

TRANSCRIPT

The Work Goes On

Guest: Ray Marshall

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Ray Marshall:

Workers can see the need to be represented in the workplace, and I think it's in the national interest that they be represented in the workplace. I think labor organizations are fundamental to a democratic society and the more people who can see that and believe it, I think the better off we'll be.

Orley Ashenfelter:

Welcome to [The Work Goes On](#), a podcast from the [Industrial Relations Section at Princeton University](#). I'm your host, [Orley Ashenfelter](#), the Joseph Douglas Green 1895 Professor of Economics at [Princeton University](#).

In this podcast series of conversations with leading thinkers and practitioners, we are creating an oral history of an entire generation of industrial relations experts and labor economists whose contributions to their fields have been absolutely extraordinary. Our guest today is [Ray Marshall](#), who is professor of Economics emeritus and Rapoport Centennial chair in Economics and Public Affairs at the [University of Texas at Austin](#). He is renowned for his work in industrial relations and labor economics, and was Secretary of Labor in the US Department of Labor from 1977 to 1981. Ray, welcome to [The Work Goes On](#).

Ray Marshall:

Well, thank you. Good to be here.

Orley Ashenfelter:

It's just a pleasure. I am so glad we can do this. Let's begin the discussion by talking about your background. Where did you grow up?

Ray Marshall:

Well, I was born in north Louisiana in West Carroll Parish. The closest town was Oak Grove, Louisiana, but my father was a farmer near there and we lived there until about... I was born in 1928. When I was four, we moved to Mississippi, partly because my father had gotten malaria pretty bad and he needed to get out of that part of Louisiana, which was mosquito infested. And we moved to Jackson, Mississippi where I lived from the time I was four actually until I was about 15. So, the first part of my life in Jackson was growing up during the Great Depression. And as one of my friends said, Mississippi had been practicing for the depression for 50 years. So, we took it in greater stride than a lot of other people, but life was not good, but it was good in a sense, but it was precarious.

And when I was 11 years old, my mother died, and I went to the Mississippi Baptist Orphanage when I was 11 years old, and that was a good experience for me for a variety of reasons. One was that I had a great deal of security being in an orphanage relative to the life I'd had before. The other reason that it was a good experience is because it taught me a lot. It taught me how to live with other people and react to them and understand interpersonal relations. But the orphanage also had a very good school, which I didn't realize at the time, but I did in retrospect. The principal was a retired judge and they had three women teachers, and they were very good. Their main objective was to get you ready for life, not necessarily the next grade.

The whole school only went to eight grades and Mr. Buffington, the principal, assumed that none of us would get much past the eighth grade. And therefore, his job was to get you ready for life. And he says, "I'm going to give you a tool that if you'll keep it sharp, it'll serve you well the rest of your life." And that tool was how to learn. So, he gave a systematic... He made you learn by doing, to write. He also knew how to motivate you. First little essay I ever wrote for him in the sixth grade, he came and put it down on my desk and says, "Ray, your name is very important. Don't ever put it on a paper like that again." And he had it all marked up. And I never from then on, never did a paper without wondering what Mr. Buffington would give me on this one.

But that was the kind of motivation that was really good. He also taught us to be skeptical of what we read. He came to class one day, this was when I was in the eighth grade, and he had a book that the state wanted us to read and it was Mississippi history. And he says, "Now the state insists that you young scholars read this book, but after you read it, we're going discuss it. Now what I want you to think about as you read it is what is there that you know about in Mississippi history that's not in this book?" And, of course, we knew a lot. The book was mainly about old white men. He taught us to be very skeptical of what we read. He taught us to learn by doing.

And the other part of it was that the orphanage was self-sufficient. I was a milk boy, plowed, planted, and knew about crops. You learned how to do things, but you also learned how to combine what you were learning in school with what you had to do. For example, I had to learn some genetics to be able to tell why some cows were like they were. I had to know the ratio of the feed to the milk. So they were teaching us by doing because that was the thing that they believed was most important for you.

Orley Ashenfelter:

He must've been surprised at the amount of education you ended up getting.

