of a previous union-company agreement concerning coal car passage. A force of between eighty and one-hundred and fifty deputies routed the strikers and allowed the coal car to pass

²⁰Statement of Anton Brotz as quoted in Uphoff, Kohler on Strike, p. 54-55.

²¹Gunnar Mickelsen, "The Kohler Myth Dies," The Nation (August 15, 1934), p. 187.

into the Kohler plant.²² Next, a squad of deputies "disarmed" a group of pickets by removing their sticks and slingshots. The deputies then tore down the tents which had been erected by the pickets.

In the afternoon, the strikers continued their picketing. The deputies remained on the scene but did not harass the pickets. At about 5:00 p.m., the deputies left the scene of the picketing.

The events of the day attracted many spectators to Kohler Village on Friday evening. At about 8:00 p.m., a crowd estimated to be from 4,000 to 5,000 men, women, and children gathered near the Kohler plant. Special deputies were absent from the scene. Suddenly, a group of people started throwing rocks, chunks of coal, and pieces of pavement at the windows of the factory. The mob then smashed windows in the Kohler office building and the Recreation Club. The window smashing lasted about ten to fifteen minutes. The special deputies, who had been in hiding during the early minutes of the window smashing demonstration, suddenly appeared from behind the factory buildings. The deputies began shooting tear-gas bombs at the crowd. The crowd, although initially routed by tear-gas, returned in smaller groups to confront the deputies. By 9:00 p.m. the deputies ran out of tear-gas and resorted to using their guns with live ammunition. When the shooting ended, two men were dead and forty-seven were wounded, most with bullet wounds in the back.

After the shootings, the number of strikers and spectators

²²Uphoff, Kohler on Strike, p. 56.

decreased. Scattered incidents of deputy-striker confrontation continued until 2:00 a.m. when an uneasy quiet spread over the Kohler Village area. At about 5:30 a.m., the 120th Field Artillery of the Sheboygan National Guard arrived at the Kohler plant after being called to duty by Wisconsin Governor Schmedeman. These guardsmen were replaced later in the morning of July 28 by the Milwaukee based 105 Cavalry of Wisconsin. The decision to call up the National Guard resulted from a conference between the Sheboygan County Sheriff, the District Attorney, and Mediator Father Maguire who agreed to that action.

The guardsmen, under the command of Colonel J. C. Hanley, replaced the special deputies and took control. Colonel Hanley met with the strikers and assured them of his impartiality and desire to preserve law and order. The National Guard, with a contingent reaching 600 men in the days immediately after the riot, remained in Kohler until they were replaced by seventy special sheriff's deputies on August 28, 1934.²³

Orderly picketing resumed on July 28. Due to the presence of the National Guard, serious trouble was averted during the days following the July 27 riot.

The funeral of Henry Engleman, one of the two strike victims, was held on July 30. Over six-thousand people marched in the funeral procession. Lee Wakefield's funeral was held the following day with a similar number of people present for the funeral. Henry Ohl, President

²³Ibid., p. 75.

of the Wisconsin Federation of Labor, told the gathering that "our brothers have been slain and injured in a massacre, with human life on one side and profits on the other."²⁴

Three members of the Chicago Regional Labor Board joined Father Maguire in Sheboygan on Sunday, July 29. The Board took statements from a number of people that were involved in the Friday night riot. The Board, after meeting with officials of the Kohler Company and Local 18545, decided that "the time is not appropriate to press a settlement of the many issues involved in this controversy."²⁵ On Monday, July 30, the members of the Chicago Regional Labor Board returned to Chicago, except for Father Maguire who remained in Sheboygan.

In the week following the violence of July 27, a special Sheboygan County Board Meeting was held to outline actions necessary to preserve the peace at Kohler. Father Maguire was asked to comment on the strike. Father Maguire, a veteran of many strikes, stated that he "never saw such needless and ruthless killing by supporters of the law." Asserting that he would not go "behind fences to say what I have to say," Father Maguire stated that "human rights . . . are more sacred than property rights." Maguire described the situation as one in which "a deep wrong has been done" and urged the County Board to "go to the bother to discover who was responsible" and punish them "as they deserve."²⁶

Father Maguire's statement angered some of the other members of

²⁴Ibid., p. 79.

²⁵Ibid., p. 67.

