

In the Matter of HENRY FORD TRADE SCHOOL and FORD INDUSTRIAL
EDUCATION ASSOCIATION

Case No. 7-R-1778.—Decided October 30, 1944

Mr. I. A. Capizzi, by Mr. Malcolm L. Denise, of Detroit, Mich., for the School.

Mr. John B. Melotte, of Ann Arbor, Mich., for the Association.

Miss Melvern R. Krelow, of counsel to the Board.

DECISION
AND
DIRECTION OF ELECTION

STATEMENT OF THE CASE

Upon petition duly filed by Ford Industrial Education Association, herein called the Association, alleging that a question affecting commerce had arisen concerning the representation of employees of Henry Ford Trade School, Dearborn, Michigan, herein called the School, the National Labor Relations Board provided for an appropriate hearing upon due notice before Robert J. Wiener, Trial Examiner. Said hearing was held at Detroit, Michigan, on July 31 and August 1, 10, 11, and 29, 1944. The School and the Association appeared and participated. All parties were afforded full opportunity to be heard, to examine and cross-examine witnesses, and to introduce evidence bearing on the issues. At the commencement of the hearing the School filed a motion to dismiss the petition on the grounds that no question affecting commerce had arisen concerning the representation of employees of the School, and that the Board is without jurisdiction over questions arising between the School and its employees since the School is a non-profit educational institution not engaged in commerce within the meaning of the National Labor Relations Act. The Trial Examiner reserved ruling on the motion for the Board. For reasons hereinafter set forth the motion is hereby denied. The Trial Examiner's rulings made at the hearing are free from prejudicial error and are hereby affirmed. All parties were afforded an opportunity to file briefs with the Board.

Upon the entire record in the case, the Board makes the following:

FINDINGS OF FACT

I. THE BUSINESS OF THE SCHOOL

Henry Ford Trade School is a non-profit Michigan corporation with its principal office and place of business in Dearborn, Michigan.¹ The School was instituted by Henry Ford and opened on October 25, 1916. The School, which operates under the direction of a Board of Trustees which, with the exception of the School superintendent, is composed exclusively of executives of the Ford Motor Company, herein called the Company, accepts boys for training when they are between the ages of 12 and 15. This training consists of 34 weeks of shop training and 14 weeks of classroom or academic training. The students are paid a "cash scholarship" which is in the form of an hourly rate of pay beginning at 25 cents per hour and reaching a maximum of 65 cents per hour. In addition, a savings account accumulated at the rate of \$2 per month is credited to each student; the students also receive a free noontime meal.

The School leases from the Company floor space, machinery, and equipment. The School manufactures and repairs tools solely for the Company on orders received from the Company. The work is performed by the students and instructors. The School charges the Company for all the work done by it at a specified rate which, at the time of the hearing, amounted to \$1.70 per hour. All materials necessary for completing the Company's orders are furnished by the Company, and the Company at all times retains title thereto. During 1943, the total operating expense of the School was \$3,358,310.59, which resulted in an operating deficit of between \$100,000 and \$300,000. Orders received by the School from the Company are destined for delivery to the various plants of the Company both inside and outside the State of Michigan. In addition to the manufacture and repair of tools for the Company, the School publishes and sells several trade books. One book, "Shop Theory," is also published and sold by McGraw Hill Company for which the School receives royalties. During 1943, the total book sales were in excess of \$26,000 of which approximately 75 percent was shipped to points outside the State of Michigan. The royalties received by the School during the same period amounted to \$11,667.

The School contends that its sole activities "of any substance" are cultural, namely, the education of its students, and that it is therefore removed from the Board's jurisdiction. We do not agree with this contention. In 1943, the School received in excess of \$3,000,000 for

¹ The School's articles of incorporation set forth the purposes for which the School was formed as follows: "To give gratuitous training for mechanical trades and/or in agriculture and instruction in technical, scientific, and agricultural subjects related thereto."

the manufacture and repair of tools for the Company.² The amount thus received approximated the total operating expenses of the School, and it cannot be said, therefore, that business operations which make the School substantially self-sustaining are so subordinated to its cultural activities as to be of little or no significance. Nor are we of the opinion that the avowed educational purpose for which the School was organized is inconsistent with a finding that it is also engaged in a manufacturing enterprise which substantially affects commerce.³

We find that the School is engaged in commerce within the meaning of the Act.

II. THE ORGANIZATION INVOLVED

Ford Industrial Education Association is an unaffiliated labor organization admitting to membership employees of the School.

III. THE QUESTION CONCERNING REPRESENTATION

On or about May 1, 1944, the Association requested the School to recognize it as bargaining agent for certain of the School's employees; thereafter the School refused the request.