Ray Marshall:

That's right. But it was like a very good school today that not many people really get. Then the other thing is it caused you to feel that you were useful, because you were helping support yourself and 600 other kids. And by planning, plowing all the rest and learning to do that. And it taught you to learn to be resourceful in dealing with problems. But when I was 14 years old, I decided it was time for me to leave the orphanage because I knew about all I thought I needed to know. I had just about finished eighth grade so I could read, write, multiply, subtract, and add and divide and what else was there? So I left. I got a job in Jackson in a dental laboratory, and I worked at that for about a year, and then in 1943, when I turned 15, I decided to join the Navy. And so I joined the Navy-

Orley Ashenfelter:

You joined the Navy?

Ray Marshall:

Yeah, I joined the Navy when I was 15. And that was another whole set of really good experiences for me. I was a radioman, so I went to a very good school in the Navy. It taught us physics and electronics and typing and other things. And then when I was in the Naval amphibious forces in the Pacific, and I learned a lot there about, more that I had in the orphanage about how to get along with people and how important it was for young people to be involved in a common enterprise because you forgot about all kinds of things like religion and politics and you concentrated on character of the people. Most of the people on my ship were Catholics. It was the most important religion. Well, I had not seen many Catholics, but I learned to appreciate them. I also learned a lot about wisdom from the officers that I had. And when you're 15, 16, 17 as I was, you don't know a whole lot about wisdom.

You know how to learn how to do what you're doing. But I had very wise officers. My captain was especially wise, and I learned to appreciate that. For example, during the typhoon off Okinawa, my job as a radioman was to track the storm because by Commodore had reached the conclusion that the best place to be during a typhoon is in its wake. So, we stayed in its wake and Admiral Halsey and others thought the best place to be was in port. Well, we made out a whole lot better at sea than he did in port because he crashed his ships into each other and had all kinds of trouble. But the other thing that happened during that storm that really taught me the importance of wisdom was while I was listening to the weather planes, the weather planes told me that there were six Japanese planes in the area and they were going to take cover.

So they went into the clouds so the Japanese couldn't see them and the captain was sleeping in the conning tower. So, I woke him up, gave him the message. In ordinarily when you have enemy aircraft in the area, you sound general quarters. And the captain initialed the note that I gave him and turned over like he was going back to sleep. So I said, he never read the notes. Well you better. He didn't tell me. So I shook him and said, "Captain, you want me to sound general quarters?" He says, "No." And he sat up on the edge of his bunk and said, "Marshall," says, "those planes, those Japanese planes are not going to come down into this weather until it lifts. And you know what they want you to do?" And I said, "No, sir." He said, "Sound general quarters." And he said, "You know why they want you to do that?"

And I said, "No, sir." He said, "because the crew will be all sleepy and won't be able to deal with them when the weather lifts and comes down. Let's not let them do it. Let's let them get by. Let's let the crew sleep." Well, those were very important kinds of lessons that I learned to appreciate. That was very good. And then I learned... I thought during the war that Japanese were subhuman people. And then when I got into the occupation and saw what the Japanese were really like, I learned to appreciate them and it gave me the inoculation against prejudice. I'd already gotten inoculated against Catholics and Jews, not being prejudiced against them because of my Navy experience. But then when I got out of the Navy, one of the things that I decided to do maybe was to get a high school diploma and get back in the Navy, because you couldn't go very far without a high school diploma.

So, my captain told me about the GED, which had just started for veterans at first, and I decided, well, I'll get out and take the GED and get a high school diploma and then I'll have a better career whether I want to go back into the Navy or do anything else. I got out and I signed up for high school courses in the community college in Mississippi, the Hines County Community College. It was junior college in those days, and took second year English and second year algebra, only two high school courses I ever had. And took the GED and passed it, but they wouldn't give me the diploma because they said you had to have four high school units. But the registrar at the community college said, "forget that." Well, when I asked the GED guy, what should I do to get two more high school units so it would count? And he said, "Well, take 11th grade English and first year algebra, you'll do all right with those."

And so that didn't make a lot of sense, but the registrar let me into community college as entrance as a result of that. Now a lesson I learned from that was that the community college are very important

institutions. They're a lot more flexible and that I also learned how important the GI bill was, which is the way I went to school. I went then on and finished at the community college and then went to Millsaps College in Jackson, Mississippi for a bachelor's degree and a master's degree at LSU and was an instructor at LSU and got a Rockefeller Fellowship to go and get a PhD, and that's how I went to Berkeley and got a PhD.