²⁶Ibid., p. 77.

the Chicago Regional Labor Board. On August 4, 1934, Father Maguire was replaced as a labor mediator in Sheboygan. No explanation for the replacement was given. Henry Ohl, President of the Wisconsin State Federation of Labor, in a telegram to the Chicago Regional Board, described Father Maguire as "an influence for peace following the Kohler massacre." Ohl viewed Father Maguire's removal as "a great accommodation to Kohler."²⁷

The replacement of Father Maguire raised further suspicion of the "neutrality" of the Chicago Regional Labor Board. In an August 24, 1934 letter from Organizer Paul Smith to AFL President William Green, Smith observed that "there is a good deal of under handed work on the part of some members of the Board at Chicago in cooperation with Kohler."²⁸ In commenting on Father Maguire's sudden removal from the Kohler case, Smith said: "We have information to the effect that certain members of the Board got to Kohler and told him not to negotiate with Father Maguire."²⁹

On August 10 and 11, meetings between the Kohler Company and Local 18545 were held in Chicago under the auspices of the Chicago Regional Labor Board. The Chicago Regional Labor Board presented both sides with a list of proposals which would end the strike and allow a supervised election to determine the collective bargaining representative of the Kohler employees. Local 18545 accepted the Board's proposal in

²⁷Ibid., p. 77.

²⁸Paul Smith to William Green (August 23, 1934), Local 18545 Papers.

²⁹Ibid.

its entirety. The Kohler Company rejected all the proposals listed by the Board.

Local 18545, feeling that no progress was being made in labor negotiations with the Kohler Company, sought the assistance of the National Labor Relations Board on August 24, 1934. In its petition, Local 18545 presented three complaints to the National Labor Relations Board. The complaints against the Kohler Company were:

"first, that certain employees were discharged by the company for union activity;
second, that the company failed and refused to bargain collectively with representatives of the union; and
third, that the company interfered with the self-organization of its employees."³⁰

After the appeal was sent to the NLRB, both the Kohler Company and Local 18545 refrained from meeting with each other. Peaceful picketing continued at the Kohler Company.

A coroner's inquest into the deaths of Lee Wakefield and Henry Engleman provided a forum for the union and the Kohler Company to give their versions of the events of July 27. The inquest, under the direction of Coroner C. N. Sonnenberg and District Attorney Charles Copp, was held on September 11 through 13.

The inquest produced much conflicting testimony. Some witnesses charged that the Kohler Company controlled special police used National Guard rifles and ammunition without authorization. Other witnesses charged that members of the crowd fired guns at the special deputies.

³⁰National Labor Relations Board Decision (September 16, 1934) as quoted in Uphoff, The Kohler Strike, p. 73.

These and many other charges remained unproven. The only undisputed conclusion of the inquest was that armed police fired their guns at a crowd of people. If the crowd did fire shots at the deputies, no deputy was struck by a bullet. The inquest ended with the conclusion that Wakefield and Englemann "came to their deaths in a general gunfight . . . the persons who fired the shots remain unknown."³¹

In the weeks following the violence of July 27, both the union and the Kohler Company attempted to rally public support for their position. Each side attempted to blame the other for the violence which had occurred.

The Kohler Company, through the Kohler of Kohler News (a company publication), informed the public that the union resorted to a "riot" when legitimate actions failed. The company described the "riot" as being precipitated by:

a mob consisting of thousands, advancing from two directions as if by deliberate plan, on a mile front, assailing the Kohler plant and Village, attacking the factory, office, and medical department with a barrage of bricks, stones, and other missiles. Not only was property damaged but the lives of people both inside and outside the plant were endangered.³²

The Kohler Company further asserted that outside agitators were responsible for the violence.³³

The Kohler Company soon gained another ally in its attempt to publicize its position. On August 24, 1934, the Sheboygan County Law

³¹Uphoff, Kohler on Strike, p. 83.

³²Kohler of Kohler News (Kohler, Wi.: September-October-November 1934), p. 7.

³³Kohler of Kohler News (Kohler, Wi.: August 1934), p. 7.

and Order League was formed. The purpose of the League, according to the Kohler Company, was to protect the homes and property of Kohler Workers' Association members and Kohler Village residents. The Kohler Company described the League's activities as "instrumental in curbing the campaign of intimidation and violence" through "mass meetings, rewards for information leading to the arrest and conviction of guilty parties, and by supporting and encouraging law enforcement officers."³⁴

Shortly after the formation of the Sheboygan County Law and Order League, a group of business and professional men publicly petitioned the Kohler Company to reopen its plant. The petition stated the importance of the Kohler Company payroll to the surrounding community. Local 18545 viewed the petition as a company designed tactic to further alienate workers from the AFL union.

