Supreme Court of the United States

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Docket No.

In the Matter of:

JAMES D. HODGSON, SECRETARY OF LABOR,

Petitioner

VS.

LOCAL UNION 6799, UNITED STEEL WORKERS OF AMERICA, AFL-CIO et al.

Respondents

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SUPREME COURT. U.S.
MARSHAL'S OFFICE

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tout. IN THE SUPREME COURT OF THE UNITED STATES 2 OCTOBER TERM, 1970 3 JAMES D. HODGSON, SECRETARY OF 4 LABOR, 5 Petitioner 6 No. 655 7 VS. 8 LOCAL UNION 6799, UNITED STEEL 9 WORKERS OF AMERICA, AFL7CIO, ET. AL., : 10 Respondents 99 12 The above entitled matter came on for 13 argument at 10:10 a.m. 14 BEFORE: 15 WARREN E. BURGER, Chief Justice 16 HUGO L. BLACK, Associate Justice WILLIAM O. DOUGLAS, Associate Justice 17 JOHN M. HARLAN, Associate Justice WILLIAM H. BRENNAN, JR., Associate Justice 18 POTTER STEWART, Associate Justice BYRON R. WHITE, Associate Justice 19 THURGOOD MARSHALL, Associate Justice HENRY BLACKMUN, Associate Justice 20 21 22 23

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PROCEEDINGS

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MR. CHIEF JUSTICE BURGER: We'll hearaargu-

ment in No. 655, Hadgson against Local Union No. 6799, United Steelworkers. Mr. Wallace, you may proceed whenever you're ready.

ARGUMENT OF LAWRENCE G. WALLACE, WSQ.

ON BEHALF OF PETITIONER

MR. LAWRENCE G. WALLACE: Thank you, Mr. Chief Justice, and may it please the Court.

This case is brought by the Secretary of Labor under Title 4, sometimes called the Union Democracy provisions of the Labor Management Reporting and Disclosure Act of 1959, it was brought to set aside the 1967 election of officers of the Respondent Local Union.

After the election, a member of the Local who had been an unsuccessful candidate for president protested the elections conduct to the Union and after relief was denied filed a complaint with the Secretary.

His internal protest with the Union had complained, among other things, of the use of Union facilities to prepare campaign literature for the incumbent president who was his opponent in the election.

His complaint with the Secretary repeated this charge, and added, for the first time, a charge that an unreasonably

restrictive meeting attendance requirement had been imposed as a condition for candadicy.

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After investigating the election, the Secretary concluded that there was probable cause to believe that the Act had been violated with respect to each of these matters, and he advised the Respondent Unions of these findings and invited them to discuss the findings and to take internal remedial action.

When, after discussions, the Respondent Union refused to undertake remedial measures on either of these matters, the suit was filed.

Both the District Court and the Court of Appeals, upheld the Secretary's complaint with respect to the use of Union facilities to promote the candadicy of the incumbent president. The election for that office was accordingly ordered set aside on that ground, and that aspect of the judgement below is not at issue in this Court.

What is at issue are the rulings of the Courts with respect to the validity of the meeting attendance requirement. The District Court held that the Secretary did have authority or standing to raise that issue in this litigation, even though it had not been a subject of the member's complaint with the Union, but the District Court upheld the meeting attendance requirement on the merits, as authorized by the Act.

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The Court of Appeals affirmed the judgement, but on the grounds that the Secretary did not have standing to raise this issue in this suit, did not reach the merits.

In our Petition for Certiorari, we ask this Court to decide the standing issue, and if it decides the standing issue in our favor, also to go on and reach the issue on the merits since it is an issue of national importance involved in litigation against several Locals of the Steelworker's Union, around the country, and the Respondents have joined in urging that both issues be reached, if the standing issue is indeed resolved in our favor

Now, if the Court please, I plan first to discuss the standing issue, and then in the course of discussing the second issue to summarize the facts that relate to the issue of the validity of the meeting attendance requirement.

The provisions of the statute relevant to the standing issue can be found in the Appendix to our brief, on pages
28 and 29 of the brief, Section 402 of the Act, and I wish
first to direct the Courts attention to 402 (b), on page
28.

And there the governing statutory language is that after a member of the organization has filed a complaint, the Secretary shall investigate such complaint, and if he finds probable cause to believe that a violation of this Title has occurred and has not been remedied, he shall, within a certain

time, bring a suit.

