

# Carolina Union Involved in Complex Legal Battle

By NEIL A. MARTIN  
 United Press International  
 Washington - (UPI) - In September, 1956, the employees of a small South Carolina textile firm decided by a seven-vote margin to form a local chapter of the Textile Workers Union of America.

But before they could petition national headquarters for a local charter, the company closed down. It sold its land, equipment and physical assets at a public auction a few months later.

For the 6,000 residents of Darlington, S. C., this represented a loss of the town's major industry and unemployment for hundreds of its citizens.

Six years later, the issues raised by the company's action are tangled in a complex

legal battle involving the company, the union, a New York corporation, and the National Labor Relations Board (N.L.R.B.).

Did the company's action - allegedly to avoid unionization - represent "an unfair labor practice" as contended by the NLRB? And does a privately owned company have the legal right to go out of business to avoid bargaining with a union?

These were some of the aspects of the case considered recently by a special five-judge federal court in Alexandria, Va.

Important points regarding the future of labor-management relationships, private enterprise and union rights will be at stake in the court's decision.

What started as a case of local significance for only the company and its employees has gradually mushroomed into national significance. As one attorney remarked:

"This case has created considerable interest among business and labor circles. The very fact that five circuit court judges decided to hear the case, rather than the usual three-judge panel, indicates its importance."

Each of the four parties involved in the dispute could benefit significantly by a favorable ruling in their behalf.

For the NLRB, a victory would mean greater bargaining powers in future negotiations, reinforced with a sound legal precedent. For the company and the New York corporation, sums estimated as

high as \$7 million hang in the balance. The textile union, likewise, would have precedent to stop companies from closing down to avoid unionization.

The legal maneuverings began in 1956 after the stockholders of the textile plant announced their decision to close. The union filed a petition with the Labor Board and a hearing was scheduled in January, 1957.

Another hearing and five years would pass before the board finally decided the matter on Oct. 18, 1962, by a 3 to 2 vote. Twice before it decided to vote until the case had been studied further, but the deadlock was finally broken with a split decision.

In response to charges by the union that the company

had engaged in "unfair labor practices," the NLRB order demanded that the company: - "Cease and desist from unfair labor practices" and "bargain with the union."

- Offer jobs to any workers still unemployed in other mills owned by the Deering Milliken Corp. of New York.

- Make up any back pay of employees who were "unable to obtain substantially equivalent employment."

Conceivably, one NLRB attorney said, any employee who was on the payroll when the company dissolved on Oct. 13, 1956, and who, for legitimate reasons was unable to find employment, would be entitled to nearly seven years back pay.

Since the South Carolina firm no longer exists, the board directed its order to the New York Corporation which had owned 44 per cent of the firm's stock, was run by the same president, and had similar stockholders.

Case Referred  
 The NLRB does not have judicial authority, so the matter was referred to the federal courts for interpretation and decision.

Board Attorney Nancy M. Sherman asked the court to affirm the board's designation of the two firms under a "single employers" classification, which would make Deering Milliken liable for the back salaries and job offers.

Thornton H. Brooks, lawyer for the Darlington Manufacturing Co., countered that the two corporations were "separate and distinct." And added that "the stockholders of the Darlington firm, were scattered all over the country and not connected with the New York firm."

Brooks said the textile plant had the right to go out of business "for whatever reasons it wanted."

The NLRB contended that those reasons were "because the employees in the plant had chosen the union to represent them."

The board also said it found management had "engaged in a systematic and extensive effort to procure the union's rejection."

Closure, Economic  
 Brooks argued that the firm's reasons for closing

were principally "economic" but he added:

"The fact that the union held elections also entered into consideration. The board of directors had to consider all aspects of the issue before deciding to close."

If the court declines to classify the two corporations as a

"single employer" the board's only possible remedy would be against the few assets remaining from the extinct company.

An NLRB attorney said that "there are still assets left" but "it's not a great sum."

Besides the board's cross-petition to have its order en-

forced and the company's appeal to have it set aside, the court will also decide the validity of the union's contentions.

Attorneys for the textile union argued that the board's order was not strong enough. They said that it should have forced Darlington Co., to re-

open and that the president of the two corporations, Roger Milliken, should have been held personally responsible in the litigation.

The court's decision could come in the next few weeks. Whatever it is, it is probable it would wind up in the Supreme Court.



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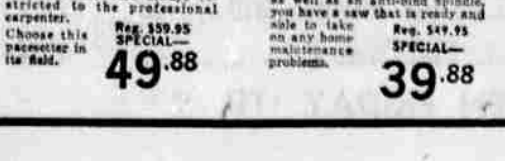
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Ashland - Applications are still being accepted for the seventh annual session of the Siskiyou Band Camp, which will be held on the Southern Oregon college campus July 14 through 26, according to Dr. Herbert Cecil, secretary of the Camp and chairman of the music department.

Dr. Glenn Matthews, of the college music staff, is founder coordinator of the Camp, and the guest director will once again be Dr. Clarence Sawhill, director of bands at the University of California at Los Angeles and one of the nation's foremost authorities in band work.

The Camp is open to junior and senior high school students, college students, and school band directors.

The membership of the Camp will be divided into two bands, which will rehearse twice daily and, in addition, students will attend classes in music fundamentals and music listening and will take part in various small ensembles. The daily sessions will begin at 9 a.m. and conclude at 4 p.m.

An organized recreation program will also be available for the students Dr. Cecil said.

Anyone desiring additional information may write Siskiyou Band Camp, Southern Oregon college, Ashland, Ore.

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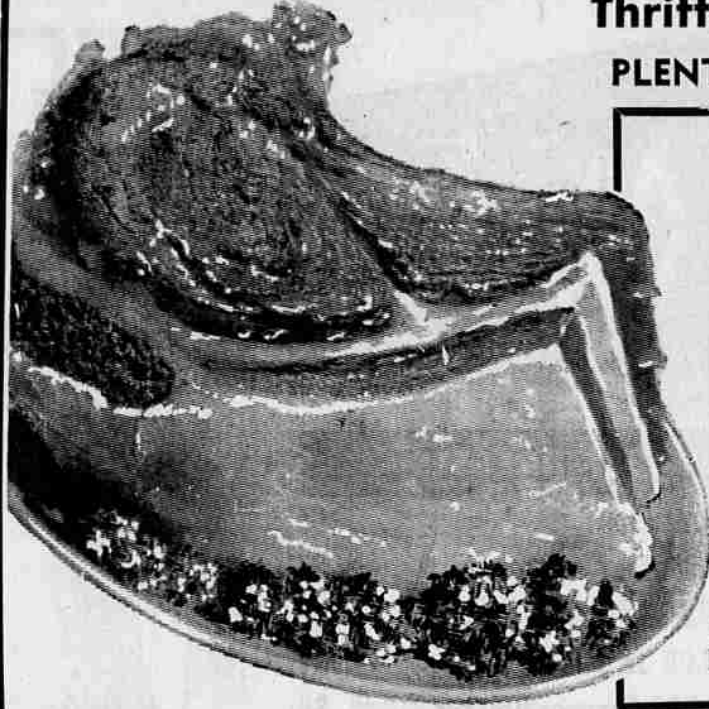
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