

In the Matter of CLINTON COTTON MILLS and LOCAL No. 2182, UNITED  
TEXTILE WORKERS OF AMERICA

*Case No. C-5.—Decided December 31, 1935*

*Cotton Textile Industry—Company-Dominated Union:* domination or interference with formation or administration; initiation, sponsorship, participation in affairs; financial or other support; check-off agreement with; closed shop agreement with; disestablished as agency for collective bargaining—*Interference, Restraint or Coercion:* surveillance of union meetings and activities—*Condition of Employment:* membership in company-dominated union—*Discrimination:* non-reinstatement following temporary shut-down—*Remstatement Ordered—Back Pay:* awarded.

*Mr. Thomas I. Emerson* for the Board.

*Blackwell & Wilson*, by *Mr. H. S. Blackwell* and *Mr. R. T. Wilson*, of Laurens, S. C., for respondent.

*Mr. Stanley S. Surrey*, of counsel to the Board.

## DECISION

### STATEMENT OF CASE

On October 15, 1935 Local Union No. 2182, United Textile Workers of America, hereinafter referred to as the Union, filed with the Regional Director of the National Labor Relations Board for the Tenth Region a charge that the Clinton Cotton Mills had engaged in and was engaging in unfair labor practices prohibited by the National Labor Relations Act. On October 28, 1935 the Board issued a complaint against the Clinton Cotton Mills, hereinafter referred to as the respondent, said complaint being signed by the Regional Director for the Tenth Region and alleging that the respondent had committed unfair labor practices affecting commerce within the meaning of Section 8, subdivisions (1), (2), (3) and (5), and Section 2, subdivisions (6) and (7) of the National Labor Relations Act. In respect of the unfair labor practices, the complaint alleged, in substance:

1. The respondent, through its overseers and second hands, formed in December, 1934, an organization of its employees known as the Clinton Friendship Association, actively solicited membership in the Association ever since its formation, forced large numbers of its employees to join said Association by threats and other described conduct, and had at all times since its formation participated in,

dominated and controlled the administration, activities and functioning of the Association.

2. The respondent, through its overseers and second hands, had consistently attempted to discourage membership in Local No. 2182 and to destroy said Union, by threats of discharge, surveillance of Union meetings, and by its conduct in relation to the Association and other described conduct.

3. Respondent at all times since December, 1934 had discriminated against the Union and in favor of the Association by granting special privileges and favors to the Association.

4. Between July 14 and July 20, 1935, respondent discharged from thirty to forty employees for the reason that they had attended meetings of the Union or had joined and assisted the Union. These employees were later reinstated only through the efforts of a representative of the National Textile Labor Relations Board.

5. About August 24, 1935, respondent purported to enter into a contract with the Association whereby it agreed to employ only persons who were members of the Association or had authorized the Association to represent them in collective bargaining with respondent. Since August 26, 1935 respondent has refused to permit any employee to work in the mill, or to employ any person, who is not a member or who has not granted such authorization. Approximately one hundred employees who were employed by respondent immediately prior to August 26, 1935, but who have refused or failed to join the Association or grant such authorization have been excluded from work in the mill since August 26, 1935.

6. About August 16 and August 23, 1935, the Union, representing a substantial number of the employees of the mill requested conferences with the respondent for the purpose of bargaining collectively with respect to grievances, rates of pay, hours of work and other working conditions. At said times and at all times thereafter respondent has failed and refused to meet, discuss or bargain collectively with the Union as to any matter.

The complaint and accompanying notice of hearing were served on October 28, 1935 on Local No. 2182 and the Clinton Cotton Mills in accordance with National Labor Relations Board Rules and Regulations, Series 1, Article V. By amendments of the notice of hearing, which were duly served upon the parties, and by order of the Board, John M. Carmody, member of the National Labor Relations Board, was designated Trial Examiner and the hearing postponed from November 12, 1935, to November 19, 1935, and again to November 21, 1935.

Commencing on November 21, 1935, a hearing was held at Greenville, S. C., by John M. Carmody, a member of the Board, sitting as Trial Examiner, and testimony was taken. Full opportunity to

be heard, to examine and cross-examine witnesses and to introduce evidence bearing upon the issues was afforded to both parties. The respondent moved to dismiss the complaint on constitutional grounds, involving the Tenth and Fifth Amendments (Respondent's Exhibits 1, 1a). Upon the denial of such motion, the respondent filed a plea to the jurisdiction of the Board and in abatement of the proceedings, the plea being based upon the claim that the alleged unfair labor practices did not affect commerce within the meaning of Section 2, subdivisions (6) and (7) and upon constitutional grounds, some of which were similar to those advanced in the motion to dismiss (Respondent's Exhibit 2). A ruling on this plea was at first reserved, but later in the hearing the plea was denied. The respondent moved to strike from the complaint all allegations relating to unfair labor practices prior to July 5, 1935 (Respondent's Exhibit 3), and throughout the hearing objected to testimony relating to events prior to July 5, 1935. Both the motion and the objections were denied. Reserving its rights under the various motions and the plea, the respondent then filed its answer to the complaint denying all of the allegations with the exception of the allegations in paragraph 1 respecting the incorporation and location of the respondent and the allegations in paragraphs 12 and 13 respecting the agreement with the Association, and participated in the hearing.

On November 29, 1935, the Board directed that the proceeding be transferred to and continued before it, thereupon assuming jurisdiction of the proceeding pursuant to Section 35, Article II of said Rules and Regulations, Series 1.

On December 9, 1935, counsel for the respondent, pursuant to his request, orally argued the cause upon the record before the National Labor Relations Board, all members being present. On December 30, 1935, the Board, upon the request of the Union, permitted it to withdraw that portion of the charge relating to the failure of the respondent to bargain collectively with it. In view of such withdrawal the Board has given no consideration to the question of whether the respondent has committed an unfair labor practice by reason of such conduct.

### FINDINGS OF FACT

#### I. CLINTON COTTON MILLS

The Clinton Cotton Mills is a South Carolina corporation which owns and operates a mill at Clinton, South Carolina for the manufacture and sale of print cloth. The respondent employs approximately 670 employees when the mill is operating full time on two shifts. Supervising the employees on each shift are five overseers, one for each of the five departments—spinning, weaving, cloth room,

shop and carding—and about eight or nine second hands, there being two second hands each for most of the departments (one for each shift). There is a general Superintendent for the entire mill. The second hands supervise the work in their respective departments and recommend the hire or discharge of employees to the overseers; the latter possess the final authority to hire or discharge employees. Such a recommendation of a second hand is generally approved by the overseer. Most of the employees live in the mill village in houses owned by the respondent. Textile labor is plentiful in the community.