As we point out in our brief, this statutory language is consistent with our position that the Secretary has authority, supports our position that the Secretary has authority to raise, in the lawsuit, any violation which his investigation discloses to have occurred in the election of cerning which the complaint had been filed, and we noted, also, that in the course of the legislative history, Congress had before it a draft of an alternative bill which would have limited the lawsuit to the particular allegation made in the complaint, and while there is no explicit reason given in the course of the legislative history for the choice of this language rather than the alternative language, we think there is significance in the fact that this broader formulation was chosen by Congress.

Do I understand you correctly that if there is no complaint filed, the Secretary has no investigatory powers under Section 402 (b)?

A Well, he does have investigatory powers, but he wouldn't have powers to bring any lawsuit. He would have powers only to advise the Union if he believed that the Union's proceedures were not in accordance with the Act.

But those powers are conferred under another Section of the Act, which is not reproduced in our Appendix, Section 601

Q then you're in a position to where the

9 presence of a complaint is your starting point. You have 2 to have this. 3 Under section 402, in order for the Sec-A 4 retary to have authority to bring this lawsuit, that is correct. 5 And having the complaint your argument 6 0 is that you go off into points not raised in the complaint. 7 8 Well---Without having the complaint you can't 9 0 do this at all. 10 Well, the Secretary can investigate, in-99 form the Union, but cannot bring a lawsuit in the absence 12 of a complaint, but that is our argument and I'll 13 elaborate on the reasons for it in just a moment. 14 And --- the government---15 Well, without exhaustion by the Union, 16 member, although in practice, the Secretary always gives 37 the Union an opportunity to remedy the violations he has 18 found internally. 19 --- specific provision for exhaustron, 20 in there, doesn't tit? 21 It certainly does, Mr. Justice Harlan. 22 This lawsuit never could have been brought by the Secretary 23 if the complaint had been rectified internally by the Union 24 to the satisfaction of the complaining member. 25

tens.	Q W	[ell====
2	A W	We do not dispute that.
3	Q	Well, the member can't go to the Sec-
A.	retary until after he	, the member, has exhausted
5	A I	hat is correct. And presumably never
6	would have gone to th	e Sectetary if the Union had redres-
7	sed the specific viol	ation of which he complained.
8	Q W	Well, independently before you, as I
9	understand it, the Se	cretary, su responde, may make an in-
10	vestigation as in Sec	tion 601?
99	A A	s in Section 601, yes, sir.
12	Q A	and then he does the same thing, vir-
13	tually that a Union m	member is complaining of something. At
14	least he did it w	ith the Union officials
15	A H	is authority
16	Q h	e will not
17	A	hat is correct. Except unlike the Union
18	member he does not ha	we ultimate redress to anyone who can
19	then bring a lawsuit.	If the negotiations are unsuccessful.
20	Now before	we leave the fact of the statute, we
21	think there is anothe	r provision in Section 402 which has
22	great bearing on this	question, that is on page 29 of our
23	brief, Subsection (c)	(2).
24	And that in	dicates that if the Secretary's suit is
25	suscessful, the Court	shall ser aside the election declare

the election if any, to be void, and then direct the conduct of a new election under the supervision of the Secretary.

And so far as lawful and --- in conformity with the Constitution and by-laws of the labor organization. Now this raises a considerable problem, if the scope of the lawstit brought by the Secretary is to be limited only to the complaint raised by the Union member.

Because the Secretary is sharged if he is successful in that lawsuit, which supervising a new election in comformity with the Constitution and by-laws insofar as they are lawful.

And in this instance the Secretary was of the view that the meeting attendance requirement as a condition of candidacy was not lawful. His alternative, if he could not raise that issue in the litigation, would be either to supervise the election applying what he believed to be a candidacy qualification violated the act, or to delay the election while this issue is separately litigated before the new election is conducted, which we think would be inconsistent with Congress' purpose to expedite the provision of relief under this statute.

Once the District Court has, in fact, found a violation, the statute provides that there can be no stay in the District Courts judgement setting aside the election and ordering a new one, while that judgement is appealed.

If he testified the election of the president --- conduct the election in accordance with the law, without setting aside the election results, even if he was right about being able to litigate the meeting attendance rule, in order to conduct the right kind of an election, does it necessarily follow that he might set aside the election of officers --- elected --- with which all the members seem to be satisfied?