The Kohler Company publicity campaign began to show tangible effects when Wisconsin and national newspapers began to editorially criticize the union. Most newspapers mirrored the sentiments of the Green Bay Press Gazette which described Wisconsin labor's actions at Kohler as "hasty, inconsiderate, and unwarranted."³⁵

The best publicist for the union's position was Maud McCreery, editor of the New Deal. Miss McCreery, in her articles and editorials, questioned many of the Kohler Company statements and practices. The New Deal also solicited merchants for advertising and provided space

³⁴Kohler of Kohler News (Kohler, Wi.: September-October-November 1934), p. 9.

³⁵Ibid., p. 8.

for reader's comments and opinions. The New Deal urged all workers to support the Kohler strike and boycott anti-union establishments.

In the state and national news media, pro-union articles seldom appeared. Most publications ignored the grievances of the strikers and published accounts favorable to the Kohler Company. A noted exception to this trend was The Nation magazine. On August 15, 1934, The Nation carried an article by Gunner Mickelsen entitled "The Kohler Myth Dies." In his article, Mickelsen stated that few production workers lived in Kohler's model village, the union members were harassed by Kohler management, and the Kohler Company refused to bargain in good faith with its employees. Referring to the strike's violence, Mickelsen asserted:

When it came to a final question of Kohler property or Kohler workers, it was gas, cracked heads, gunshot wounds, and death to the workers for the sake of property. The crash of windows shattered on that sacred property was reason enough to loose a stream of lead into the well-loved employees.³⁶

Probably the most influential article on the Kohler Strike appeared in the October 27, 1934 issue of the Saturday Evening Post. Gareth Garrett, the author of the ten page article, wrote a decidedly pro-employer account of labor relations at Kohler. The article stressed Kohler's paternalistic concern for his workers as evidenced by the creation of Kohler Village and the institution of "welfare" measures.³⁷ Due to its wide readership, the Saturday Evening Post seemed to exert

³⁶Gunnar Mickelsen, "The Kohler Myth Dies," p. 188.

³⁷Gareth Garrett, "Section Seven-A at Sheboygan," The Saturday Evening Post, Vol. CCVII (October 27, 1934) pp. 5-7, 77, 79-82.

undue influence on the national public opinion regarding labor-management relations at the Kohler Company.

Both the union and the company recognized the importance of securing public support for their position. The company expended large amounts of money in a widespread publicity campaign. Local 18545 relied on the Wisconsin Federation of Labor and the American Federation of Labor to publicize its position. Organized labor attempted to generate public support for the union at Kohler through regional radio advertisements (WCFL Radio-Chicago) and circulars. This meager publicity effort by a financially drained AFL proved no match for the Kohler Company publicity campaign.³⁸

³⁸American Federation of Labor, Report of the Proceedings of the Fifty-Fifth Annual Convention (Atlantic City, New Jersey, 1935), p. 413.

CHAPTER V
THE NLRB ELECTION DECISION

On August 31 and September 1, 1934, the National Labor Relations Board held hearings in Sheboygan, Wisconsin on the three complaints that Local 18545 filed against the Kohler Company. Both the union and the company presented evidence which was recorded in 800 pages of stenographic testimony.

On September 8, 1934, the NLRB heard the three complaints against the Kohler Company: 1) that certain employees were discharged by the company for union activity; 2) that the company failed to bargain collectively with the representatives of the union; and 3) that the company interfered with the self-organization of its employees.¹ The American Federation of Labor also petitioned that an election be held and the Kohler Workers' Association dissolved.

The Board handed down its decision on September 15, 1934. It held that the discharges were due to necessary cutbacks in production because of the Depression and that the company's policy on discharge showed no evidence of being discriminatory.

On the charge that the company refused to bargain in good faith, the Board decided that it was a moot matter since "the question of

¹The Kohler Company and Federal Labor Union No. 18545, CA 115, NLRB, September 15, 1934, as quoted in Uphoff, The Kohler Strike, p. 73.

whether the union or the Association represents the majority of the employees" has not been determined.

Concerning the third complaint, interference with self-organization, the Board found the company guilty of "forming and promoting the new organization" (KWA) at a time "when an outside Union was just being formed." The Board further charged the company with deliberate attempts to "influence the allegiance of the employees and to interfere with their free and unhampered self-organization which Section 7(a) guarantees." The Board concluded its decision by ordering an election to remedy "the wrong done by the Company."²

The Board felt that it was probably true that many members of KWA had joined because of the company's position with the association, but that others had joined because they honestly wanted such representation. The Board was not willing to dissolve the KWA. In regard to the KWA, the Board stated that if "the Association secures a majority of the votes, it will be entitled to act as a bargaining representative of all Kohler employees in bargaining."³

The Board set September 27, 1934 as the date for an NLRB supervised election at the Kohler Company. When the Board determined who could vote in the election, it decided on the payroll date, September 7, 1933, which excluded many members of Local 18545. A June 30, 1934 eligibility date which the company pressed for, however, would have excluded even more.