The mill was running full time on two shifts prior to about March 23, 1935. At that time it commenced to curtail its operations by running only three days a week. Several months later it operated one day a week and during the month of July was closed for two weeks. It ran one day a week for the first two weeks in August, closing down again on August 12. The mill reopened on Monday, August 26, ran for three days that week, and thereafter has been operated full time. Two shifts have been steadily operated since the end of August, and for a period of two weeks three shifts were operated.

The respondent purchases all of its cotton from cotton merchants, most of the purchases being made directly by the respondent and the rest through buying agents. The major portion of the cotton purchased is grown in South Carolina, the remainder coming from Tennessee and North Carolina. The following Table, compiled from statistics furnished by the respondent (Board Exhibit 23) shows the purchases from July, 1935 to November 23, 1935.

TABLE I.—*Cotton Purchased*

Month	Amount in dollars		Bales	
	South Carolina	Elsewhere	South Carolina	Elsewhere
July.....	3,368 35	6,526 62	49	100
August.....	3,034 28	-----	48	-----
September.....	36,567 13	-----	603	-----
October.....	164,451 10	2,034 80	2,702	35
November.....	105,396 68	14,380 34	1,650	228

The output of the mill is handled by an exclusive selling agency in New York City, the Stockton Commission Company. This agency sells to various customers and directs the Clinton Cotton Mills to ship to specified finishing mills pursuant to the customers' orders. The agency pays the Clinton Cotton Mills for the material so shipped. The print cloth is bleached and converted into various products at the finishing and other mills before it is finally ready for sale to the consumer. The print cloth is shipped F. O. B. Clinton Cotton

Mills. About eighty percent of the print cloth manufactured at the Clinton Cotton Mills is shipped to finishing mills located in states other than South Carolina, the remainder being shipped to mills within that state. The following Table, prepared from statistics submitted by the respondent, shows the amount of print cloth shipped from the Clinton Cotton Mills, and its destination for the period from July 1, 1935 to November 26, 1935 (Board Exhibit 24).

TABLE II.—*Print Cloth Sold*

Month	Amount in dollars		Bales	
	South Carolina	Elsewhere	South Carolina	Elsewhere
July <sup>1</sup> .....	12, 245 93	25, 275 78	73	182
August <sup>1</sup> .....	26, 422 17	78, 509 73	154	471
September.....	14, 156 40	106, 389 90	97	965
October <sup>1</sup> .....	15, 866 30	117, 094 35	80	546
November.....	20, 197 11	81, 173 78	145	485

<sup>1</sup> The following rolls were shipped to States other than South Carolina

	Amount in dollars	Number
July.....	5, 484 36	46
August.....	346 50	3
October.....	3, 362 10	35

The distribution of the cotton purchased and the print cloth sold between South Carolina and other states, as shown by Tables I and II, is typical of the operations of the respondent. The respondent has on hand a quantity of unsold print cloth.

## II. FORMATION OF CLINTON FRIENDSHIP ASSOCIATION

In April, 1934, Local No. 2182, United Textile Workers of America, was formed at the Clinton Mill. By the end of the year 1934 a majority of the employees were members of this Union, the membership being about 400 in December, 1934. In September, 1934 the Union conducted a strike at the mill as part of the general textile strike of that month. As a result of the strike the mill was closed for about four weeks. The mill was completely shut down and no shipments were made during this period, with the exception of an insignificant special shipment of 13 bolts. Upon the reopening of the mill at the close of the strike, four members of the Union, including the President, Paul E. Dean, the Vice-President and a member of the grievance committee, were not reinstated by the respondent. The National Textile Labor Relations Board, after a hearing, found that the refusal to reinstate these employees was in violation of Section 7 (a) of the National Industrial Recovery Act, as incor-

porated in the Cotton Textile Code, and ordered their reinstatement (Board Exhibit 6<sup>1</sup>). The respondent refused to comply with the order and the employees were not reinstated.

In December, 1934, two of the supervisory officials of the mill, Roy Holtzclaw and Clarence Oakley, formed an organization of the employees of the mill called the Clinton Friendship Association. Holtzclaw was a second hand in the spinning room and Oakley had a somewhat similar position, being in charge of the spooling and warping departments. Oakley had obtained the by-laws of similar associations at the mills in Goldville, South Carolina, and Lyman, South Carolina, and from these were prepared the By-Laws of the Friendship Association. The first meeting was held on December 1, 1934 in a church on the mill property. About 60 employees were present at the meeting, which was presided over by J. C. Cannon, a second hand. Overseers and second hands attended. Cannon was elected President and Holtzclaw Secretary.

All of the overseers and second hands became members of the Association and nearly all of them attended its meetings. Commencing immediately upon the formation of the Association, the overseers and second hands began a systematic solicitation of the employees. Each asked the employees subject to his supervision to join the Association. Those who refused were asked again and again and many succumbed against their will to the persistency of the solicitation. Second hands freely distributed the By-Laws of the Association. An employee who joined the Association generally gave his name to his second hand and he in turn gave the new member a membership card. The solicitation and distribution of the By-Laws usually took place in the mill during working hours. Practically all of the solicitation was done by overseers and second hands; only in rare instances did an employee ask another employee to join the Association. Membership in the Association excluded participation in any other labor organization, as the By-Laws provide that, "Any member hereof wishing to join any other labor organization may do so but the joining of any other labor organization shall be considered his resignation from this Association. No member of any labor organization shall be eligible to membership in this Association" (Board Exhibit 18).

Many of the employees who joined the Association had been members of the Union. Some of these testified that the sole reason for their having left the Union to become members of the Association was the fear of losing their jobs. True, the second hands generally did

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<sup>1</sup> The respondent objected to the admission of this exhibit, which contains the decision of the Textile Board, on the ground that it related to events occurring prior to July 5, 1935. A ruling on the objection was reserved by the Trial Examiner. As pointed out later in this decision the objection is without merit.

not use open threats; did not in so many words say, "Join the Association or give up your job." But the employees did not need the spoken threat to illuminate the situation. The pressure that a supervisory official exerts because of his position when he asks an employee to join a labor organization is clearly felt by the employee who works under him. Many who joined did not attend meetings for the reason that they did not desire to join in the first instance.

The Association early received the support of the management. Upon the request of the Association, the paymaster of the respondent agreed to collect the dues of its members by deductions from their wages. W. J. Bailey, president of the respondent, "endorsed" the principles of the Association by signing a copy of its By-Laws containing a clause of endorsement. Overseers and second hands solicited membership during working hours, although such a privilege was forbidden to the Union. The Union did not ask for Bailey's endorsement, since it thought such a request would be futile in view of Bailey's hostility. It is to be inferred that this belief also prompted it not to ask for the check-off.