Orley Ashenfelter:

How did you end up at Berkeley? How did it come out that Berkeley was your place?

Ray Marshall:

I first started out thinking I'd be a lawyer in undergraduate and I had a wise professor and friend who taught constitutional law. This is in Mississippi in 1948. And he says, "Well, what kind of law do you want to practice, Ray?" I said, "Well, I don't want to practice law; I want to be a politician, because the problems of this state are political." He says, "Well, what would you say to the people of Mississippi?" And when I told him, he shook his head and says, "you better get into something else." And so that's how I switched to economics. He said, "Life is hard for most people in Mississippi and the only fun they get is politics and you're going to worry the hell out of it. They don't want to hear all that stuff you want to talk about." So, I decided that I'd become an economist and go to graduate school.

Orley Ashenfelter:

Going from Jackson, Mississippi to Berkeley, California. It's got to be about as big a change in your life as ever.

Ray Marshall:

Well, what I did is I went down to LSU and got a master's degree and was an instructor there. That's how I got the Rockefeller Fellowship. It was for college instructors in the south. And then I had by that time decided I wanted to do labor economics and industrial relations. So, I looked around everywhere I could about schools to go to and that I concluded at that time that Berkeley was probably the very best school that I could go to for labor and industrial relations. And I've concluded that that was the case. They had a very strong program there and that's the reason I went to Berkeley.

Orley Ashenfelter:

Ray, you ended up at Berkeley for a good reason I can see. Who did you work with there on your dissertation?

Ray Marshall:

Yeah, I worked with several people. As you might know, they had a very strong labor group. Walter Galenson was one of my main supervisors, and Walter was very strong on the comparative method in labor economics. And I found that to be a powerful tool and liked to work with him. I worked with Charlie Gulick, Clark Kerr, Arthur Ross, Van Dusen Kennedy, all those were good labor people at Berkeley at the time.

Orley Ashenfelter:

Was your dissertation the book on labor in the south?

Ray Marshall:

It was. It started out as my dissertation. John Dunlop, who was a Berkeley graduate, was there when I defended the dissertation or shortly after. In fact, I met him the first time in Clark Kerr's house, and he said that he would like to publish my dissertation at Harvard, and I told him that I'd be happy for him to do it. I'd like to do some more work on it before it got ready for publication. And that I had also decided at that time that I wanted to spend a year abroad. So, I was a Fulbright research professor to Finland in 1955 and '56. And I told him when I got through with that, I'd come to Harvard as a wartime fellow, and we'd get the book ready for publication. So that's how that wound up.

But started out as my dissertation, but it was interrupted some years. In the meantime, I'd started working on another project for the Trade Union Project to the Fund for the Republic on the racial practices of unions. So, I combined those projects as I was working on the labor in the south, went to Finland as a Fulbright research professor in '55, '56, and then came back and was wartime fellow at Harvard down until we finished the book. But that's how that dissertation wound up being published at Harvard.

Orley Ashenfelter:

The book I actually knew best and was admired, by the way, that I first ran across was *The Negro and Organized Labor*. I know we don't use the word "negro" anymore, but it nevertheless was never meant to be an approbation. But I'll tell you why I liked it. I wrote my own dissertation in part on racial discrimination in unions, and the first thing I tried to do was to find out what the representation of Blacks and whites was relatively in unions. And you actually had an estimate of that. I don't know if you remember that. I looked at it again today because I published a paper in 1972 in *The Journal of Political Economy*. Well, I'm very proud of it, in fact, that paper, but I refer to your estimate, and at that time I finally had real estimates that came out of the current population survey. And your estimate was dead on. You didn't have any micro data.

Ray Marshall:

Yeah. Of course, I formed mine from the ground up. And you formed yours from the top down. You started out with the quantitatives, and you might recall you helped me with one of my projects on Black employment in the South and helped with the metrics on it, which was very important for us.

Orley Ashenfelter:

Very interesting. You did a lot of work. I know you were at Louisiana State for a while teaching, but then you ended up at the University of Texas. How did that happen?