²Ibid., p. 74-75.

³Ibid., p. 76.

The NLRB decision angered Local 18545 officials who charged that the KWA should not be allowed to participate in the election since it was found to be a company created and dominated union. The union also objected to the date of September 7, 1933 as an eligibility date for voting. The union stated that this date disqualified 250 men who were laid off on August 22, 1933, just prior to the eligibility date. The union asserted that these men, according to NLRB findings, were "still considered by the company as employees, subject to recall and insurance benefits."⁴

The twelve days that followed the NLRB decision witnessed an intensified effort on the part of the KWA and Local 18545 to win the September 27 election. Local 18545 produced circulars which criticized the close relationship between the KWA and the Kohler Company. Circulars presenting the Local 18545 position stressed the importance of worker unity to fight wage cutting, speed-ups, deductions for faulty work, wage assignments, health dangers, and unfair treatment by supervisors. The union labeled its strike as an attempt "to compel Kohler to treat his workers as human beings . . . and discuss better wages and working conditions." Local 18545 warned workers against being influenced by company distributed candy, cigars, and cigarettes. The union discounted company threats to close the plant if Local 18545 won the election as scare tactics. The union plea reminded workers that in the polling booth, a worker is "alone with (his) conscience, and (his) God."⁵

⁴Ibid., p. 77.

⁵Local 18545 Circular as quoted in Kohler, The Kohler Strike, p. 79-80.

The KWA engaged in a widespread publicity campaign prior to the election. The KWA continued to assert that a victory by Local 18545 would be detrimental to the worker. This theme manifested itself in changes that Local 18545's strike produced "eleven weeks without pay, a riot, additional worker cost through union dues, permanent loss of jobs for some workers, and no tangible improvements for Kohler employees." The KWA cited increases in wages, better piece rate standards, and settlement of grievances as evidence of its productive tenure.⁶

The Kohler Company actively aided the KWA throughout the pre-election campaign. The company provided free cigars, cigarettes, and candy to workers in the plant from the time the strike began until the election. Free meals in the company cafeteria were provided for men in the plant -- a practice not instituted until Local 18545 went on strike. The Kohler Company also circulated rumors about the questionable status of the company's operation if the KWA lost the election.⁷

The KWA's and Local 18545's differences extended beyond questions of worker-employer relationships. The KWA did not offer direct representation for the worker. The workers under KWA elected thirty-seven representatives who elected nine chairmen who in turn chose the officers of KWA. The KWA never held a general membership meeting. The bonds between the KWA and the Kohler Company were evidenced by the rent free offices provided for the KWA in the Kohler plant.

⁶Kohler Worker's Association Circular as quoted in Uphoff, The Kohler Strike, p. 81.

⁷Uphoff, Kohler on Strike, p. 89.

The NLRB conducted the scheduled election at the Sheboygan Post Office on Thursday, September 27, 1934 from 7:00 a.m. to 7:00 p.m. Those eligible to vote were employees of Kohler whose names appeared on the company's September 7, 1933 payroll. The following people were not allowed to vote:

- 1) Those regularly employed elsewhere.
- 2) Those guilty of violence in the existing strike.
- 3) Executives and those in supervisory capacities.

Office employees were allowed to vote, but their ballots were sealed pending a later NLRB eligibility decision. The election was supervised by two NLRB representatives. The KWA and Local 18545 were each allowed four challengers. Two thousand two hundred and eighty-eight votes were cast in a twelve hour period. The challengers worked two shifts, with four challengers present at all times. The limited number of challengers could not effectively review the eligibility of potential voters -- a point Local 18545 cited in its later request for a new election.⁸

By 11:15 p.m., the votes had been counted and certified. The election favored the KWA by the following results:

Votes counted for No. 18545	643
Challenged for violence	185
Challenged for working elsewhere	<u>3</u>
TOTAL	831

⁸Ibid., p. 89.

Votes counted for KWA	1,063
Challenged	370
Void	5
Sealed for further consideration	10
TOTAL	<u>1,457</u>
Total votes cast	2,288 ⁹

The KWA rejoiced at the election victory while members of Local 18545 were depressed. Local 18545 and other Sheboygan area unions felt that the election results should be invalidated.