The constant solicitation by overseers and second hands had its effect upon the Union membership. Many of the Union employees, motivated by fear for their jobs, left that organization to join the Association. The number of members in the Union dropped from about four hundred in December, 1934 to between two and three hundred in July, 1935. However, despite the drive for membership in the Association, the Union meetings were uniformly better attended than those of the Association, the attendance at the former averaging about 200 as compared with about 50 to 75 for the Association.

### III. THE UNFAIR LABOR PRACTICES

#### *A. The discharges of July 14-20*

The complaint alleges, and the answer denies, that the respondent after July 5, 1935 engaged in unfair labor practices proscribed by the Act. The events occurring after July 5, 1935 can be fully understood only when considered in connection with the background described above. As was said in *In the Matter of Pennsylvania Greyhound Lines, Inc.*, decided December 7, 1935, "While the National Labor Relations Act applies only to practices occurring on or after July 5, 1935, in cases where such practices have their origins in events prior to that date, knowledge of that background of events may be vital to a proper evaluation of the present practices."

On July 13, 1935 a Union meeting was held and attended by about 180 to 200 members. Several of the second hands maintained surveillance of this meeting, observing the only exit to the meeting

place. Similar surveillance occurred a week later at the July 20, 1935 meeting of the Union. During the week of July 14, from thirty to forty Union members, working in different departments and on different shifts, were discharged—told to “hunt other jobs.” The respondent did not contradict the contention of the Union that these employees were discharged solely because of their Union membership or activity and the contention is clearly supported by the evidence. No non-Union employees were discharged. Dover, one of the employees discharged, had left the Association on July 13 to join the Union. On Wednesday next he was discharged. When Dover questioned his overseer as to the reason, he said, “Because you went out of the Friendship and rejoined the Union. I am going to turn off all of them that ain’t loyal to this company.” Many of those discharged complained to Dean, President of the Union, that the overseers and second hands had told them that because of their attendance at Union meetings their services were no longer needed. Rochester, another employee who was discharged, had previously in the week been questioned by his overseer as to his authorship of a letter to the Greenville News endorsing the United Textile Workers and the Wagner Bill and attacking friendship associations.

On July 17, Dean wrote to President Bailey of the respondent requesting a meeting for the purpose of discussing the discharges. Receiving no answer, Dean and a committee next contacted Mr. Barnard, a representative of the National Textile Labor Relations Board. Barnard was able to arrange a conference with Bailey for July 21, at one o’clock. However, all of the discharged employees were reinstated on the morning of July 21, so that when Barnard and Dean arrived for the conference the matter had been satisfactorily adjusted.

#### *B. The closed shop agreement and consequent discharges*

The attendance at subsequent Union meetings became smaller as many Union members, with the memory of the recent discharges fresh in their minds, were afraid to attend. This and other grievances led to the selection on August 13 of a shop committee to confer with Bailey in regard to the grievances arising out of the discriminatory acts of the respondent. The shop committee on August 16 wrote to Bailey requesting a conference and in the letter referred to the National Labor Relations Act. Receiving no answer the committee wrote again on August 23. This letter was likewise unanswered by Bailey. On the next day, August 24, Bailey signed a “closed shop” contract with the Friendship Association, described in the contract as the representative organization of the employees for the purpose of collective bargaining under the National Labor Relations Act. The signing of this contract, after the refusal of the respondent

even to confer with the Union, and the events preceding it merit detailed discussion in view of the consequences following upon its execution.

On August 17, Elbert Dillard, an attorney who had been retained by the Friendship Association on August 12 or 15, addressed a meeting of the Association on the subject of the Wagner Act and a proposed contract with the respondent. The Association was not unfamiliar with this Act, since on July 13, H. T. Wilson, attorney for the respondent, in a short address to it had discussed the same measure and had confidently predicted that it would be declared unconstitutional by the Supreme Court. Dillard, after explaining that the majority had the power of collective bargaining to the exclusion of the minority, stated that a contract would be presented for approval in a few days. In the preparation of this contract, Dillard first saw Bailey and procured his assent to a closed shop agreement. He then submitted a tentative contract to Wilson, who inserted a clause reserving the constitutional rights of the respondent. Next, the contract, which in addition to a closed shop clause provided for a forty hour week and the N. R. A. wage scale, was submitted to the Association at its meeting of August 22. A motion, made by Cannon, a second hand, and seconded by Sanders, an overseer, that the Executive Committee be given power to sign a contract for the Association was adopted. Dillard then showed the contract to Bailey who objected to the wage and hour clause on the ground that it would deprive the employees of the right of collective bargaining. Bailey stated that wages and hours were proper subjects of collective bargaining and that a clause freezing the present wages and hours would prevent the Association from bargaining for an increase in the future—"there would be nothing to bargain about if you stipulate the amount." Dillard, concluding "that Mr. Bailey was smarter" than he was, struck out the disputed clause. Adopting Bailey's argument that the clause "would destroy the very object of the Act, the collective bargaining", Dillard secured the approval of the Executive Committee to the change.

In the meantime, a special meeting of the officers of the Association and the overseers and second hands was held on August 20. A few employees attended. Terry, an employee who was the President at the time, appointed about twenty-four committees to canvass the employees. In most cases a second hand or overseer and two employees to assist him constituted the committee. The object of the drive was to obtain a majority backing for the Association by either enlisting additional employees as members or by obtaining their signatures to powers of attorney authorizing the Association to represent the signatory in collective bargaining with the respondent under the National Labor Relations Act. The committees in the next few

days thoroughly canvassed the employees in a house to house campaign, the second hands and overseers attempting to contact the employees in their departments. They stated to the employees that the Association wanted a majority in order to start the mill. The mill, it will be remembered, had been shut down since August 12.

The drive was successful. On August 24, Dillard and the Executive Committee presented the contract to Bailey for his signature. When questioned by him as to whether the Association represented a majority they showed him a statement of the Secretary to the effect that the Association had 485 actual members and some powers of attorney which brought the total to about 511 out of a payroll of 672. Bailey without further questioning as to their representation then signed the contract. The meeting took about five or ten minutes; in view of the previous conferences between Bailey and Dillard it was just a "formality". The contract (Board Exhibit 11) stated that the Association had been designated as the representative organization of the employees to bargain with the respondent under the National Labor Relations Act. It provided for a closed shop for one year limited to members of the Association or the signatories of powers of attorney authorizing representation by the Association. The contract contained no other provision.

