

In the Matter of HOPPES MANUFACTURING COMPANY and INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW-CIO)

Case No. 9-C-2203.—Decided July 31, 1947

Mr. William O. Murdock, for the Board.

Mr. John M. Cole, of Springfield, Ohio, for the respondent.

Mr. Austin L. Patton, of Springfield, Ohio, for the Union.

Mr. Seymour Cohen, of counsel to the Board.

DECISION

AND

ORDER

On November 7, 1946, Trial Examiner William J. Scott issued his Intermediate Report in the above-entitled proceeding, finding that the respondent had engaged in and was engaging in certain unfair labor practices and recommending that it cease and desist therefrom and take certain affirmative action, as set forth in the copy of the Intermediate Report attached hereto. Thereafter, the respondent filed exceptions to the Intermediate Report and a supporting brief.

The Board has reviewed the rulings of the Trial Examiner made at the hearing and finds that no prejudicial error was committed. The rulings are hereby affirmed. The Board has considered the Intermediate Report, the exceptions and brief filed by the respondent, and the entire record in the case, and hereby adopts the findings,¹ conclusions, and recommendations of the Trial Examiner, with the addition hereinafter set forth.

The Trial Examiner found, as the respondent admits, that the respondent established a new job classification and granted a wage increase to its employees on July 26, 1946, without notifying the Union

¹ The letter referred to by the Trial Examiner as having been sent by the respondent to the Board's Regional Director for the Ninth Region, quoted in part in the Intermediate Report, was dated September 27, 1945, rather than September 27, 1946, as erroneously stated in the Intermediate Report. In addition we do not adopt so much of the Trial Examiner's findings in the section of the Intermediate Report entitled, "Conclusions respecting the refusal to bargain," which states that the respondent "substantially admits" that it has not bargained with the Union in good faith.

or consulting with it in advance. Although the Trial Examiner found that such conduct was part of the respondent's entire course of conduct which violated Section 8 (1) of the Act, he made no finding with respect to the legal consequences flowing from the job classification and wage increase under Section 8 (5) of the Act. We find, as alleged in the complaint, that, by establishing the job classification and granting the wage increase on July 26, 1946, without first bargaining with respect thereto with the Union, as set forth above, as well as by the other conduct which the Trial Examiner found to constitute an unlawful refusal to bargain, the respondent refused to bargain collectively with the Union in violation of Section 8 (5) of the Act.²

ORDER

Upon the entire record in the case, and pursuant to Section 10 (c) of the National Labor Relations Act, the National Labor Relations Board hereby orders that the respondent, Hoppes Manufacturing Company, Springfield, Ohio, and its officers, agents, successors, and assigns shall:

1. Cease and desist from:

(a) Refusing to bargain collectively with International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), as the exclusive representative of all its employees excluding office and clerical employees, foremen, and other supervisory employees;

(b) In any other manner interfering with, restraining, or coercing its employees in the exercise of the right to self-organization, to form labor organizations, to join or assist International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), or any other labor organization, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, as guaranteed in Section 7 of the Act.

2. Take the following affirmative action, which the Board finds will effectuate the policies of the Act:

(a) Upon request, bargain collectively with International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), as the exclusive representative of all its employees, excluding office and clerical employees, foremen, and other supervisory employees, in respect to rates of pay, wages, hours of employment, and other terms or conditions of employment, and, if an

² See *Great Southern Trucking Company v. N. L. R. B.*, 127 F. (2d) 180, 186 (C. C. A. 4), and cases cited therein.

understanding is reached, embody such understanding in a signed agreement;

(b) Post at its plant in Springfield, Ohio, copies of the notice attached to the Intermediate Report, marked "Appendix A."³ Copies of such notice, to be furnished by the Regional Director for the Ninth Region, shall, after being duly signed by an authorized representative of the respondent, be posted by the respondent immediately upon receipt thereof, and maintained by it for sixty (60) consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the respondent to insure that said notice is not altered, defaced, or covered by any other material;

(c) Notify the Regional Director for the Ninth Region in writing, within ten (10) days from the date of this Order, what steps the respondent has taken to comply herewith.