In an October 31, 1934 letter to H. W. Brown, General Vice-President of the International Association of Machinists, Bernard Beyer, the Recording Secretary of IAM Local 251 in Sheboygan interpreted the vote and election procedure. Beyer contended that "at least 154 (KWA votes) should have been eliminated" since they represented either supervisory or office personnel voting. Beyer further stated that the establishment of the September 7, 1933 voter eligibility date deprived the Union of 250 votes due to their being laid off just prior to that date. The disqualification of an additional 185 votes prior to the election also angered Beyer. The Board disqualified these voters for violence during the strike -- a decision challenged by Beyer since "not a single person (has) been arrested or convicted of any violence during the strike." Beyer concluded that if the election had "been honestly conducted, Federal Labor Union No. 18545 would have come out victorious."¹⁰

The victory of the KWA in the NLRB election stemmed from a

⁹NLRB Election Results (Kohler Company, September 27, 1934) as quoted in William Blachman, The Kohler Strike: A Case Study in Collective Bargaining (unpublished Ph.D. Thesis, University of Wisconsin, 1963).

¹⁰Bernard Beyer to H. W. Brown (October 31, 1934), Local 18545 Papers.

variety of reasons. Some workers feared that the Kohler Company would close its plant if Local 18545 won the election. In the job-scare Depression era, any type of work was readily accepted regardless of wages or working conditions.

The violence connected with the strike was often blamed on Local 18545. Due to the barrage of Kohler Company publicity which linked the strike related violence to Local 18545, many workers feared that a Local 18545 victory would mean a renewal of violent confrontation between labor and management.

The fact that unionism was relatively "new" in the Sheboygan area also contributed to Local 18545's defeat. Many of the Kohler workers were first and second generation Americans or sons of area farmers who viewed Kohler Company paternalism as an acceptable labor-management relationship. Since the Kohler Company aggressively fostered more paternalistic measures prior to the election (settlement of minor grievances through KWA, free sandwiches, free cigarettes, etc.), some workers became convinced that a KWA victory would assure continuance of these practices. The "newness" of unionism also presented the problem of making workers aware of the philosophy and goals of the trade union movement. The fact that Local 18545 was less than one year old when the strike was called seems to further the belief that more time was needed to firmly implant the ideals of unionism into the workers prior to the strike.

Another factor present in Local 18545's defeat was the presence of a group of Kohler employees who largely owed their existence to the Kohler Company. These workers who lived in Kohler Village were

dependent upon Kohler paychecks to meet payments on their homes. Any extended closing of the Kohler plant would place their homes in jeopardy.

Of the factors present in Local 18545's election defeat, the Kohler Company's active anti-union tactics were the most important causes of the union's defeat. The company's anti-union offensive closely paralleled what would become known as the "Mohawk Valley formula." The NLRB set forth elements of the Mohawk Valley formula in its decision in the Remington Rand Case of 1937. Elements of the Mohawk Valley formula and their application by the Kohler Company are presented here.¹¹

First: When a strike looms, brand the leaders as agitators. The August, 1934 issue of Kohler of Kohler News characterized the strike as being led by "outside labor agitators and radicals."¹²

Second: When the strike begins, raise the cry of "law and order" to mass the community's police and legal machinery against imaginary violence. The Sheboygan County Law and Order League, a pro-management citizen's organization, demanded enforcement of the law and protection for strike breakers.¹³

Third: Stage a mass meeting of citizens to coordinate public sentiment against the strike and to support the employer. The Kohler Company, on July 26, 1934, avoided the need for a mass meeting through

¹¹The Mohawk Valley Formula as quoted in Irving Bernstein, Turbulent Years, A History of the American Worker, 1933-1941, p. 478-479.

¹²Kohler of Kohler News (Kohler, Wi.: August 1934), p. 3.

¹³Kohler of Kohler News (Kohler, Wi.: September-October-November 1934), p. 9.

the presentation of a petition to Kohler Village President Anton Brotz. The petition, containing 1,500 signatures, stated that the Kohler employees wanted to "have an opportunity to work for the company under the terms now in effect and which are satisfactory to us."¹⁴

Fourth: Build up a large armed force consisting of local police, state police, vigilantes, and special deputies to intimidate the strikers. The Kohler Company engaged over 1,000 special deputies during the course of the strike.¹⁵

Fifth: Create a puppet association of "loyal" employees to state a well-publicized back-to-work movement in order to demoralize the strikers. The Kohler Workers' Association fulfilled this objective.