Pursuant to the contract the following notice, prepared by Dillard and under the letterhead of the Association, was posted in the mill village on August 24 (Board Exhibit 10):

"NOTICE

Pursuant to a contract this day entered into by and between the Clinton Cotton Mills and the Clinton Friendship Association, only members of the Clinton Friendship Association will be employed in said Clinton Cotton Mills after this date, August 24, 1935. All seeking employment in said mills will be required to exhibit membership cards in said association, unless he or she shall exhibit a power of attorney authorizing said association to represent him or her in all matters pertaining to collective bargaining.

J. P. TERRY, *President*  
ROY HOLTZCLAW, *V.-Pres.*  
ALFRED ASHLING, *Sec'y.*  
C. W. WINDSOR, *Treas.*

*Executive Committee."*

The mill opened on August 26. Friendship Association officers and members including Holtzclaw, a second hand, and the gate watchman, turned away all applicants who did not have the requisite membership card or power of attorney. About 125-130 employees

on the first shift and about 137 on the second were thus refused admission. By resolution of the Association adopted August 24, and as stated in a notice posted August 29, such employees were given until August 31 to become members or sign powers of attorney. About 133 employees took advantage of the opportunity, became members or were reinstated to membership in the Association, and were given employment. At present all employees are members of the Association or have authorized it to represent them, and those seeking employment must comply with such condition of employment.

### *C. Conclusions*

Ninety-six persons regularly employed when the mill closed on August 12 and who still desire employment at the mill had not been reinstated at the time of the hearing because they had refused to join the Association or sign the power of attorney (Board Exhibit 13<sup>2</sup>). By establishing as a condition of employment membership in the Association or authorization of it as a representative for collective bargaining, the respondent has obviously discriminated in favor of the Association, its members and those who desire to be represented by it. Such discrimination just as obviously encourages membership in the Association, and by virtue of the exclusive nature of such membership, discourages membership in any other labor organization. The discrimination was clearly directed against members of the Union and its effect was to discourage membership in the Union. In addition, it is an interference with the exercise of the rights guaranteed employees in Section 7 of the Act and coerces them into conduct preferred by the respondent. Such discrimination is thus an unfair labor practice proscribed by Section 8, subdivisions (1) and (3) of the National Labor Relations Act unless it is covered by the proviso of subdivision (3). That proviso is as follows:

“That nothing in this Act . . . shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this Act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in Section 9 (a), in the appropriate collective bargaining unit covered by such agreement when made.”

The respondent relies on this proviso, claiming that the discrimination was the result of a closed shop agreement with the Association. The Clinton Friendship Association is a labor organization

<sup>2</sup> Board Exhibit 13 contains 98 names. One of the employees listed returned to work on September 17 at a reduced wage, while another returned October 14.

within the meaning of Section 2, subdivision (5), for employees participate in it and it exists in part for the purpose of dealing with the respondent concerning wages and working conditions (Constitution and By-Laws, Purpose (1), Membership, Board Exhibit 18). To ascertain whether it is the type of labor organization which may enter into an agreement that will be given effect under the proviso, it is necessary to inquire whether, in the language of the proviso, it is one not established, maintained or assisted by any action defined in the Act as an unfair labor practice. In making such an examination, it must be remembered that the parenthetical clause in the proviso is not limited to the unfair labor practices prohibited by Section 8, subdivision (2), but extends to all of the practices forbidden by Section 8. Nor is it limited to conduct after July 5, 1935, for it includes, for example, a labor organization established prior to July 5, 1935 by conduct or means characterized as unfair by Section 8. Otherwise an employer could perpetuate an organization of his creation prior to July 5, 1935 by entering into a closed shop agreement with it after July 5, 1935, thus enabling it to thrive on the support afforded by the agreement and permitting it to dispense with the constant assistance obtained from company domination and support which would otherwise be necessary.

The Clinton Friendship Association, as shown above, was established by the respondent through its overseers and second hands. They were the organizers at the start, called its first meeting, prepared its By-Laws and became its first principal officers. The nucleus started by them was kept alive and strengthened by their constant solicitation of employees and by the aid lent the Association through the check-off and the endorsement by the President of the respondent. While the check-off is ordinarily a legitimate method of collecting union dues with the assistance of the employer, when it is used as merely one device among many whereby the employer fosters and supports a management-controlled organization, it comes within the ban of Section 8, subdivisions (1) and (2). The tainted origin of the Association thus prevents the respondent from using its agreement with the Association as a shield behind which it may operate in a manner forbidden by the Act.

The Clinton Friendship Association is today maintained by the respondent. The overseers and second hands are still the driving force in the organization. All are members and many attend its meetings. The announcement of the July 16 meeting ended with the following: "Every overseer is requested to be present at this meeting" (Board Exhibit 17a). The By-Laws permit overseers and second hands to be officers and a second hand is the present Vice-President. Overseers and second hands have not ceased their solicitations; on the contrary, as described above, they conducted a sys-

tematic campaign on behalf of the Association in the month of August. Membership cards are still handled by overseers and second hands. The Association still has the privilege of the check-off and solicitation during working hours. The support of the overseers and second hands is clearly necessary. Employee participation in the affairs of the Association is small. A special notice of the Association posted on October 28, 1935 commences as follows: "To whom it may concern: The Association is holding its meetings every Saturday night in the Academy School Auditorium and it is a shame to see what few members attend these meetings—about 50 out of 750 members. It is the duty of every member to attend at least 2 out of 4 of these meetings. For the past 3 or 4 weeks we have had bad attendance" (Board Exhibit 21). The conduct on the part of the respondent described above constitutes domination of and interference with the administration of the Association and contribution of support to it within the prohibition of Section 8, subdivision (2).

Moreover, the respondent has not been content with simply establishing and controlling the Association. By affirmative acts directed against the Union, it has sought to secure the members of the Union for the Association. The surveillance of Union meetings, the discharge of employees for Union membership or activity, the threat of discharge inherent in constant solicitation by overseers and second hands, are unfair labor practices forbidden by Section 8, subdivision (1) and, in the case of the discharges, subdivision (3).