A There is the possibility of this immtermediate position, that only that particular election would

There is the possibility of this immtermediate position, that only that particular election would
then be conducted in conformity with the law, that is the
Secretary views the law, and as the Courts presumably would
uphold it, but this would have the disadvantage that admittedly the other officers would have been elected unlawfully,
under that very decision, and yet their election would
stand, which---

Q That may be true, but I understand it you say that the purpose of the statute was to --- in the sense that the Secretary can't intervene in an election in which all the members are satisfied with.

A That is correct, but---

Q --- the election of all the officers is --purpose of the act --- Secretary ---

A Once his intervention is warranted under the Statute then it seems to us in a proper reading of the

legislative history and what thisCourt has said about the statute, that the scope of redress is not to be limited by what may have been the limited perception of the individual complaining as to what was wrong with the election or by his own self interest.

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There is a broader public interest to be served by
the Secretarys intervention once it's warranted, then as the
Court put the matter in the Glass Bottle Blowers Case in
39 US, although Congress was committed to minimal intervention,
it was obviously equally committed to making that intervention
once warranted effective in carrying out the basic aim of
Title 4 which is to assure free and democratic union elections.

Perhaps themmost significant thing about the legislative history of Title 4 is that Congress chose to invest the enforcement authority in the Secretary rather than the individual complainant.

One time a bill was passed through the House, which would have made the rights enforceable by private suit, but as finally enacted, the law recognized that there is a borader public interest to be served, and not merely the redress of individual grievances.

Q Mr. Wallace, there are other matters besides the election of officers that have been challenged, is that not so? The kind that you're applying, for example.

A Well, there are other matters that can be

challenged.

E.

So I take it that your theory is that if a member of a Union makes a complaint about one particular type of expenditure which he considers unlawful and improper that once the inquiry is made by the Secretary, he can pursue every instance of improper expenditure that he encounters.

Justice, that is perhaps a more difficult case. Here the challenge by the Secretary is limited to the 1967 election.

All of these officers were elected in the same 1967 election, the validity of which is in question, and it has been questioned by the Secretary on the ground that an unlawful meeting attendance requirement was imposed as a condition for the candidates elected in that election.

And Title 4 does not limit the investigation of theft or unlawful use of Union funds, there needn't be a complaint before the Secretary --- have jurisdiction, under the Act.

--- something about Union funds. So this really relates to the setting aside of elections and the holding of new, supervised elections.

Now there was a subsidiary purpose of fostering
Union self government in the Act. We recognize that; it wasn't

the dominant purpose.

We recognize that if everyone is satisfied, the election cannot be disturbed, or if everyone can be made satisfied through internal procedures, the election cannot be disturbed.

But as we elaborate in our brief, we think it would be innappropriate to read broader implications than this, into the exhaustion requirement.

That is, the requirement that the member exhaust Union remedies. Because this is very different from the normal exhaustion of administrative remedy situation.

The Congress has not conferred, in fact finding, or any other kind of governmental authority on the Unions, on these private organizations.

Q Boes a member have the right to present to the Secretary anything other than the issue that he has not exhausted within the Union?

plaints, but even if the complainant in this case had not raised the question of the candidacy qualifications, the Secretary would embrace that within his investigation, and this Court and others have indicated that his investigatory powers are broad, and if he concluded that there was a violation, he would include that in the allegations of the lawsuit.

Q The member filing the complaint with the

1 Secretary, if he has exhausted within the union the question 2 of the president's election, and then he files with the 3 Secretary, is he free to force the Secretary to investigate 1 some issue he didn't exhaust on? 5 Well, the Secretary views --- responsi-6 bility as investigating the entire validity of the election. 7 So that the member isn't forcing the Secretary, whether he 8 adds the additional one or not. 9 Well let's say the Secretary does, I'm 10 not interested in anything except once you've exahusted 11 everything in the Union. And -- authority that I've exahusted 12 on one issue and ---13 A Well, the Secretary need not bring the 14 suit. 15 Need not---0 16 Under Section 601, the Secretary can investigate any matter at any complaint at any time, or without 17 18 a complaint. 19 Yes. Well my question was whether the 20 Secretary had any authority to say to these -- well is he 21 supposed to investigate and respond to a complaint? 22 A Certainly. Here's a Union member who has exahusted on 23

one issue. --- Secretary say, I will not investigate the

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other five?