Ray Marshall:

Well, when I decided to leave Louisiana State, I had several places that I had invitations to faculties to join, and I decided to come to Texas because I thought it would be a good place for my children. I had four children when we came here, had five. And so, I wanted to be in a place where it was good for children. But the other main thing was that I thought the University of Texas had great potential. And one of the reasons I did that is I don't know if you remember Alan Carter. He and I wrote a textbook together and Alan was then at the American Council on Education. And when I was trying to make up my mind and he said, Governor Connally had been elected governor of Texas with a platform of forming a university of the first class. And when he got elected, they tried to figure out what a university of the first class was.

So, they went and asked, they decided they'd go the American Council on Education where Alan was at the time. And he said, these five guys came in from Texas representing the government and asked Logan Wilson, who used to be president of the University of Texas, who was then president of the American Council, said, "The governor wants us to find out what a university of the first class is." And Logan says, "Well, I don't really know, but I guess if you had a university that was generally regarded as among the top five in the country, you would've a university of the first class." He said, one of these Texans said, "Well, Texas ought to be able to get a university in top five." And so another one started pounding a table and says, "Hell man, Texas ought to have 10 universities in the top five." So I figured it was somebody with that kind of naive optimism was the kind of place you wanted to be. And they were.

But that's how I made the decision to come here on those two grounds. And I never regretted it. I think the university has made a lot of progress. It's a good place and it was a good place for my children.

Orley Ashenfelter:

And were you there before there was an LBJ School?

Ray Marshall:

Yeah, in fact, I was chairman of the economics department when the LBJ School was formed and participated in that. And we had joint faculty between the LBJ School. And then when I came back from Washington, I went halftime in the economics department, halftime in the LBJ School. But the LBJ School founding was very important I thought. I got to know Lyndon Johnson during that time and Lady Bird Johnson. And that was a good experience because Lyndon Johnson believed that most of this world's biggest problems were political. He said, "they're not technical. Whether we make it on this planet or not is a political problem, but we need to have good politicians, so we need to have a school that will turn out good politicians as well as good people for government service." And that's what he said about doing, and I thought that was really important undertaking.

Orley Ashenfelter:

Johnson was at the, we used to call it the Woodrow Wilson School of Public International Affairs.

Ray Marshall:

Yeah.

Orley Ashenfelter:

He was actually at the original dedication of it.

Ray Marshall:

Yeah.

Orley Ashenfelter:

He was here for that dedication. We now call it the School Public and International Affairs. I have to ask you though, we have to move on because you mentioned your time in politics. You were appointed Secretary of Labor by Jimmy Carter and served from 1977 through '81. How in the world did that happen? You're a professor at Texas, next thing you know you're Secretary of Labor?

Ray Marshall:

Well, I had known then Governor Carter, President Carter in two ways. One of my projects, research projects and demonstration. What I always try to do with the research is to do both research and demonstrations. And one of my projects put together by a group of foundations was the Task Force on Southern Rural Development. And rural development was one of the things that I've been doing a lot of research on. And we'd decided to have two governors on that Task Force. And Governor Jimmy Carter had just been elected governor of Georgia at the time, and he agreed to serve on it, but he told us he was going to be running for president. And of course, we thought when he said that, of what? Because he'd just been elected governor of Georgia. And he actually used a strategy that another group that I had been involved with had developed.

And that was a theory that any good southerner can be elected Democratic President of the United States, because the Republicans had the southern strategy. So, if you could deny them the South and come out of the south and we were good enough to get Democratic votes in the rest of the country, you could win. So that's how I first met him. And then during his campaign, I worked with him on developing position papers on economics and labor things. And then when he got elected, he actually thought I was mainly a candidate to be Secretary of Agriculture and rural things, but he didn't know that I had a labor connection. But he said, "Your name keeps coming up on this labor list. What do you know about that?" And so I said, "Well, that's my main work. It's not agriculture but labor."

And then I outlined to him what I thought we needed to do if I did become Secretary of Labor. I was actually supporting John Dunlop to be Secretary of Labor at that time. And I thought that John would get it, partly because AFL-CIO wanted him to get it. And because I thought that he had done a good job when he was Secretary of Labor before. I had worked with him when he was Secretary of Labor. And anyway, when President Carter got elected, he asked me to take the job and I agreed to do it. And that's how that came about. But they had developed a list first and my name had come up on the labor list.

Orley Ashenfelter:

Now this must've been quite an experience for you to spend four years in the Labor Department. What are your main memories, good and bad?