CHAIRMAN HERZOG took no part in the consideration of the above Decision and Order.

INTERMEDIATE REPORT

Mr. William O. Murdock, for the Board

Mr. John M. Cole, of Springfield, Ohio, for the respondent.

Mr. Austin L. Patton, of Springfield, Ohio, for the Union.

STATEMENT OF THE CASE

Upon an amended charge filed on September 23, 1946, by International Union United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), herein called the Union, the National Labor Relations Board, herein called the Board, by its Regional Director for the Ninth Region (Cincinnati, Ohio), issued a complaint dated September 24, 1946, against Hoppes Manufacturing Company, herein called the respondent, alleging that the respondent has engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8 (1) and (5) and Section 2 (6) and (7) of the National Labor Relations Act, 49 Stat 449, herein called the Act. Copies of the complaint, together with notice of hearing thereon, were duly served upon the respondent and the Union.

With respect to the unfair labor practices, the complaint alleged in substance: (1) that all of the respondent's employees excluding office and clerical employees, foremen, and 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; (2) that at an election conducted on or about August 23, 1945, under the supervision of the Board's Regional Director for the Ninth Region, a majority of the employees in the said unit, designated the

³ Said notice, however, shall be, and it hereby is amended by striking from the first paragraph thereof the words "THE RECOMMENDATIONS OF A TRIAL EXAMINER" and substituting in lieu thereof the words "A DECISION AND ORDER" In the event that this Order is enforced by decree of a Circuit Court of Appeals, there shall be inserted in the notice, before the words: "A DECISION AND ORDER," the words, "A DECREE OF THE UNITED STATES CIRCUIT COURT OF APPEALS ENFORCING"

Union as their representative for the purposes of collective bargaining; (3) that at all times since August 23, 1945, the Union has been the exclusive representative of the employees in the said appropriate unit; (4) that from on or about August 30, 1945, to date, the respondent has vilified, disparaged, and expressed disapproval of the Union and has interrogated its employees concerning their union activity and their reasons therefor and has urged, persuaded, and warned its employees to refrain from assisting, becoming members of, or remaining members of, the Union and has threatened to close its plant if the employees persisted in their membership and activities in behalf of the Union; (5) that since on or about September 24, 1945, and at various times thereafter the respondent refused to bargain collectively in good faith with the Union as the exclusive representative of all the employees in said unit and on the contrary the respondent has bargained directly and individually with its employees in the aforesaid unit and has granted wage increases to employees in said unit without consultation or negotiation with the Union. The respondent thereafter filed its answer in which it admitted certain allegations of the complaint but denied that it had refused to bargain with the Union and that any of its acts constituted an unfair labor practice.

Pursuant to notice, a hearing was held, at Springfield, Ohio, on October 14 and 15, 1946, before the undersigned, the Trial Examiner, duly designated by the Chief Trial Examiner. The Board and respondent were represented by counsel and the Union by a representative. Full opportunity to be heard, to examine and cross-examine witnesses, and to introduce evidence bearing on the issues was afforded to all parties. At the close of the Board's case, the undersigned granted a motion of counsel for the Board to conform the pleadings to the proof as to dates and minor variances without objection. At the close of the hearing the respondent moved to dismiss the complaint for lack of proof. Ruling on the motion was reserved. That motion is hereby denied. Only counsel for the Board availed himself of the opportunity afforded all parties to present oral argument before the undersigned. On October 18, 1946, the respondent filed a brief.