1	A Well the Secretary can, but that has
2	not been the practice.
3	
petrological	Q Because the member has the right to
4	A The member has to trigger
5	the complaint.
6	Q All 6 issues?
7	A If the Secretary believes that they
8	would not state probable cause to proove that the Act was
9	violated then there is nothing that he need investigate with
10	respect to some of the issues raised.
den den de	There is no point in investigating something which
12	ont its face doesn't raise an issue
13	Q Well let's just take this case, Mr.
14	Wallace. A member comes to him with a complaint about the
15	president's election and the meeting rule. And he hasn't
16	exhauated on the meeting rule within the Union.
17	A That is correct.
18	Q the Secretary say Well it sounds like
19	a clear violation but I'm just not investigating that because
20	you didn't exhaust it. May he do that?
21	A Well, I suppose he may; he never has. That
22	issue has never arisen. And it's hard for me to concieve that
23	the SEcretary would do that. His responsibility is to try to
24	redmess violations, at least through conciliatory means.
25	Q Mr. Wallace, suppose a complaint is filed

the presidents election was illegal because he wasn't qualified to run. And that was papers show in the complaint that that had been exhuasted within the Union. But then they included 5 other complaints, about notice, improper voting, and everything else.

The Park

Could the Secretary go to Court that unless it had been exhausted within the Union?

A Yes, he could, Mr. Justice, under our view of the statute.

Now, you, I believe it should be kept in mind that the Secretary does invariably afford an apportunity for the Union to remedy anything that he deems a violation before he sues, as he did here.

The Union has the same opportunity that it would have had, if the member had presented that specific complaint. Along with his other complaints. The same opportunity to redress it internally.

Q But the statute requires exhbustion on each one of those points, that you --- .

A No, the statute does not say exhaustion of each point. The statute says a member who has exhausted his remedy, his internal remedy, can file a complaint with the SEcretary and then the Secretary after his investigation finds probable cause to believe that a violation has occurred, may bring a lawsuit.

A violation.

A violation. It doesn't say the violation alleged, or brought.

Q A violation plus 4 others.

A Any violation. Surely "a" means more than one if two violations were alleged initially.

Q Going back to my hypo. the secretary finds that the president was a valid candidate, and found no substance in that complaint, but did find substance in the other 4, that the Union member made no effort to exhaust on. What happens?

The Secretary can bring a lawsuit because there has been dissatisfaction on the part of a member of the local with this election and the Secretary upon investigating it found that there was indeed reason to believe that the statute was violated. Maybe the dissafected Union member did not concieve the accurate basis on which there was a violation in that case.

Q Well do you think that, the only thing .

that is required is to trigger it, with the filing of a

complaint?

That is the only thing required, now as a matter of policy the Secretary does not bring a lawsuit in a situation where the complaint itself was in his view completely without merit. But under our view of the statute he has the

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authority to do this. As we point out in our brief, we think it would be inappropriate to read too much into this exhaustion requirement.

So long as internal rectification, opportunity for internal rectification is afforded to the Union.

Q What you're really saying is that the exhaustion provision in the context of this statute is a notice provision.

A Well that is correct. It's not a situation comparable to exhaustion in a governmental agency.

Q No.

A The --- it's completely de novo. It's not a suit to review the Unions determination. It's not a suit simited to the record that was made before the Union.

It's not a classical case of the exhaustion of administrative remedies at all.

Q But the statute does--- exhaustion terms.

Well, that is a familiar word: But given the entire purpose of the statute, the dominant purpose of Congress was to insure free and democmatic elections, and there was a subsidiary purpose here which we believe the Secretary honors in his practices of permitting Union self government and not intervening if everyone in the local is satisfied with the result.

All of these purposes are served by the approach that

the Secretary takes. But the dominant purpose would be served by the view that the Secretary cannot assure the free and democratic election under the Statute, as the statute requires it, because of shortcomings in the initial complaint.

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But in fact, the Secretary has given the Union the opportunity to rectify its shortcomings. It comes down to almost a technicality as to from whom the Union heard about the shortcomings.

In terms of the purposes of the Act---

Well, there is another issue in this case, and my time for discussing it is quite limited, but we believe it's a very important issue. And it's an issue under Section 401 of the Act, page 27 of our brief, whether this requirement as it was imposed, is a requirement authourized by the Act as a reasonable qualification uniformly imposed.