A statement of the Regional Director, introduced into evidence at the hearing, indicates that the Association represents a substantial number of employees in the unit hereinafter found appropriate.⁴

We find that a question affecting commerce has arisen concerning the representation of employees of the School within the meaning of Section 9 (c) and Section 2 (6) and (7) of the Act.

IV. THE APPROPRIATE UNIT

The parties are in general agreement that all employees of the School, including employees of the School who work in the training school, naval training school, Ford Apprentice School, and Camp Legion, and assistant department heads, but excluding department heads, School superintendent, employees located in the office of the School superintendent, shop superintendent, assistant shop superintendents, personnel department employees, and all other supervisory

² None of the parties gainsay, and the Board has previously found in numerous cases involving the Company, that the Company is engaged in business affecting commerce within the meaning of the Act.

³ See *Polish National Alliance v N L R B.*, 322 U. S. 643, affirming 136 F. (2d) 175 (C. C. A. 7), enfg as modified 42 N. L. R. B. 1375

⁴ The Regional Director reported that the Association submitted 296 application for membership and dues record cards of which 288 bear apparently genuine signatures; that the names of 232 persons appearing on the cards were listed on the Company's pay roll of June 8, 1944, which contained the names of 407 employees in the appropriate unit; and that the cards contained entries indicating dues paid through the following dates: July and December 1943, and January, February, March, April, May, June, July, August, October, and December 1944.

employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action constitute an appropriate unit. They are in disagreement, however, with respect to instructors. The School contends that instructors, whom the Association would include, should not form a part of any bargaining unit.

The School employs classroom and shop instructors, whose primary jobs are to instruct the students. In addition, the shop instructors engage in the same work as that of the students. The classroom instructors also engage in shop work during the summer vacation. The School argues that since the instructors carry out policies of the School and are expected to supervise and guide the students that they should not be included in any bargaining unit. That the instructors carry out the policies of the School and instruct and supervise the students is apparent. However, with respect to employees of the School, instructors make no recommendations regarding the hire, discharge, or discipline of such employees, nor do they otherwise have authority to effect changes in their status. Instructors are subject to the same supervision and generally to the same working conditions as the other employees of the School. Accordingly, we find, contrary to the School's contention, that instructors may properly be included in a collective bargaining unit composed of employees of the School.

We find that all employees of the School including employees of the School who work in the training school, naval training school, Ford Apprentice School, and Camp Legion, assistant department heads,⁵ and instructors, but excluding employees located in the office of the School superintendent, personnel department employees, the School superintendent, shop superintendent, assistant shop superintendents, department heads,⁶ and all other supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9 (b) of the Act.

V. THE DETERMINATION OF REPRESENTATIVES

We shall direct that the question concerning representation which has arisen be resolved by an election by secret ballot among the employees in the appropriate unit who were employed during the pay

⁵ The parties agree, and we find, that F Paluchniak and E Jacobs, although classified as assistant department heads, shall be excluded from the unit as falling within our definition of supervisory employees

⁶ The parties agree, and we find, that W Ford, A Reamey, W Standhardt, W Stewart, G. Stuteville, C. Westerman, R Slade, F Czarnecki, H. Daley, C. Rottenheber, and W. Roehm, classified as department heads, are to be included in the unit, since it appears that they do not have substantial supervisory authority within our customary definition

roll period immediately preceding the date of the Direction of Election herein, subject to the limitations and additions set forth in the Direction.

DIRECTION OF ELECTION

By virtue of and pursuant to the power vested in the National Labor Relations Board by Section 9 (c) of the National Labor Relations Act, and pursuant to Article III, Section 9, of National Labor Relations Board Rules and Regulations—Series 3, as amended, it is hereby

DIRECTED that, as part of the investigation to ascertain representatives for the purposes of collective bargaining with Henry Ford Trade School, Dearborn, Michigan, an election by secret ballot shall be conducted as early as possible, but not later than thirty (30) days from the date of this Direction, under the direction and supervision of the Regional Director for the Seventh Region, acting in this matter as agent for the National Labor Relations Board, and subject to Article III, Sections 10 and 11, of said Rules and Regulations, among the employees in the unit found appropriate in Section IV, above, who were employed during the pay-roll period immediately preceding the date of this Direction, including employees who did not work during the said pay-roll period because they were ill or on vacation or temporarily laid off, and including employees in the armed forces of the United States who present themselves in person at the polls, but excluding any who have since quit or been discharged for cause and have not been rehired or reinstated prior to the date of the election, to determine whether or not they desire to be represented by Ford Industrial Education Association for the purposes of collective bargaining.