Ray Marshall:

Well, the main memories of the department is working with President Carter because he was a really good person to work with. He was bright, he also was highly moral. You could win an argument with him if you use a moral argument. You couldn't always win it if you used an economic argument alone. And an example of that was when we were having debate about raising the minimum wage that most of the economic policy group didn't think we ought to raise the minimum wage because you know the typical arguments that it would cause unemployment, inflation, all the rest of that. And if we couldn't agree, we had to take it to the president. So, Charlie Schultz and Mike Blumenthal and I... Mike was Secretary of Treasury, went to see President Carter about raising the minimum wage and they sure brought out all their charts and graphs and showed him why we shouldn't do it.

And when they got through, I said, "Mr. President, if I wanted to waste your time, I want you to know I could demolish everything they just told you. But that's irrelevant. This is not an economic argument. This is a moral argument. There are about five million people out there won't get a raise unless we give it to them. And they don't have a lot of power. You know who they are. They're not well-educated. And the second reason is we want to reform the welfare system. And one of our principles is that people ought to make more money when they get off welfare than when they're on it. And if you don't create an incentive for them to get on it, they won't get off. And if we don't raise the minimum wage, they could make less when they got off." So, when we got it resolved, President Carter said, "We'll raise it."

And we got out in the hall and Charlie said, "That was dirty." And I said, "No, Charlie," I said, "your problem is that you're monolingual. You can only speak economics. Now I'm bilingual. I can speak economics and Baptist."

That was one of the reasons that he was such a good man to work with because ordinarily, as you know, the moral thing is the right thing to do. And he paid a lot of attention to that. The other thing about it was that he gave us complete freedom in selecting our staff, and I had a very good one, and so I was proud of that.

Orley Ashenfelter:

I want to ask you about one of your staff members who was a good friend of mine, died pretty young, Lamond Godwin. How did you ever come to know Lamond Godwin?

Ray Marshall:

Well, Lamond had been one of my students too. And I hired him to work on one of a couple of our projects as a matter of fact. And he did graduate work for me after I hired him and then came to work for me before. And Lamond worked on our apprenticeship outreach programs, which one of the main objectives of that program was to break down discrimination and apprenticeship programs. So, we found a model that was working that the A. Philip Randolph Institute was running, recruiting, training, and getting people into apprenticeship. And Lamond worked on that project and he did a great job with it. He could go out and talk to all kinds of people, and that was very successful. Yeah.

Orley Ashenfelter:

We should tell people, Lamond, you and I are white, but Lamond was a African-American, I think from New Orleans. And he and I wrote a paper together once that I ended up being proud of because I had this little simple model to predict what was going to happen to unionization rates of Blacks and whites. And because of the occupational changes that were taking place, in this paper I predicted that, well we, it was a joint paper. Of course Lamond was deeply suspicious of this, but we predicted that Black unionization rates would be higher than white unionization rates. And when he was in your office, I'll never forget it, he called me back in the late seventies, called me up one day and said, Orley, we were right. It's true. It's already true.

Ray Marshall:

Yeah. And, of course, that turned out to be the case. But Lamond was one of my... he was in charge of youth programs. I brought him in and I brought in Ernie Green who had been with A. Philip Randolph Institute and had been in charge of one of the apprenticeship outreach program, which had become national. Then Alexis Herman, also African-American, and they all did a tremendous job. So, I brought Ernie in to be Assistant Secretary for Education and Training, brought Alexis in. She had run my Black employment in the South Project, and we later turned it into the Minority Women's Project. And I brought her in to be head of the Women's Bureau, and she did an outstanding job there. But anyway, the fact that I had complete freedom to pick the staff was very important. And the other recollection I have about what we did there was that we did a fair amount to try to improve the management of the programs -- OSHA, MSHA, Mine and Safety.

We brought into the labor department. We strengthened the anti-discrimination program. And we brought the OFCCP, the Office of Federal Contract Compliance Programs into the Labor Department. It had been dispersed, mine safety had been in interior, and they'd been doing a lousy job with it because they were more interested in getting the mining done than they were protecting the safety and health

of the miners. In OSHA, for example, one of my friends from here, Ralph Yarborough, who's a senator, was co-author of OSHA. And he called me when I got appointed and said he wanted me to pay a special attention to OSHA, said, the Republicans are chasing the minnows and letting the whales get away, and that you need to pay attention to what they're doing. And during the campaign, we had a lot of complaints about OSHA. So, I've set that up as a high priority as a program to improve, and we did it.