Upon the entire record in the case and from his observation of the witnesses, the undersigned makes the following:

FINDINGS OF FACT

I. THE BUSINESS OF THE RESPONDENT

Hoppes Manufacturing Company, an Ohio corporation, with its principal office and place of business located in Springfield, Ohio, is engaged in the manufacture of feed water heaters. The respondent annually purchases raw materials valued at approximately \$35,000, about 30 percent of which is shipped to its plant in Springfield from points outside the State of Ohio. Finished products are manufactured by the respondent, at its plant in Springfield, annually, valued at about \$100,000, of which approximately 95 percent is shipped from the plant to points outside the State of Ohio. The respondent admits it is engaged in commerce within the meaning of the Act.

II. THE ORGANIZATION INVOLVED

International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), affiliated with the Congress of Industrial Organizations, is a labor organization, admitting to membership employees of the respondent.

III. THE UNFAIR LABOR PRACTICES

Preliminary statement

From 1886 until his death in July 1945 John J. Hoppes was the respondent's principal stock owner. There is no evidence of any union activity among respondent's employees until about July 1945. As the result of a Consent Election Agreement entered into August 9, 1945, an election was held on August 23, 1945, in which the employees voted in favor of the Union. On or about August 27, 1945, the Hoppes' stock was purchased by H. E. Freeman and Dr. B. A. Mayer, and from then on the respondent has been controlled by these two men. According to the respondent's testimony which the undersigned credits, Freeman was interested solely in protecting a loan of a bank of which he was the president and Mayer wanted to acquire the plant building as a storehouse for another business that he controlled and operated.¹ It was their intention at the time they made the purchase of Hoppes' stock to liquidate the assets of the respondent. However, they decided to attempt to operate the respondent's business after tentatively making this decision they learned for the first time of the election in which the Union had been selected by the employees as their bargaining representative.

The refusal to bargain collectively

1 The appropriate unit

The complaint alleges, the answer admits, and the undersigned finds that all of the respondent's employees excluding office and clerical employees, foremen, and 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 the Act.²

2 Representation by the Union of a majority in the appropriate unit

The complaint alleges, the respondent admits, and the undersigned finds that at all times since August 23, 1945, the Union has been the exclusive representative of all the employees in the aforesaid unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment.³

3. The refusal to bargain

Approximately ten days after the election a proposed contract was submitted by the Union to Forrest R. White, the respondent's secretary and general manager.

¹Freeman is president of the Lagonda National Bank, Springfield, Ohio, and Mayer is the principal owner of the Bundy Incubator Company. These concerns are not involved in this case.

²In the Agreement for Consent Election executed August 9, 1945, and approved August 13, 1945, by the Regional Director for the Ninth Region the parties agreed on the appropriate unit as above set out.

³The election was held under the supervision of the Board on August 23, 1945. The Tally of Ballots showed that of approximately 11 eligible voters 10 cast valid votes, 10 for the Union, none against. On August 23, 1945, the Regional Director for the Ninth Region found and determined that the Union was the exclusive representative of all the employees in the unit for the purposes of collective bargaining.

On or about September 24, 1945, Austin L. Patton⁴ endeavored by telephone to arrange for a meeting between White and the Union's bargaining committee. According to Patton's testimony, which is credited by the undersigned, White admitted to Patton that he had told the employees that they could not have the Union in the plant, and that if they did have the Union in the plant, the plant would close down. Patton told White that "if you will not bargain with them [Union] I [Patton] will have to sign an unfair labor charge against you." White replied, "That is what you will have to do."

Promptly thereafter the Union filed a charge against the respondent.

On April 15, 1946, a Settlement Agreement was executed between the Union and the respondent. There were no attempts at bargaining negotiations between the filing of the charge and the Settlement Agreement.

On June 7, 1946, representatives of the Union⁵ went to White's office for the purpose of attempting to negotiate a contract.⁶ White made little or no comment concerning the Union's proposed contract until the question of wage increase was reached when White then flatly stated that there could be no wage increase and if that was to be the principal issue the negotiations might just as well cease. After some discussion concerning the respondent's ability to meet the suggested raise, Patton told White that the respondent was going to have to negotiate with the Union and White informed the committee in effect that he would not deal with outsiders. It is clear and the undersigned finds that White refused to bargain with the Union at this meeting. Upon leaving, Patton told White that he was going to recommend to the employees that they strike. The employees were waiting outside White's office. They voted to strike on the following Monday. However, instead of striking, the Union, on June 10, 1946, served a 30-day notice on the respondent that the employees were going to strike.