We believe that it wasn't under the approach taken by this Court in the Hotel Workers Case, 391 US, which elaborated at some length the narrowness of this statutory exception, and the fact that Congress took as its model demogratic elecitons in which a requirement of this sort which disqualified the majority no matter how you look at it, of possible candidates, would be unthinkable in ordinary political elections.

This kind of a question is a campaign issue, rather than a basis for disqualification. And if I may, I'll save the

remainder of my time for rebutal.

Q Thank you, Mr. Wallace. Mr. Gottesman?

ARGUMENT OF MICHAEL H. GOTTESMAN, EXQ.

ON BEHALF OF RESPONDENT

MR. GOTTESMAN: Mr. Chief Justice, and may it please the Court.

The principle thrust of Mr. Wallace's argument and it's also the governments argument in the brief is a conception of this statute, which I think is inconsistent with what Congress was thinking about when it enacted it.

Over and over we hear that the broader public interest is the correction of all violations in Title 4. And this little subsidiary thing over here about exhaustion of remedies which somehow crept into the statute, and somehow the Secretary of Labor is stuck with it, and somehow it does indeed limit his power to proceed at certain distances, but because it's such a little subsidiary thing, then by all means it should be so marrowly construed that it limits in only where the Court has to say that it limits it.

Now I would suggest that if one examines the legislative history of this statute, that that doesn't accurately
balance the two concerns that Congress had. To be sure, Congress was concerned with what it had found in the McClellan
committee hearings. There were, if found, and it said, a minority in unions which have very undemocratic election procedures

the effect of which was that the incumbents were able to entrench themselves and the membership is not allowed to have a voice in selecting its governors.

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And for that reason, Congress said, and it said it was doing it very reluctantly, it imposed what is undoubtedly the most elaborate set of procedures and provisions and requirements governing the elections of any non-public body in the United States.

The Congress realized in a sense, the enormity of what it was doing. It was making a quite unprecedented intrusion into the affairs of what had been thought to be private institutions.

And so throughout the debates and thooughout the Senate Report which is really the principal explaintion of Title 4, is waiving the concern of Congress the union self-government not be invaded any more than is absolutely necessary, to accomplish these basic purposes for which the statute was being enacted.

Congress repeatedly said these are private institutions, the overwhelming majority of them are honestly and democratically run, it made a finding based on its hearings that internal union appellate processees were in: fact equipped to and had, in fact, dealt adequately with the sins that had been committed within unions, with only a few exceptions.

And in mind of the statute, which as it sought was

was going to balance, on the one hand its concern that where democracy was not existent that there would be a procedure to assure its existence, and on the other a more critical concern in this statute, that the government not go trampling into the affairs of unions any more than was absolutely necessary.

B.

Now to that end it put into this statute exception 402 (a), the exhaustion requirement. And perhaps I might begin, as Mr. Wallace did, with reading Section 402 (a).

It says a member of a labor organization who has exhausted the remedies available under the constitutions and by-laws of such organization. Not who has exhausted some of the remedies. Not who has exhausted a remedy under one issue. But who has exhausted the remedies of all of them.

And we would suggest that if we are to resort to literalism, and we don't think we should, that that word "available" in there, suggests rather strongly that what Congress was saying is you must give the Union all of the opportunities which it affords you. To bring these issues to it for correction in the first instance.

And when you have exhausted all of those remedies which are available within the Union, then you may go on to the Secretary of Labor.

And if it is found that the Union through the procedures it provides, has not adequately dealt with an

B.

allegation of this statute, then in default of its correcting the problem, the Secretary of Labor may move in .

There was no default in this case. The --- its rule, which is the issue as to which we have this question was never raised within the Union.

And though there is talk about well, we can't expect members to be able to draft complaints to the Union like lawyers would, we can't expect them to be articulate, that's not the issue in this case.

This isn't a case the failure to raise this issue is in artful draftsmanship, in a lack of understanding. This was a candidate for the president who had himself qualified under the meeting attendance rule.

He wasn't complaining about the meeting attendance rule, he was eligible. He was complaining because one of his opponents had run off a leaflet on the Union's mimeograph machine.

Q That's the impression I got from the brief. That there is no dispute that this complaining member was qualified under the rule?