In his oral argument before the Board on this phase of the case, counsel for the respondent placed great stress on the fact that the second hands are the leaders of the employees in a mill village. He stated that there was a dividing line between the second hands and the overseers, although it should be noted that both types of supervisory employees participated in the Association. Consequently, he argued, the part of the second hands in the formation, development and conduct of the Association was no more than an expression in this field of the general leadership exercised by them in all affairs of the mill village. However, it must be remembered that overseers and second hands are directly responsible to the management for production efficiency, labor costs, quality of work and discipline. Coupled with this responsibility placed upon them as supervisory officials is the delegation to the overseers of the authority to hire and discharge employees and to the second hands of the authority to recommend such action. Thus, on the basis of duties and authority they are a part of management. Moreover, they are that part of management that has the closest and most direct contact with the employees. Under the circumstances of this case, these employees attempting to engage in concerted activities to advance their own interests cannot do so freely under the surveillance and active leader-

ship of management, no matter how friendly the personalities who compose that management may be outside the mill walls. Finally, the leadership of the second hand in the mill village, to which counsel pointed, is simply the consequence of his dominant position in the most important part of a mill village—the mill itself.

The Association is thus presently maintained and assisted by conduct on the part of the respondent constituting unfair labor practices as defined in the Act. Consequently, as regards both its establishment, and current existence, it is not a labor organization whose closed shop agreement is entitled to recognition under Section 8, subdivision (3). The proviso of that subdivision is therefore not applicable.

The proviso is inapplicable for another reason. It is limited solely to the requirement of *membership* in a stated labor organization as a condition of employment. Other discriminatory conditions of employment are not protected by the proviso. Consequently, the requirement of a power of attorney authorizing the labor organization to represent the signatory for the purpose of collective bargaining is not within the proviso. The closed shop is a method of achieving stability of organization and consequently of relations between employer and employees. It connotes a well-organized labor organization with regular membership. A power of attorney which leaves the signatory a non-member of the organization authorized to represent him is not conducive to such stability for its very existence evidences a distinct lack of entire faith in the organization. Therefore, by permitting the employees of the respondent a choice between membership in the Association or authorizing it to represent them through a power of attorney and thus presenting alternative conditions of employment, one of which is not of the prescribed type, the parties to the agreement have not brought themselves within the proviso.

Since the proviso is not applicable, the discriminatory conduct of the respondent is reached by Section 8, subdivisions (1) and (3). None of the 96 employees has obtained any other employment. By virtue of Section 10, subdivision (c) the Board has the authority to order the respondent to offer immediate reinstatement to these employees. It is possible that the jobs of many of these employees have been filled since the refusal to permit them to work on August 26, as the present number of employees on the payroll of the mill is about equal to that of August 12 when it temporarily closed down. If such is the case, the respondent must have employed new employees or persons previously in its employ but not working for it on August 26. Since the respondent has committed unfair labor practices in the refusal to reinstate these employees, and since such affirmative action is necessary to effectuate the policies of the Act, the Board will enter an order requiring the respondent to offer

immediate reinstatement to these employees. If to comply with this order the respondent finds it necessary to dismiss some persons presently employed by it, dismissals for such a purpose must be limited to employees employed after August 26, 1935. Pursuant to Section 10, subdivision (c) the offer of reinstatement should be coupled with payment of back pay from the date of discharge, less sums earned elsewhere in the meantime as stated in the list of employees appended hereto, which is stipulated to be correct (Board Exhibit 13). One of the employees, J. L. Mathis, refused reinstatement on August 26, has been employed at the mill since September 17 at a reduced wage. Since the circumstances of the reduction were not presented to the Board, it cannot be considered by it. In addition to J. L. Mathis, another of the employees refused reinstatement on August 26, S. A. Owens, is now working at the mill, having been employed on October 14. In the case of these two employees, the payment of back pay will cover the period from August 26 to the respective dates of reinstatement.

As stated above, the participation of the respondent in the Association constitutes unfair labor practices forbidden by Section 8, subdivision (2). In this case the respondent has gone further and established the Association as the exclusive representative of all of its employees for the purpose of collective bargaining. While the Association may now have as members a majority of the employees, the manner in which such membership was obtained makes it clear that large numbers of its members have never freely chosen the Association. From the start the membership was obtained practically entirely by solicitation of overseers and second hands. After July the threat of discharge implicit in such solicitation was made more concrete by the discharge of Union members. And in August, by manipulation of its puppet, the respondent stripped the situation of its appearance of voluntary choice and presented its employees with the clean-cut choice of the Association or their jobs. The closed shop contract and the purported "collective bargaining" by the Association were the result of concerted action on the part of the attorneys for the respondent and the Association, the President of the respondent and the overseers and second hands who controlled the Association. The employee members of the Association were utterly ignorant of the meaning of collective bargaining and left the entire matter to their officers. Their officers were equally uninformed and so they in turn left everything in the hands of their attorney. On the basis of his own testimony he likewise was not very familiar with the subject, so that the President of the respondent and his attorney are left as the informed actors.

In order to remedy its unlawful conduct in this case, the respondent must withdraw all recognition from the Association as an or-

ganization representative of its employees for the purpose of dealing with the respondent concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of work. In addition to such complete disestablishment of the Association as the representative of the employees, the respondent must cease requiring as a condition of employment that employees be members of the Association or sign powers of attorney authorizing the Association to represent them for collective bargaining. Such abandonment of the condition of employment established by the closed shop contract will tend to correct the result of respondent's unlawful conduct in entering into such contract with the Association. Besides taking the above affirmative action, the respondent must also cease and desist from its violation of Section 8, subdivision (2). Since the respondent's control of the Association is achieved mainly by means of the participation of its overseers and second hands in its affairs, the respondent must consequently cease permitting them so to participate. One of the purposes of the Friendship Association was to provide relief for those of its members who because of illness or similar circumstances required aid, and a large part of its dues were utilized for that purpose. It is quite possible that some of its members, perhaps not conscious of the management's control of its activities as a labor organization, voluntarily joined the Association because they were in sympathy with its benevolent aims. While an Association dedicated to such a purpose is not within the terms of the Act and participation of overseers and second hands may be desirable, in this case the Friendship Association is also a labor organization which is management-controlled in violation of the Act. The management and the Association have combined to use the Association for unlawful ends and consequently the existence of worthy purposes, which standing alone would be without the scope of the Act, cannot alter such violation.

For the sake of completeness, it is necessary to discuss briefly two contentions advanced by the respondent to prove that the Association is an organization truly representative of the employees and freely chosen by them. The first of these involves an attempt by the respondent to reduce wages in the mill. About two weeks before the hearing in this case, notices were posted that wages would be reduced. The employees apparently became aroused and asked the officers of the Association to see the management. They in turn placed the entire matter in the hands of Dillard, their attorney. He conferred with Bailey, the respondent's President, and arranged an evening conference which was attended by Dillard, Bailey, Hill (the Superintendent), Terry, Holtzclaw (a second hand), and Ashling, the last three being officers of the Association. Bailey claimed the reduction was necessitated by higher costs, but Dillard pointed out

that the wages paid at Clinton were no higher than those at the other mill involved in the comparison, so that it was unfair to penalize the employees for high costs due to factors other than wages. Bailey postponed decision until the next day, when he then informed Terry and Holtzclaw that the question of a reduction would be deferred until January.

