

# 'That Freakish Thing'

## A memo dooms the labor center

by Jerry Adams

On Thursday evening, Sept. 7, 1978, the votes of nine members of the University of North Carolina's Board of Governors killed a proposal to establish a Center for Labor Education and Research on the campus of North Carolina Central University in Durham. The vote, taken in the board's planning committee, was a symbolic *coup de grace*, although it was not the last shot to be fired in a much larger conflict between pro-union and anti-union forces in North Carolina.

The proposal to establish the Labor Center was debated as an educational issue. But the debate took place against the backdrop of deep, lingering attitudes. "It's no longer socially acceptable to be anti-black in North Carolina," said one observer who was privy to the committee's deliberations. "That's frowned upon. But it's still all right to be anti-union."

Anti-union feelings are to be expected in a state that is the nation's least unionized (less than seven percent of the work force) and yet is among the South's most industrialized. But the strength of the feelings revealed during the debate over the Labor Center surprised some observers.

Dr. E. Walton Jones, the UNC vice president who worked with the committee and NCCU on the Labor Center proposal, was impressed with the intensity of committee members' feelings about organized labor and their concern for labor's capacity to be "disruptive" and overwhelm the school's administration. "They were worried," Jones recalls, "about the university maintaining its objectivity in running the program." As for their general feeling about unions, Jones adds, "It runs very deep. I know I had not recognized the intensity of it until working on this project."

Neither Jones nor other members of UNC President William C. Friday's staff familiar with the Labor Center issue were willing to talk in detail about the committee's deliberations. The committee members themselves tend to recount the process leading to the rejection of the proposal in highly personal ways. Some of them, understandably, can no longer remember the details of the discussions.

Thus, the resolution of an issue of importance to North Carolina citizens and a decision

that is theoretically the product of informed debate remains shrouded from public scrutiny. Minutes of the committee meetings are laconic. They reveal almost nothing.

Board of Governors committee meetings (except those parts that deal with personnel matters) are open to the public and the press. However, John P. Kennedy, Jr., secretary to the board, points out that the only reporter likely to attend a committee meeting is one from the *Daily Tar Heel*, the campus newspaper at the University of North Carolina at Chapel Hill. With regard to the Labor Center, Kennedy adds, "They (*Daily Tar Heel* reporters) don't care much about that sort of thing." Press coverage of the committee's deliberations, therefore, was sparing, to say the least.

Interviews with participants in and first-hand observers of the Labor Center discussions in the committee make clear that committee members knew they were dealing with a sensitive issue in the political, industrial, and educational life of North Carolina. But it was a document that fell into committee members' hands by chance -- a document that President Friday describes as "that freakish thing" -- that offered committee members what they considered conclusive evidence that the establishment of a Labor Center had far more significance than the establishment of just one more university program.

The story of the Labor Center begins shortly after the gubernatorial campaign of James B. Hunt, Jr., which had, as a Democratic prerogative, labor support. After Hunt's election, Wilbur Hobby, state AFL-CIO president, and his research director, Christopher Scott, sent the governor-elect a memorandum. It was dated Dec. 23, 1976, 16 days before the inauguration. "North Carolina workers need to have technical assistance available to them much as farmers and businessmen make use of the agricultural extension and industrial extension services," the memo began. Such assistance could best be provided through a Labor Center like those in other states, the memo continued, one that could be established for \$250,000 in "this tough budget year."

The memo concluded: "It is clear that such a center must have a separate faculty and staff from those who provide similar instruction to

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business and industry. This is one area where it is virtually impossible to remain academically 'objective' in either content or style."

On February 16, 1977, a month into the new administration, which would appoint Scott to a \$27,000 job, a second memo from Hobby and Scott to Hunt announced that "plans for the creation of a Center for Labor Education and Research appear to be taking shape." The memo outlined how the center should be organized.