As a result of the strike notice being filed, Federal conciliators were assigned to the case but their efforts were unsuccessful insofar as being able to have bargaining negotiations resumed.

On July 26, 1946, the respondent put into effect a new classification and wage increase among the employees without any consultation with or notice to the Union.

The respondent upon being advised that an amended charge had been filed, sent a letter, dated September 27, 1946, to the Regional Director for the Ninth Region, a part of said letter being as follows:

Since August 30th, it has been necessary to lay off three men and cut operations from fifty (50) to forty (40) hours per week due to lack of work. We now have but eight men in our factory. Orders on hand will not give employment to these eight men for more than thirty (30) days. We are, therefore, at the present time more concerned whether or not we will stay in business *and are not in position to enter contract with the Union until a survey of the market is completed to determine our possibilities.* (Italics supplied.)

⁴ International representative for the Union who was in charge of the organizational activities for the Union.

⁵ Patton, Lewis, Dundon and Richardson.

⁶ By a letter dated May 18, 1946, the respondent had specifically authorized White to negotiate with the Union and a copy of this letter had been given to the Union.

Conclusions respecting the refusal to bargain

The undersigned credits the testimony of Freeman and Mayer that they purchased the Hoppe's stock with the intention of liquidating the assets of the respondent; that operation of the plant was continued as an experiment to determine if the business could be operated at a profit, and that it was uncertain whether the respondent would continue to operate the plant. However, the undersigned concludes and finds that these facts do not constitute a defense to a refusal to bargain. The respondent substantially admits and the record clearly shows that the respondent has not bargained with the Union in good faith since Freeman and Mayer have had control. The undersigned finds that when a representative of the Union, attempted on or about September 24, 1945, to arrange a meeting for the purpose of negotiating a contract he was informed in effect, by White, respondent's secretary and general manager, that the Union would not be tolerated in the plant and that if the Union came in the plant would be shut down. It is further found that at the meeting on June 7, 1946, White stated he would not bargain with outsiders, which was, in effect, an attempt on White's part to dictate the personnel of the group selected by the employees to represent them.⁷ Also that at this meeting White while objecting to the terms of the contract proposed by the Union's representatives offered no counterproposals and made no effort to reach any agreement and accordingly did not comply with the duty required of the respondent under Section 8 (5) of the Act.⁸ The undersigned further finds that since the respondent has engaged in unfair labor practices subsequent to the Settlement Agreement, that Agreement is no defense to the violations committed by the respondent prior to its execution.⁹

From the foregoing and the entire record the undersigned finds that the respondent on or about September 24, 1945, and at all times thereafter, has refused to bargain collectively with the Union as the exclusive representative of its employees, in an appropriate unit, in respect to rates of pay, wages, hours of employment and other conditions of employment and has thereby interfered with, restrained, and coerced its employees in the exercise of the rights guaranteed in Section 7 of the Act.

A. Interference, restraint, and coercion

The record shows that shortly after Freeman and Mayer purchased the Hoppe's stock, John Rapp, respondent's factory superintendent, in substance told different employees that Mayer would not tolerate the Union and that the plant would be closed down if the Union came in.

The record also shows that soon after Rapp made the aforesaid statements, a meeting of employees was held in the plant at the instigation of White and at this meeting, White, in substance, informed the employees that the factory was now under a new management that would not deal with the Union. White also told the employees, at this meeting, that the plant was too small a place to have a union, that the Union would not be tolerated, and that if the employees would drop the Union Mayer would go ahead and run the plant and treat everybody all right

⁷ *Matter of Lindeman Power and Equipment Company*, 11 N. L. R. B. 868; *Matter of New Era Die Company*, 19 N. L. R. B. 227; *Matter of Hancock Brick & Tile Company*, 44 N. L. R. B. 920.