The second contention concerns 642 mimeographed statements signed by employees at the mill on November 19 and 20, 1935, after the complaint had been issued in this case. These statements are of three types. One group, 308 in number, is to the general effect that the undersigned is an employee of the Clinton Cotton Mills and a member of the Friendship Association, that he desires the Association to represent him for collective bargaining, that he was not forced to join the Association by threats or fear, and that he did not join the Union because he thought and still believes that his interests could be better served by the Association. In the second group of 287 the signatory states that he is an employee of the Mills, and a member of the Association, which he believed could best serve his interests, that the Union had rendered no service but instead had caused suffering, that he was not forced to join by threats or inducements, and that he is willing to testify to the above. The third group of 47 is somewhat similar to the first, except that the signatory states he was formerly a member of the Union but withdrew of his own free will to become a member of the Association (Respondent's Exhibit 5).

The statements were prepared by Dillard. Terry, President of the Association, caused them to be signed by the employees during working hours. Two crews of two witnesses each, evenly divided between employees and outsiders, went from workroom to workroom, establishing themselves in each workroom at the second hand's or overseer's desk. The second hand or Terry would send the employees to the desk in groups. Terry would hand each a statement and tell them to sign if they were willing, but that they were not obliged to sign. Three or four refused to sign and are still working. Apparently Terry controlled the type of statement which an employee would sign, since there is no evidence in the record indicating that they were permitted to choose between the three forms.

Neither of these contentions has the effect claimed for them by respondent. The fact that the members of a management-controlled Association on one occasion assert their own wishes does not remove the stigma of the domination. An organization which is normally entirely under the control of the employer may well get out of hand if a wage reduction is proposed. The Association is still dominated by the respondent and it is that domination which the Act declares an unfair labor practice. The signed statements are of no value. The

method by which they were procured is in itself sufficient to cast doubt upon the genuineness of the signatories' belief in the statements signed. Moreover, as far as the employees could judge, refusal to sign might mean the loss of their jobs. Each contained the assertion that the undersigned was a member of the Association. Since the Association was the beneficiary of the closed shop agreement that was still in force, a refusal to sign, indicating non-membership in the Association, might be considered as the equivalent of failure to comply with the condition of employment in that contract.

#### CONCLUDING FINDINGS OF FACT AND CONCLUSIONS OF LAW

In addition to the above findings of fact, upon the record in the case, the stenographic transcript of the hearing, and all the evidence, including oral testimony, documentary and other evidence offered and received at the hearing, the following concluding findings of fact are made by the Board:

1. The respondent, Clinton Cotton Mills, is a South Carolina Corporation which owns and operates at Clinton, South Carolina, a mill for the manufacture and sale of print cloth. The respondent normally employs about 670 employees.

2. The respondent purchases and obtains in the State of South Carolina most of the cotton used in its manufacturing operations, the remainder coming from Tennessee and North Carolina. About eighty percent of the print cloth manufactured at the mill is shipped by the respondent to mills located in states other than the State of South Carolina for finishing at said mills. The remaining twenty percent is shipped to mills located in the State of South Carolina for similar finishing by said mills. The cloth is shipped F. O. B. Clinton Cotton Mills and the respondent has no interest in the mills to which it is consigned.

3. The operations of the respondent, as described above, constitute a continuous flow of trade, traffic and commerce among the several states.

4. The respondent, through its officers and agents, while engaged in the operations described above, on July 13, 1935 and July 20, 1935 maintained surveillance of the meetings and meeting places of a labor organization known as Local Union No. 2182, United Textile Workers of America.

5. In the week of July 14, 1935, the respondent, through its officers and agents, while engaged in the operations described above, discharged from thirty to forty employees, all of whom were engaged in operations at the mill. These employees were reinstated on July 21, 1935 only through the efforts of a representative of the Textile Labor Relations Board.

6. Each of the employees so discharged, as stated in paragraph 5 above, was discharged for the reason that each was a member of a labor organization known as Local Union No. 2182, United Textile Workers of America and had attended its meetings or assisted said Union.

7. The respondent, by its officers and agents, in December, 1934, while engaged in the operations described above, formed, established and sponsored a labor organization of its employees known as the Clinton Friendship Association. Overseers and second hands of the respondent organized the first meeting of the Association, prepared its By-Laws and became its first principal officers. The Association was endorsed by the President of the respondent and accorded the privilege of having its dues collected by the respondent from the wages of its members. Immediately after such formation, the overseers and second hands of the respondent actively and constantly solicited the employees of the respondent so as to obtain their membership in said Association. By reason of such solicitation and the fear for their jobs induced by it, many employees became members of said Association, some resigning their membership in the labor organization known as Local Union No. 2182, United Textile Workers of America.

8. The respondent, by its officers and agents, while engaged in the operations described above, is dominating and interfering with the administration of a labor organization of its employees known as the Clinton Friendship Association, by reason of membership of its overseers and second hands in such Association; their attendance at its meetings; their activity, including the holding of an office, in the affairs of the Association; and their solicitation of the employees of the respondent to become members of said Association; and under the circumstances of this case is contributing support to said Association by according to it the privilege of having the dues of said Association deducted by respondent from the wages of members of said Association and paid over by respondent to said Association and the privilege of soliciting membership in said Association during working hours and on mill property.

9. In the latter part of the week of August 18, 1935, overseers and second hands of the respondent solicited the employees of the respondent in an intensive house to house campaign to secure their membership in the Clinton Friendship Association or their signatures to powers of attorney authorizing said Association to represent them for the purpose of collective bargaining with the respondent under the National Labor Relations Act.

10. On August 24, 1935, respondent signed an agreement with a labor organization of its employees known as the Clinton Friendship Association, said Association claiming to represent the employees

of the respondent for collective bargaining with it, whereby membership in said Association or the signing of a power of attorney authorizing said Association to represent the signatory in collective bargaining with the respondent was made a condition of employment in the respondent's mill.

11. By reason of the enforcement by the respondent of the terms of the contract described above in paragraph 10, and the establishment of the stated condition of employment, a large number of respondent's employees have been forced against their will to become members of said Association or sign such powers of attorney in order to retain their employment at respondent's mill.