That spring, at a monthly meeting of the 16 chancellors with President Friday, Dr. Albert N. Whiting heard Friday mention the idea of a Labor Center. It immediately struck Whiting as made to order for his campus at North Carolina Central, a natural fit with the school's continuing education program. Whiting remembers thinking that the Labor Center would give his institution "a different thrust than the other institutions have." That latter consideration, he thought, would be important to the U. S. Department of Health, Education and Welfare, which has been arguing since early 1970 that the historically black campuses in North Carolina should be considered for innovative, integrated programs. Whiting's campus was selected to develop a proposal, and he assigned Dr. Waltz Maynor, director of continuing education, to work with Jones of the consolidated university staff. Whiting says the help of Hobby and other labor leaders went into the proposal, which took the form of a suggested charter. It was presented to the planning committee Oct. 13, 1977.

John R. Jordan, a Raleigh lawyer and lobbyist, then committee vice chairman, recalls that he and George Watts Hill, chairman of the board of Central Carolina Bank, extensively rewrote the suggested charter. "It was a much different animal when it came out of committee," he says. An examination of the two drafts makes clear that one change was critical. Deleted was a provision that "at least six of the advisory board members be directly associated with organized labor." The second draft provided for the chancellor of NCCU to appoint all 11 members without mention of representation for labor or any other interest.

The original draft of the suggested charter was the first indication for some committee members that the center was being designed to be, in committee member Harley F. Shuford Jr.'s phrase, "the pet of organized labor." Shuford, president of a furniture company, became the most outspoken opponent of the center, according to observers. Daniel C. Gunter Jr., president of a textile firm, then a committee member, also objected to the charter and to efforts to redraft it at the meeting. He made a motion to re-refer the suggested charter to the staff.

But the charter, as redrafted, was approved on a motion by Dr. E. B. Turner, a dentist, and

the center proposal was recommended to the full board. The minutes reveal nothing about the discussion or the vote.

Two weeks after the meeting, Maynor wrote to Hobby expressing confidence that approval was imminent, telling him of staff being hired, and thanking him for his "efforts" on behalf of the center.

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### **Chancellor Whiting of North Carolina Central University viewed the Labor Center as a natural for his institution.**

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But on Nov. 11, at the full board's next meeting a month later, Dr. Hugh Daniel Jr., an ophthalmologist, then chairman of the planning committee, asked the board to ignore his committee's stamp of approval and resubmit the proposal for further consideration.

John R. Jordan, who shortly thereafter took over as chairman of the committee, remembers that in the month between the two meetings "questions began to arise." Asking the questions, he says, were "many chambers of commerce and merchants bureaus and that sort of thing." But Jordan and others on the committee insist that it was a calm, reasoned consideration of facts, not pressure from the business community, that was beginning to turn the tide against the Labor Center proposal. Shuford and fellow committee members F. P. Bodenheimer, president of a mortgage-banking firm, and Mrs. Hugh Morton talk of the committee's beginning to consider alternatives they viewed as more suitable than the establishment of a Labor Center.

Bodenheimer and Shuford cite the alternative of broadening the course offerings at Chapel Hill and North Carolina State University as well as other state campuses. Shuford makes the argument that a business school's curriculum ought not to be so narrowly designed that it is just for management-bound students. (Hobby responds to that argument by citing the case of a management seminar for which the School of Business Administration at Chapel Hill provided site and faculty to instruct business people, according to the sponsor's invitation, "in opposition to this compulsory, one-sided, unfair, pro-union legislation" then before Congress. The bill that was the subject of the seminar, whose provisions were designed basically to speed up procedures involved in union-local elections, was defeated in 1978.) Several committee members argue that the community college system would be a more appropriate vehicle for Labor Center-type courses.

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Committee members say the consideration of alternatives to establishing a Labor Center was beginning to shape opinion on the committee. The panel was also considering the question of whether certain federal funds should be used in planning the Center.

But when the planning committee next met, on February 4, the proposal to establish the Labor Center seemed to be moving ahead smoothly. President Friday reported that federal funding would cover the first year of operations and that "a three-phase scheme for the planning, trial and evaluation of the Center is now contemplated." Friday said he wanted Whiting to undertake a feasibility study.

Committee member William A. Dees Jr., a lawyer, made the motion that Whiting be authorized to go ahead with a study "to determine whether a need exists" for the Center. To be "feasible," then, was not to be "capable of being accomplished" but rather "suitable." Both are acceptable meanings for "feasible," and the committee was choosing the latter.

At the committee's next meeting, on February 10, Shuford showed members a copy of a document that was to make all other considerations moot.