⁸ *Matter of Athens Manufacturing Company*, 69 N. L. R. B. 605

⁹ *N. L. R. B. v. Hawk & Buck Co., Inc.*, 120 F. (2d) 903 (C. C. A. 5); *Matter of L. H. Hamel Leather Co.*, 45 N. L. R. B. 760.

The respondent in its brief substantially admits these statements were made but contends, *arguendo*, "Where a man buys a sick or ailing business with the intention of selling it out piece-meal, or for junk, it certainly cannot be said that he is 'coercing' the former employees of that business or committing an unfair labor practice against them when he carries out that intention. To completely liquidate that business and to say in advance that he is going to do so are among his unqualified legal rights. And such being his unqualified legal rights we cannot see where he is anyway 'coercing' his employees when he offers to recede from that policy and to continue operating temporarily and experimentally for the benefit of his employees, *provided that those employees do not require him to recognize a Union affiliation*" [emphasis supplied]. The undersigned finds not merit in this contention and concludes that the respondent's clear intention in threatening to liquidate the plant was to coerce its employees into refraining from union activity.

On July 26, 1946, the respondent, as previously stated, without any consultation with or notice to the Union, put into effect a new job classification and wage scale that resulted in the employees receiving an increase in pay. The respondent contends, in effect, in its brief that, under the existing circumstances the respondent was justified into resorting to individual bargaining and cites the case of *J. I. Case Co. v. N. L. R. B.*, 321 U. S. 336. None of the circumstances mentioned in that decision as justifying individual bargaining are applicable herein and the undersigned finds that in view of the Union having been properly chosen to be the bargaining representative for its employees, the respondent was under legal obligation to bargain collectively only with the Union.

The undersigned concludes and finds from the foregoing acts and the entire record that the respondent has interfered with, restrained, and coerced its employees in the exercise of the rights guaranteed in Section 7 of the Act.

IV. THE EFFECT OF THE UNFAIR LABOR PRACTICES UPON COMMERCE

The activities of the respondent set forth in Section III, above, occurring in connection with the operations of the respondent described in Section I, above, have a close, intimate, and substantial relation to trade, traffic, and commerce among the several States, and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

V. THE REMEDY

It has been found that the respondent has engaged in unfair labor practices by seeking to dissuade its employees from joining the Union and by threatening to close its plant if the Union came in; and by refusing to bargain collectively with the Union. It will be recommended that it cease and desist therefrom and take certain affirmative action designed to effectuate the policies of the Act.

Upon the entire record, the undersigned infers and finds that the respondent by the aforesaid conduct, has displayed an attitude of opposition generally to the purposes of the Act. The undersigned is convinced that the unfair labor practices heretofore found are persuasively related to the other unfair labor practices proscribed by the Act and that danger of their commission in the future is to be anticipated from the respondent's conduct in the past. Unless the order is coextensive with the threat, the preventive purpose of the Act will be thwarted. In order, therefore, to make more effective the interdependent guarantees of Section 7, to prevent a recurrence of unfair labor practices, and thereby minimize industrial strife which burdens and obstructs commerce, and thus

effectuate the policies of the Act, the undersigned will recommend that the respondent cease and desist from in any manner infringing upon the rights guaranteed in Section 7 of the Act.

Upon the basis of the foregoing findings of fact, and upon the entire record in the case, the undersigned makes the following:

CONCLUSIONS OF LAW

1. United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), affiliated with the Congress of Industrial Organizations, is a labor organization, within the meaning of Section 2 (5) of the Act.

2. All of the respondent's employees, excluding office and clerical employees, foremen, and other supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action, at all times material herein, constituted and now constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9 (b) of the Act.