The way I did it was when I asked the people there... I asked everybody the same set of questions. "What's your job?" The head of OSHA said, "Protect the safety and health of workers." As to what's the magnitude of that job. Then he said, "Seven million firms or something like that." And I said, "Well, how do you protect the safety and health of workers in five million firms or whatever your number is?" And he said, "Through inspections and regulations." And I said, "Well, how many inspectors do you have?" He said, "A thousand." I said, "Listen to what you're telling me. You're telling me that you can cover that number of firms with a thousand inspectors? But let me ask you a really important question. That is, if given the strategy you've got, if I got you enough inspectors, could you guarantee me that you would improve the probability that somebody would get killed on a project tomorrow?"

And he said, "No." He said, "It actually happened. After they inspect a place, people get killed there." I said, "We need to come up with a different strategy." So we did. We got a very good assistant secretary for OSHA. And what we started doing was [we] did away with a thousand regulations one day, one of the best PR moves I ever made. Nitpicking regulations didn't have anything to do with the problems. Had outcome regulations, and then developed a strategy to tell the companies and unions on the job that if they could come up with a better way than OSHA was doing it, and we could protect the safe and health of workers, we'd let them do what they were doing, because the trouble with all regulations is that it's one size fits all. Well, one size doesn't fit all, and what people in the workplace should have the power and knowledge to deal with the problem.

And the other thing I found, I went out and worked as an OSHA inspector to see what the job was like. And I found out doing that that a lot of the companies who thought they had a good safety and health record really didn't, because they didn't understand the problems in their workplace either. And so we came up with what was called a New Directions Program. We'd give grants to associations and non-profits that companies were part of to examine the safety and health records in their workplace. And then a strategy was to use our resources to go after the worst cases, not just to... I found that their strategy was mainly to respond to complaints. Well, the complainers weren't always in the places where the problems were the worst. So, we developed a strategy to go after the worst cases and induce as much self-regulation as you could into other workplaces. That was what having a good staff and freedom to do whatever you wanted to.

The other thing you might recall, we were having problems in those days with trying to save American companies that were losing market share to the Japanese. Steel industry was in trouble. Our auto industry was in trouble. So one of the lessons I learned from John Dunlop was the value of having tripartite committees to work on problems. And we formed... I found out that the government didn't know a lot about what was going on in the companies. The companies didn't know a lot about what government was doing, and they were all assigning false causes to problems. And these tripartite committees, I had a rule, I co-chaired it with the appropriate cabinet officer. And the rule was nobody recommends anything until we agree on the facts. And I learned that as a mediator, if you get people to agree on the facts, you come a long way toward narrowing the differences between people.

Well, we had tripartite teams study the industry, go around the world looking at auto steel and other industries. And after a short time after we got involved in that, I asked the parties, "what has surprised you almost about this exercise?" And almost in unison, the president of the Steel Workers Union Lloyd McBride and the spokesperson for the steel companies, Dave Roderick, said how little we knew about

the steel business. They knew a lot about what they were doing, but they didn't know about the steel business worldwide and how the model they had was an oligopolistic model with collective bargain attached to it. So, every time they'd have a strike, they'd lose market share. And they were not paying attention to the quality of the steel. They were paying attention mainly to cost and quantity. Well, all of that, it put American industry in trouble.

If they got in trouble, they cut output and tried to maintain prices, which is what the oligopolistic model does. Well, that was a loser in the 1970s and increasingly globalized market. Well, those committees made it possible for us to do a lot to improve the condition of those industries. So, I'm proud of that. I think the tripartite committees did a great job. It's too bad that the Reagan administration did away with them. And when Mike Baldrige, their Secretary of Commerce, said he thought, he told me once after we left office, that he thought it was a mistake for them to have done that. And I said, "Why did they do it?" And he said, "Well, President Reagan thought it was socialistic to have labor management and government working together on problems." And the reality, as you'd well know, is that we all have a stake in the success of the construction industry and in the aircraft and other industries. If we all work together, we got a whole lot better chance of making them succeed than if we don't.