Sixth: Get the "loyal" group to ask for the re-opening of the plant and keep the Citizen's Committee and police nearby at the key moment. After the Kohler plant was closed for about seven weeks, a group of Sheboygan area "business and professional men" asked the Kohler Company to re-open the plant.¹⁶

Seventh: Dramatize the re-opening of the plant with a big march of returning employees under police protection. Due to the presence of the National Guard, the strike breakers entered the Kohler plant without striker interference.

Eighth: Continue the show of force as operations resume. The Kohler Company was guarded by seventy special sheriff's deputies after the National Guard left.

¹⁴Uphoff, Kohler on Strike, p. 54.

¹⁵Ibid., p. 69.

¹⁶Kohler of Kohler News (Kohler, Wi.: Sept.-Oct.-Nov. 1934), p. 9.

Ninth: Close the propaganda campaign on two themes, that the plant is now in full production and that the strikers were only a small minority interfering with the morally sacred "right to work." The Kohler Company, bolstered by the KWA election victory, asserted these themes in its company publication, the Kohler of Kohler News.¹⁷

The KWA election victory provided the Kohler Company with a stable, controllable union. Despite Local 18545's charges of election irregularities and close KWA-Kohler Company ties, the Kohler Company gained the legal justification for bargaining exclusively with the KWA. With the election victory of its company union, Kohler confidently faced a future of diminished labor-management conflict.

¹⁷Ibid., p. 14.

CHAPTER VI
THE DEMISE OF LOCAL 18545

The members of Local 18545 did not abandon their struggle after the September 27 election defeat. The union felt that the NLRB would over-turn the election results once the "irregularities" of the election became evident. Shortly after the election, Local 18545 protested the "manner and method" of conducting the election to the NLRB's Washington office. The NLRB delayed a decision on the union's protest until early 1935.

Problems in financing their strike caused the officers of Local 18545 to request additional strike benefits from the AFL. Local 18545 received most of its benefits from the Wisconsin State Federation of Labor and other Sheboygan area labor unions. An August 13, 1934 request from Local 18545 to William Green for additional strike benefits brought a reply which directed Local 18545 to rely on the "local organized labor movement . . . to meet the financial cost of carrying on the strike."¹

The AFL President exempted members of Local 18545 from the payment of the per capita tax while they were on strike but did not provide any monetary benefits until early in 1935. The AFL strike policy did not allow the payment of strike benefits during the first two weeks of a strike. The AFL also required a local union to be chartered for one

¹William Green to Otto Reichert (August 22, 1934) Local 18545 Papers.

year before any strike benefits could be paid. For members of Local 18545, this meant that they were not eligible for benefits until August 25, 1934. In addition, only union members with paid-up union dues could receive strike benefits.

On January 31, 1935, the AFL sent Local 18545 a check for \$1,092.00 which represented strike benefits for twenty-six union members whose dues were paid-up.² These men refused to accept the benefits as individuals, but instead turned the money over to the local union for distribution to all needy strikers.³ The failure of the AFL to provide adequate funding for the Kohler strikers stemmed from the limited availability of AFL funds which were being rapidly exhausted in other strikes throughout the nation.

Striker morale, although dampened by the election defeat, remained surprisingly high during the fall and winter of 1934-1935. In an October 27, 1934 letter from Local 18545's Financial Secretary Frank Reinthaler to the AFL's William Morrison, Reinthaler commented that "an important stage of the strike has been reached." Reinthaler cited weakening of the opposition, solidarity in the ranks of the strikers, and an increase in new members as evidence of union intent "to hold out until the last bit of resistance on the part of this most stubborn employer is broken."⁴

A November 17, 1934 letter from Local 18545's Attorney Joseph

²William Morrison to Frank Reinthaler (January 25, 1934) Local 18545 Papers.

³Paul Smith to William Morrison (February 23, 1935) Local 18545 Papers.

⁴Frank Reinthaler to William Morrison (October 27, 1934) Local 18545 Papers.

Padway and Organizer Paul Smith to William Green showed the continuance of high morale among the strikers. The letter characterized the "morale of the men on strike (as) splendid." Smith stated that the men "will be reasonable if peace can be secured, but they want peace with honor."⁵

The union's desire to carry on the strike remained firm through January 1935. In a January 26, 1935 letter to William Green, Local 18545's President Charles Heymann asserted that the men are "determined to keep up this fight for justice and right and will not now or in the future bow to Walter J. Kohler."⁶ In the same letter to William Green, Heymann restated the Kohler strikers' faith in the union movement. Heymann told of the men's faith in the AFL "to fight for what is right and to uphold the prestige of the movement."⁷

Local 18545's protest of "irregularities" in the September 27, 1934 election at the Kohler plant brought a renewed effort by the NLRB to conciliate the situation. Local 18545, in November of 1934, felt that the NLRB was "much worried about the matter [charges of election irregularities], and is trying hard to avoid having to pass upon the regularity of the election."⁸

⁵Joseph Padway and Paul Smith to William Green (November 17, 1934) Local 18545 Papers.