12. Ninety-six employees of the respondent regularly employed by it prior to August 26, 1935, and who desire employment with it, have since been refused employment by respondent and to date are excluded from working in its mill solely because of respondent's enforcement of the terms of the contract described above in paragraph 10 and their refusal to become members of a labor organization of respondent's employees known as the Clinton Friendship Association or to sign powers of attorney authorizing said Association to represent them in collective bargaining with the respondent under the National Labor Relations Act. None of these ninety-six employees has obtained any other regular and substantially equivalent employment. The names of these employees, the wage rates at which they were paid prior to respondent's refusal to employ them and the amounts they have since earned through employment elsewhere, as of the date of hearing, are shown in Appendix A to these findings. On Appendix A there is also shown the status of J. L. Mathis and S. A. Owens, two additional employees who were similarly refused employment by respondent but who are now employed by it.

13. By reason of respondent's acts of intimidation and coercion described in paragraphs 4, 5 and 6 above, and the constant solicitation by its overseers and second hands of membership in a labor organization known as the Clinton Friendship Association, which have prevented a large number of employees from joining, assisting or remaining members of the labor organization known as Local No. 2182, United Textile Workers of America and have forced a large number of employees to become members of said Association against their will, said Association has at no time been the freely chosen representative of more than a small number of the employees of the respondent.

14. By the discharges described in paragraphs 5, 6 and 12 above, the respondent has interfered with, restrained and coerced its employees in the exercise of the rights guaranteed in Section 7 of the National Labor Relations Act.

15. By the discharges described in paragraphs 5, 6 and 12 above, the respondent did discriminate in regard to hire and tenure of employment and conditions of employment and has thereby encouraged membership in the labor organization known as the Clinton Friendship Association and has thereby discouraged membership in the labor organization known as Local Union No. 2182, United Textile Workers of America.

16. By the surveillance described in paragraph 4 above, by the solicitation of its employees described in paragraphs 8 and 9 above, and by the imposition of the condition of employment described in paragraphs 10, 11 and 12 above, the respondent has interfered with, restrained and coerced its employees in the exercise of the rights guaranteed in Section 7 of the National Labor Relations Act.

17. The aforesaid acts of respondent occurred in the course and current of commerce among the several states and immediately affect employees engaged in the course and current of such commerce.

18. In September, 1934, a strike occurred at the respondent's mill which caused it to be shut down for a period of four weeks. During this period no shipments of print cloth were made by the respondent. The strike was called by Local No. 2182, United Textile Workers of America.

19. The respondent's acts described in the foregoing paragraphs caused unrest, resentment and bitterness among the employees in the mill and tend to lead to a labor dispute burdening and obstructing commerce and the free flow of commerce between the State of South Carolina and the other states in which the respondent buys its cotton and sells its print cloth.

20. Interference by employers with the activities of employees in joining or assisting labor organizations results and tends to result in labor disputes and other forms of industrial unrest which burden and obstruct commerce among the several states and the free flow thereof.

Upon the basis of the foregoing the Board finds and concludes as a matter of law:

(a) Respondent, by discharging thirty to forty of its employees as described in paragraphs 5 and 6 above, by discharging and continuing to exclude from work in its mill the employees named in Appendix A hereto, and by interfering with, restraining and coercing its employees in the exercise of the rights guaranteed in Section 7 of the National Labor Relations Act, as set forth above, has engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8, subdivision (1) and Section 2, subdivisions (6) and (7) of the National Labor Relations Act.

(b) Respondent, by encouraging membership in the labor organization known as the Clinton Friendship Association and discourag-

ing membership in the labor organization known as Local Union 2182, United Textile Workers of America by enforcing the discriminatory condition of employment described above, by discharging thirty to forty of its employees as described in paragraphs 5 and 6 above and by discharging and continuing to exclude from work in its mill the employees named in Appendix A hereto, has engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8, subdivision (3) and Section 2, subdivisions (6) and (7) of the National Labor Relations Act.

(c) Respondent, by its domination of and interference with the labor organization known as the Clinton Friendship Association and by its contribution of support to such labor organization, as above set forth, has engaged in and is engaging in unfair labor practices affecting commerce within the meaning of Section 8, subdivision (2) and Section 2, subdivisions (6) and (7) of the National Labor Relations Act.

#### APPENDIX A

List of employees of the Clinton Cotton Mills who were regularly employed by it immediately prior to August 26, 1935 and who, despite their desire to continue such employment, have since been refused employment solely because of their refusal to become members of the Clinton Friendship Association or to sign powers of attorney authorizing the Association to represent them for collective bargaining, together with their average wage as of August 26, 1935 and the amount earned through employment elsewhere from August 26, 1935 to November 21, 1935, such employment being with the Federal Emergency Relief Administration, except where otherwise indicated.

Name	Average wage for full 40 hour week	Wages received from employment elsewhere from August 26, 1935 to November 21, 1935
J. H. Madden.....	\$13	\$10
C. D. Hughes.....	12	16
Fred Wilson.....	12	16
C. C. Lusk.....	13	16
Ruth Lusk.....	13	(1)
E. B. Worthy.....	13	(1)
J. S. Grady.....	12	16
John Harris.....	12	16
James Harris.....	12	(1)
T. W. Simmons.....	17	16
O. C. Dees.....	13	12
J. F. McKelly.....	12	16
Frank Hancock.....	12	16
H. L. Kennedy.....	13.50	12
Grady Smith.....	12.50	(1)
Tom Lee.....	12.50	10
L. L. Ballew.....	12	16
Andrew Ballew.....	12	(1)
J. C. Young.....	12	12
W. M. Rochester.....	12	16
John Reed.....	13	(1)

<sup>1</sup> Nothing.