Now, my biggest, you'd ask about failure. My biggest disappointment was the failure to pass labor law reform. Yes, you know our labor laws are based on the realities of the 1930s, not even of the 1970s of where we are now. And I worked very hard on that. We worked out a pretty good model. We had bipartisan support for it. We passed it through the House of Representatives with a 94-vote majority, which you don't hardly ever do on controversial legislation. And we never could break a filibuster. We had 59 votes for passage in the Senate, but I never could get the 60th to get it passed. I think the country's in much worse shape than it would've been if we had been able to succeed with that legislation. And I think a good bit of what's happened to us beginning in the 1980s and 90s with growing inequality of wealth and income and other problems that we were having, wouldn't have been there if we had succeeded with that legislation.

Orley Ashenfelter:

It's funny you echo, what you just said echoes what Tom Kochan said in a recent podcast about the way the labor laws are structured, so that-

Ray Marshall:

One of the things you learn from this experience is that you got to do more than figure out what the right thing to do is. You got to figure out a way to get it done. And in our political system, it's becoming increasingly difficult to get it done.

Orley Ashenfelter:

We have to come toward the end of our podcast now. And I would like to ask you one final question, which is pretty broad. You've originally worked on the question of labor unions in the South, and that's a long time ago. You've been there for a long time and seen what's happened. What's your current view about what's likely to occur with labor movements in the South going forward?

Ray Marshall:

Well, I think it all depends on what we do in the country. I think the beginning of a solution to most of our problems is to pass good legislation. Now, legislation makes it easier for companies to avoid unions than it does for the workers to organize and bargain collectively. And I think that's unfortunate. One of the main reasons that the South has resisted unions so much is because they believe that unions

interfere with economic development and that unions could be very beneficial to economic development that's based on improving productivity and quality rather than competing with wages. The South has always been, beginning when I first started working on problems in the South, attracting industry, it's on its way to the third world anyway. And it'd be a lot better off to do what we actually did in Austin when we developed economic development for Austin we said, not try to advertise our low wages and absence of unions, but to emphasize the quality of our workforce. Emphasize developing high tech industry.

And we've done that. And that's the way the whole South should have done. I think the so-called right to work laws are abominations, and their main purpose is to advertise your anti-union position. It ain't got a whole lot to do with the right to work. I think they ought to be called free rider laws because what they really... Look what they do, they say if majority of the workers vote for union, that union is required by law to represent all those workers fairly and without hostile discrimination. And yet, if you want to make everybody pay for their representation, whether they're members of the union or not, you can't do that. Well, you know from economics that if you get free riders in any kind of activity, you're going to have weak activity. And I think that's part of our problem now.

But on the other side of that, that's the negative. The positive is that unions are growing in popularity in the South and everywhere. And we found that out from the Dunlop Commission that I served on. There were many more workers out who want to be unionized than are unionized. And if we create an equal playing field so that workers have an equal chance to get organized, more of them would be organized. But as long as we handicap it, like we've got it now with the obsolete laws and policies, you're not going to be able to get the kind of labor movement that we need. But I think that even now, I think what's happening, and that's what I predict will happen, is that people will find ways to get representation without having to go through the legal process.

And that's happening in the South and in other places because workers can see the need to be represented in the workplace. And I think it's in the national interest that they be represented in the workplace. I think labor organizations are fundamental to a democratic society and more people who can see that and believe it, I think the better off we'll be. But anyway, the final answer orally is that I don't really know what's going to happen. I think that a lot depends on what we do with politics. As Ken Galbraith used to say, "when it comes to forecasting, there only two kinds of economists. There are those who don't know and there are those who don't know they don't know." Well, the advantage I've got is I know I don't know.

Orley Ashenfelter:

It's been just an absolute pleasure talking to you, and I hope you had as much fun as I did.

Ray Marshall:

Yeah, I did.

Orley Ashenfelter:

Our guest today has been [Ray Marshall](#), the Rapoport Centennial Chair in Economics and Public Affairs and Emeritus Professor of Economics at the [University of Texas at Austin](#). Please join us again for the next episode of [The Work Goes On](#), an Oral History of Industrial Relations and Labor Economics from the [Industrial Relations Section at Princeton University](#). I'm your host, Orley Ashenfelter. Thanks for listening.

Announcer:

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