Shuford had a copy of yet another Hobby memorandum. This one had been meant only for the eyes of his executive committee and the presidents of international unions with members in North Carolina. Hobby estimates the intended circulation at about 50 people.

The lengthy memo, written early in 1977, outlined AFL-CIO activities, extolled the virtues of the new governor, and presented an "eight-year plan." The new administration, the memo asserted, would represent "a turning point in how government relates to unions.

"North Carolina is the labor movement's greatest potential," it said. "CLEAR [The Center for Labor Education and Research] will have the mission of statewide extension to Central Bodies and local unions . . . The North Carolina AFL-CIO expects, in effect, to hire the director and staff and design the Center's programs."

Accompanying the copy of that memo was a copy of the Dec. 23, 1976 memo to Hunt from Hobby and Scott, the one written shortly before the new governor's inauguration.

Shuford's document "really cooked it," says one observer. Although politically experienced

committee members had always assumed the existence of a Hunt-Hobby connection behind the Labor Center proposal, they had not talked about it. When Shuford produced the Hobby memoranda, according to another observer, the committee members "got pretty excited." Persons who attended the meeting say Friday did not know what, suddenly, was happening. He later described the document Shuford had as "that freakish thing."

The committee reacted immediately. Committee member Reginald McCoy, president of a real estate company, moved that the charter approval and the authorization for a study be rescinded. After a bit of parliamentary confusion, the charter approval was rescinded but, on a 6-5 vote, the committee agreed to allow the study.

But committee members insisted on taking a hand in designing the opinion survey that would be the heart of the study. Whiting says he was "somewhat disturbed" by committee members' insistence on shaping research otherwise designed by university experts in the Triangle area. But when he mildly objected, he says, he was told by a committee member: "There are no experts beyond us."

Bodenheimer's suggestions for the conduct of the survey later ran to three single-spaced pages, and he expressed an opinion that was by then widespread on the committee --- that the Center was going to do much more harm than good. The N. C. Citizens Association, which represents managers from more than 1,300 companies in the state and maintains a 10,000-name mailing list that is updated monthly, spread the alarm to its membership and on August 30 sent a letter to the Board of Governors saying it had made "an objective analysis" and reached the conclusion the Center was a bad idea.

Whatever observers and participants may say after the fact, it is clear that the divulging of the Hobby memoranda turned the tide, confirming fears about union activities in connection with the Labor Center and crystallizing objections to the Center.

How did the copy of the Hobby memorandum get out of the hands of the persons for whom it was intended? Someone connected with labor left a copy behind when checking out of Raleigh's Royal Villa Motel. It was picked up by someone who took it to Stephen J. O'Brien, formerly manager of the General Electric plant on U. S. 70 across

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*—A memo from Wilbur Hobby*

from the Research Triangle Park. He showed it to B. D. Combs, the plant personnel manager. He showed it to George Shelton, executive vice president of Capital Associated Industries, Inc., a management consulting firm in Raleigh. Capital Associated is one of five similar organizations in North Carolina, which, according to committee chairman Jordan, "keep an eye on union activity."

Shelton and Frank Krieger, president of Capital Associated, say their company stays in touch with client companies, but they prefer not to say how many client companies there are. "Our premise," Shelton says, "is that if you're doing the managerial things you should be doing, there's no need for a union." As for the memo Combs brought to him, Shelton says, "There might have been some limited distribution. We might have discussed it with some groups."

Shuford says he got his copy of the memo from a member of the Board of Governors who is not on the planning committee.

There has been no explanation of how the

Dec. 23, 1976 memo to Hunt came to be included with the later memo to union people. Hobby says it could not have come from his files. Hunt says through a spokesman that he has no idea how the memo might have gotten out, but notes that it was received during the gubernatorial transition period when "things were in kind of a mess."

On September 7, the results of the need study -- a survey of 48 respondents, including 27 business leaders -- were presented to the committee. Eighty-one percent of the respondents indicated a great or moderate need for the Center. Whiting was confident of approval. Friday asked for a year's trial of the idea.

The committee, with two members absent and only George Watts Hill in favor, rejected the Center 9-1.

Hunt was asked in December whether there is any future for the idea of establishing a Labor Center. "I haven't heard of any possibility of reviving the idea," the governor replied. □

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