3. International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), was on August 23, 1945, and at all times thereafter has been, the exclusive representative of all the employees in the above-described appropriate unit for the purposes of collective bargaining within the meaning of Section 9 (a) of the Act.

4. By refusing on and after September 24, 1945, to bargain with the Union, the respondent has engaged in and is engaging in unfair labor practices, within the meaning of Section 8 (5) of the Act.

5. By interfering with, restraining, and coercing its employees in the exercise of the rights guaranteed in Section 7 of the Act, the respondent has engaged in, and is engaging in, unfair labor practices within the meaning of Section 8 (1) of the Act.

6. The aforesaid unfair labor practices are unfair labor practices affecting commerce within the meaning of Section 2 (6) and (7) of the Act.

RECOMMENDATIONS

Upon the basis of the foregoing findings of fact and conclusions of law, the undersigned recommends that the respondent, the Hoppes Manufacturing Company, its officers, agents, successors, and assigns shall:

1. Cease and desist from:

(a) Refusing to bargain collectively with International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), as the exclusive representative of its employees in the unit herein found to be appropriate;

(b) In any other manner interfering with, restraining, or coercing its employees in the exercise of the rights to self-organization, to form labor organizations, to join or assist International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), or any other labor organization, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection as guaranteed in Section 7 of the Act.

2. Take the following affirmative action which the undersigned finds will effectuate the policies of the Act:

(a) Upon request, bargain collectively with International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), as the exclusive representative of all its employees in the unit herein found to be appropriate, in respect to rates of pay, wages, hours of employment, and other terms or conditions of employment, and if an understanding is reached, embody such understanding in a signed agreement;

(b) Post at its plant in Springfield, Ohio, copies of the notice attached hereto and marked "Appendix A" Copies of such notice, to be furnished by the Regional Director for the Ninth Region, shall, after being duly signed by an authorized representative of the respondent, be posted by respondent immediately upon receipt thereof, and maintained by it for sixty (60) consecutive days thereafter in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken by respondent to insure that said notice is not altered, defaced, or covered by any other material;

(c) Notify the Regional Director for the Ninth Region in writing within ten (10) days from the date of the receipt of this Intermediate Report what steps the respondent has taken to comply with the foregoing recommendations.

As provided in Section 203.39 of the Rules and Regulations of the National Labor Relations Board, Series 4, effective September 11, 1946, any party or counsel for the Board may, within fifteen (15) days from the date of service of the order transferring the case to the Board, pursuant to Section 203.38 of said Rules and Regulations, file with the Board, Rochambeau Building, Washington 25, D C, an original and four copies of a statement in writing setting forth such exceptions to the Intermediate Report or to any other part of the record or proceeding (including rulings upon all motions or objections) as he relies upon, together with the original and four copies of a brief in support thereof, and any party or counsel for the Board may, within the same period, file an original and four copies of a brief in support of the Intermediate Report. Immediately upon the filing of such statement of exceptions and/or briefs, the party or counsel for the Board filing the same shall serve a copy thereof upon each of the other parties and shall file a copy with the Regional Director. Proof of service on the other parties of all papers filed with the Board shall be promptly made as required by Section 203.65. As further provided in said Section 203.39, should any party desire permission to argue orally before the Board, request therefor must be made in writing to the Board within ten (10) days from the date of service of the order transferring the case to the Board.

WILLIAM J. SCOTT,
Trial Examiner.

Dated November 7, 1946

APPENDIX A

NOTICE TO ALL EMPLOYEES

Pursuant to the recommendations of a Trial Examiner of the National Labor Relations Board, and in order to effectuate the policies of the National Labor Relations Act, we hereby notify our employees that:

We will not in any manner interfere with, restrain, or coerce our employees in the exercise of their right to self-organization, to form labor organizations, to join or assist International Union, United Automobile, Aircraft and Agricultural Implement Workers of America (UAW-CIO), or