⁶Charles Heymann to William Green (January 26, 1935) Local 18545 Papers.

⁷Ibid.

⁸Joseph Padway to William Green (November 17, 1934) Local 18545 Papers.

The NLRB arranged a meeting between Local 18545 and the Kohler Company in early November of 1934. The NLRB and Local 18545 were anxious to settle the strike. The Kohler Company appeared uninterested in arriving at a strike settlement.

Local 18545 proposed a three point settlement of the strike. The terms were:

1. Reinstatement on the basis of seniority for all employees based on the payroll of September 7, 1933.
2. Representation based upon an equal number of Union employees and non-union employees until an election is held at a future date as will be fixed by the NLRB.
3. Wages, hours, and working conditions to be arbitrated.⁹

The Kohler Company, in the words of union officials, was "not disposed to offer any respectable terms of peace." The company stated that it would rehire all those employees who are "not at present in the employ of the company, and who have not committed violence, on the basis of a preferential list." The Kohler Company refused to negotiate the laying off of men presently employed or the arbitration of wages and working conditions. The company asserted that the law only required it to deal with the KWA, the elected representative of the workers.¹⁰

The Kohler Company's claim that they were only required to deal with the KWA caused Local 18545's Attorney Joseph Padway to comment that the "Company always claimed it would deal with minority and majority groups and that by law it is obliged to do so." The Kohler Company abandoned this previous position when the KWA won the election.¹¹

⁹Ibid.

¹⁰Ibid.

¹¹Ibid.

By January 1935, the possibility of a strike settlement seemed far away. The Kohler Company seemed confident that it could "wait-out" the strikers. Members of Local 18545 seemed anxious to end the strike but were unwilling to unconditionally surrender.

On January 19, 1935, the Kohler Company issued a series of proposals to the NLRB designed to end the strike. The company's proposals included a pledge to rehire strikers as "business permits" in a manner supervised by the NLRB. As a gesture of good faith, the company promised to rehire at least 200 strikers by May 1, 1935.¹²

Local 18545 interpreted the Kohler proposal as a demand for the union's complete surrender. The union felt that acceptance of the proposal would mean certification of the KWA as the exclusive bargaining agent of the Kohler workers and the rehiring of only 200 of the 700 remaining strikers. The union, in a meeting attended by 600 members, unanimously rejected the Kohler proposal.¹³

Local 18545 then issued a counter proposal which promised to "call off the strike immediately" contingent on the meeting of certain conditions. The union's conditions included non-discrimination in re-employment of striking workers and arbitration of wages, hours, and working conditions through a joint company, union, and NLRB committee.¹⁴

¹²Charles Heymann to William Green (January 24, 1935) Local 18545 Papers.

¹³Ibid.

¹⁴Federal Labor Union No. 18545's Proposal to the Kohler Company (January 1934) Local 18545 Papers.

The months of January and February were times of great strain on the membership of Local 18545. The Kohler Company remained intransigent to the union's proposals. The union's boycott of Kohler products which had the support of the State Federation of Labor did not seriously affect the Kohler Company. Despite the unfavorable circumstances, the union stated that it "will not now or in the future bow to Walter J. Kohler and his degrading offers."¹⁵

The Kohler strike placed the prestige of the American Federation of Labor on the spot in Wisconsin. The AFL was anxious to settle the strike but was unwilling to completely capitulate to the Kohler Company. Organizer Paul Smith clearly stated the importance of the strike to organized labor. Smith reminded the AFL of (Walter) Kohler's "arrogance, stubbornness, hatred of the AFL, and his prominence in the National Association of Manufacturers." Smith urged AFL leaders to fight Kohler with "whatever means necessary within the law" and "prevent the Kohler Company from defeating the AFL."¹⁶

Joseph Padway, Local 18545's attorney, expressed sentiments similar to those of Paul Smith in a February 6, 1935 letter to William Green. Padway conceded that "it would have been better not to have called this strike at the time it was called." Although asserting that the strike was "extremely costly" to the AFL, Padway insisted that the

¹⁵Charles Heymann to William Green (January 26, 1935) Local 18545 Papers.