Name	Average wage for full 40 hour week	Wages received from employment elsewhere from August 26, 1935 to November 21, 1935
Jack Meadors.....	\$12	\$16
Jim Knighton.....	12	16
Martha Hancock.....	14 50	(1)
David Smith.....	12 50	(1)
Henry Russ.....	13	10
Lola Russ.....	13	(1)
Joe Reed.....	13	16
Joe Keasler.....	17	16
Mattie Summer.....	15	(1)
Bevlar Summer.....	12	16
Lawson Smith.....	12	(2) 24.20
M. B. Rochester.....	12	16
Pearl Meadors.....	14 25	(1)
Stella Compton.....	14.28	
Fate Hanback.....	15	12
Arzetta Hanback.....	14.25	(1)
Mary Madden.....	14 25	(1)
Flora Knight.....	14 25	(1)
Maggie Grady.....	14 25	(1)
Emma Smith.....	13 75	(1)
Leslie Harrison.....	12 12	12
Arthur Smith.....	9	(1)
Maude Davis.....	16 20	(1)
Sallie Mae Bagwell.....	14 25	(1)
John Bagwell.....	15	16
Minnie Ray.....	13 75	16
Willie K Willis.....	15	8
Horace Howell.....	9	16
Andy Hames.....	12	16
Florence Splawn.....	14 20	(1)
Jesse Finley.....	15	16
Addie Finley.....	14 25	(1)
K E Balkham.....	9	10
W H Dover.....	9	16
Irene Adams.....	13 50	(1)
Hubert Leopard.....	13	(1)
Ruth Leopard.....	12 50	(1)
A W Dennis.....	18 75	16
Roy Davis.....	12	16
Fred Miller.....	13 62	16
Aron Quarls.....	18	12
Irene Quarls.....	18	(1)
Marshall Brady.....	19	16
C L Braswell.....	18	8
Elizabeth Ledford.....	18	(1)
J F Golden.....	13 45	16
J T Golden.....	17	(1)
Clara Hawks.....	18	12
Beatrice Alexander.....	18	10
Willie Rushton.....	13 87	(1)
C W Rushton.....	12	16
Franklin Davis.....	12	16
Young Davis.....	13 60	(1)
Kathleen McKelly.....	13 49	(1)
Robt Adams.....	17	12
H A Adams.....	9	12
R R McLendon.....	13 48	12
Ben Whitmire.....	13 62	12
R S White.....	12	16
Carrie White.....	13 49	(1)
R B Overstreet.....	17	12
M G Overstreet.....	17	(1)
Lola Mae Overstreet.....	13	(1)
Magadlen Wilbanks.....	13 45	(1)
J F Craig.....	19 50	16
Mary Craig.....	17	(1)
Norman Blackwell.....	13	12
J H Owens.....	13 87	16
J N Nix.....	12	16
Robt Overstreet.....	12	(1)
Lizzie Holmes.....	12 12	(1)
R L Anderson.....	17	(1)
Verol Mathis.....	13 87	(1)
Beatrice Owens.....	13 50	(1)
Mae Smith.....	(3)	(2)

1 Nothing.

2 \$19 20 in Gastonia, N. C.

\* Not ascertained.

J. L. Mathis has been employed by the respondent since September 17, 1935 at an average wage of \$12.50. On August 26, 1935 his average wage was \$17 for the same amount of time. Previous to September 17, 1935 he had received \$6 from the Federal Emergency Relief Administration.

S. A. Owens has been employed by the respondent since October 14, 1935 at an average wage of \$12. On August 26, 1935 his average wage was \$10.50 for the same amount of time. Previous to October 14, 1935 he did not have any employment elsewhere.

### ORDER

On the basis of the findings of fact and conclusions of law and pursuant to Section 10, subdivision (c) of the National Labor Relations Act, the National Labor Relations Board hereby orders that the respondent, Clinton Cotton Mills, and its officers and agents, shall:

1. Cease and desist (a) from discharging or threatening to discharge any of its employees for the reason that such employees have joined or assisted Local Union No. 2182, United Textile Workers of America; (b) from maintaining surveillance of the meetings and activities of Local Union No. 2182, United Textile Workers of America; and (c) from in any manner interfering with, restraining or coercing its employees in the exercise of their rights to self organization, to form, join or assist labor organizations, 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 National Labor Relations Act;

2. Cease and desist (a) from requiring as a condition of employment in its mill that the employee or applicant for employment become a member of the Clinton Friendship Association or sign a power of attorney or other document authorizing the Clinton Friendship Association to represent him for the purpose of collective bargaining or grant any other authorization to the Clinton Friendship Association; and (b) from encouraging membership in the Clinton Friendship Association, or any other labor organization of its employees, and from discouraging membership in Local Union No. 2182, United Textile Workers of America, or any other labor organization of its employees, by discrimination in regard to hire or tenure of employment or any term or condition of employment;

3. Cease and desist (a) from permitting its overseers, second hands and other supervisory officials to remain or become officers or members of the Clinton Friendship Association, to participate in its activities and to solicit membership in it; (b) from affording the

Clinton Friendship Association the privileges of having its dues collected by the respondent from the wages of its members and of soliciting for members during working hours and on mill property unless similar privileges are offered to Local Union No. 2182, United Textile Workers of America and any other labor organization of its employees; and (c) from in any manner dominating or interfering with the administration of the Clinton Friendship Association or any other labor organization of its employees and from contributing any support to the Clinton Friendship Association, or to any other labor organization of its employees, except that nothing in this paragraph shall prohibit the respondent from permitting its employees to confer with it during working hours without loss of pay;

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

(a) Offer to the employees listed in Appendix A to the concluding findings of fact immediate and full reinstatement, respectively, to their former positions, without prejudice to any rights and privileges previously enjoyed;

(b) Make whole said employees for any losses of pay they have suffered by reason of their discharge by payment, respectively, of a sum of money equal to that which each would normally have earned as wages during the period from August 26, 1935 to the date of such offer of reinstatement, computed at the wage rate stated in Appendix A as the rate each was paid immediately prior to August 26, 1935, less the amount which each earned subsequent to August 26, 1935 as shown in Appendix A; and make whole J. L. Mathis and S. A. Owens, by a similar payment computed in respect of the period from August 26, 1935 to the respective date of reinstatement, as shown in Appendix A;

(c) Withdraw all recognition from the Clinton Friendship Association as representative of its employees for the purpose of dealing with respondent concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and completely disestablish the Clinton Friendship Association as such representative;

(d) Post immediately notices to its employees in conspicuous places throughout its mill and in the mill village stating (1) that the Clinton Friendship Association is so disestablished and that respondents will refrain from any such recognition thereof; (2) that to secure employment in the mill a person need not become a member of the Clinton Friendship Association or sign any power of attorney or other document authorizing the Clinton Friendship Association to represent him or grant any other authorization to the Clinton Friendship Association; (3) that the contract signed with the Clinton Friendship Association is void and of no effect; (4) that the re-

spondent will not discharge or in any manner discriminate against members of Local Union No. 2182, United Textile Workers of America or any person assisting said organization or engaging in Union activity; (5) that the respondent has ceased and desisted as provided in paragraphs 1, 2, and 3 of this Order; (6) that the respondent has instructed its overseers and second hands to remain neutral as between organizations and that any violations of this instruction should be reported to it; and (7) that such notices will remain posted for a period of at least thirty (30) consecutive days from the date of posting; and

(e) File with the National Labor Relations Board on or before the tenth day from the date of service of this Order, a report in writing setting forth in detail the manner and form in which it has complied with the foregoing requirements.