¹⁶Paul Smith to William Green (January 28, 1935) Local 18545 Papers.

strike was "something that organized labor cannot let go of arbitrarily as it would rebound to the disadvantage of the entire labor movement in the state."¹⁷

The Kohler strike continued into March of 1935 with no hope of settlement. Local 18545's strike funds were almost exhausted. The NLRB had not ruled on the union's protest of the September 27, 1934 election at the Kohler Company. One of the few bright notes for the AFL union came when Lloyd Garrison, the former head of the NLRB, admitted in a private conversation with Joseph Padway and Professor Selig Perlman of the University of Wisconsin's Economics Department, that "the Kohler decision was wrong."¹⁸

The NLRB rendered a decision on Local 18545's protest of the Kohler election on March 26, 1935. The NLRB rejected Local 18545's protest by stating:

A clear majority of the employees eligible to vote, when given the opportunity freely and secretly to state their choice of bargaining agents, chose the Kohler Workers Association.¹⁹

The NLRB decision ended Local 18545's hope of an acceptable settlement with the Kohler Company. William Green's letter to Joseph Padway on May 21, 1935 expressed the hopelessness of the situation.

¹⁷Joseph Padway to William Green (February 6, 1935) Local 18545 Papers.

¹⁸Joseph Padway to William Green (March 12, 1935) Local 18545 Papers.

¹⁹NLRB Decision as quoted in the Kohler Company to Scissors Workers Union, Local 18287 (July 2, 1935) Local 18545 Papers.

Green said that those union leaders familiar with the strike "ought to tell those on strike the truth." Green's letter further observed that since the company is operating in full production, "the strike no longer has an effect."²⁰

Federal Labor Union 18545 continued its strike against the Kohler Company until 1941. Most of the union's members found jobs in other Sheboygan area industry. Some strikers gave up and returned to work at the Kohler Company. Other men moved to distant cities to find work. A few men left Local 18545 to join a newly formed Congress of Industrial Organization union in 1935.

Despite desertions from its ranks, Local 18545 maintained picket lines up to 1941. The small number of pickets present each day was a constant sign that a labor dispute still existed at Kohler.

In 1941, the Kohler Company was anxious to secure government war contracts. These contracts would necessitate the expansion of the Kohler Company plant. The Kohler Company, fearful that members of the building trade unions would honor Local 18545's picket lines, decided to negotiate a settlement of the seven year old strike.

The Kohler Company negotiated an agreement with the Wisconsin State Federation of Labor that ended the strike. The Kohler Company agreed to rehire a group of strikers based on an August 15, 1933 payroll list. The company, as part of the negotiated settlement, refused to

²⁰William Green to Joseph Padway (May 21, 1935) Local 18545 Papers.

hire men employed elsewhere at the time of the settlement. The company also secured a written statement that the leaders of the strike would not request rehiring.²¹

The Kohler Strike of 1934-1941 ended in the union's defeat. The Kohler Company successfully repelled a challenge to its authority. Local 18545 was unsuccessful in its struggle for a number of reasons. The local union was hampered by limited financial support from the AFL, inexperienced leadership, poor timing of the strike, unyielding employer opposition, and lack of wide-spread community support.

The Kohler Company contributed to the union's defeat through a variety of legal and illegal means. The creation and fostering of a company union proved to be a successful way to blunt outside unionism. Kohler's use of physical and psychological force against the strikers was effective. The certification of the KWA election victory by the NLRB presented the company with a quasi-legal excuse for not negotiating with Local 18545.

The defeat of Local 18545 provided the Kohler Company with almost two decades of labor peace. The company's union (KWA) functioned as an instrument of control over worker discontent. But beneath the surface, worker desire for bonafide union representation persisted. The previous efforts of Local 18545 to build worker support for an outside union produced results in the early 1950s.

In 1952, United Auto Workers-Congress of Industrial Organization

²¹Uphoff, Kohler on Strike, p. 101.

Local No. 833 gained NLRB recognition as the exclusive bargaining agent for Kohler workers. Negotiations between the company and the union produced few results. In 1954, Local 833 went on strike against the Kohler Company. The company was again unwilling to enter into meaningful negotiations with organized labor. But this time, the workers held out for six years and won. Kohler Company labor policy was finally forced into the twentieth century.

By the 1970s, Kohler Company labor-management relations paralleled that of other major companies. In 1973, Herbert V. Kohler, Jr., Chairman of the Board of the Kohler Company, described labor-management relations as "both the union and company having respect for each other." Kohler asserted that "both sides try to avoid getting locked into irrevocable positions."²² This new relationship between workers and management developed because hundreds of Kohler workers were unwilling to accept paternalism as a substitute for a union.

²²The Milwaukee Journal (March 4, 1973) Part 2, Page 2.

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