A Absolutely not. He wan, he was on the ballot, and he was defeated. And having been defeated, he challenged the election because his opponent, he challenged it within the Union, because his opponent had run off a leaflet on the Union's mimeograph machine, and he had not been

told, though he knew it had happened, he had not been told that he had permission to do the same.

Now, he---

Q Is that the only issue?

the Secretary agrees that he raised within the Union, that the Secretary agrees were without merit. One of them related to the other issue which the Secretary raised in this lawsuit, which was the meeting attendance rule. He complained about the placement of the voting booths, and some other things within the Union.

The Union found those complaints without merit and so did the Secretary. But for our relevant purposes he did raise within the Union, the complaint about his opponent using the mimeograph machine. And as the Secretary conceeded in answer to an interrogatory, he did not raise within the Union any question as to the reasonableness of the meeting attendance rule. Under which he had in fact qualified.

Now the Union heard those issues which he did raise, and concluded that the election should not be set aside, for any of them. He then filed a complaint to the Secretary which the Secretary constmmes as having raised the reasonableness of the meeting attendance rule.

I think if your read it it's not that clear that it raised that, what he was really complaing about was

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not the existence of the rule, but the fact that he claimed, and the Court ultimately found to the contary, but he claimed that the rule had not been adequately communicated to the members so that they didn't know that they were obligated to attend the meetings in order to run.

Prior to the trial we had interviewed the complainant and asked him whether he had intended to raise the reasonableness of the rule with the Secretary, and he said, "No, it's ag great rule. I'm all for it." and at the trial we began to ask him questions as to whether he felt the rule was necessary for the well-being of the Union.

The government objected, and said we don't think the views of any one man are relevant to the resolution of this question. This is in the record. And therefore we don't think the Court should allow the complaining witness to state whether he is or is not in agreement with this rule.

And the judge sustained that objection. So the record does not show the view of the complainant. I can only state that it was our expectation that had be been allowed to answer that question, he would have said that a man cannot be an adequate officer of this union unless he has attended the meetings.

It is doubtful to us that he even raised this question in his complaint to the Secretary, althoughthe Secretary claims that he did.

But in any event raising it in the complaint to the Secretary is not sufficient compliance with the requirements of the statute.

Because the statute quite clearly requires, as we read it, that a member have exhausted it within the Union.

And I think this can be most easily demonstrated by examining the case which the Secretary admits. That is, that if a member does not exhaust any issue within the Union then the Secretary condeeds, no matter how outrageous that election, no matter how outrageous the violations of Title 4, the Secretary may not institute a lawsuit to set that election aside.

He may indeed investigate and publish his condemnation of it, but he may not institute a lawsuit to set it aside.

Q You do not view the Secretary's informal efforts at adjustment as a substitute for the statutory burden of the member to exhaust the remedies?

A No, we don't Your Honor, and I think when I explain what we understand to be the purpose of exhaustion, it will become clear why we don't view them as an adequate substitute.

But I might begin by saying that if I understand the Sectetary's position, he doesn't view it as an adequate substitute, either. In those cases where no issue is exhausted before the end.

In other words, if there is no complaint within the Union, a member simply goes directly to the Secretary, if we understand the Secretary's position, he is not claiming that by giving the Union notice before he sues, that that is an adequate substitute for exhaustion.

In any event, let's look at that case. No matter how outrageous the violation, if we understand the Secretary, he cannot sue without some complaint within the Union.

But now, says the Secretary, if there is a complaint about something, no matter how irrelevant within the Union, if a member files a complaint saying I stubbed my toe on the way to the voting booth, and therefore this election may be set aside. Then, says the Secretary, all of these outrageous things that happened are now open to the correction of the Secretary.

Well that seems very salutory, it's certainly nice to have outrageous violations corrected. But could it conceivably have been Congress' intention to adopt so Quixotic a statute.

Why would Congress say that no matter how outrageous the election, that unless a member exhausts within the Union the Secretary can't proceed? But if he exhausts about anything, no matter how irrelegant, that exhaustion opens the door for the Secretary to come through and then correct all of these things that are otherwise beyond his reach.

dens.

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Just for a logical analysis it wouldn't make sense for Congress to make that kind of a distinction. And if one looks indeed at what Congress thought was going to be served by the exhaustion requirement, it becomes clear that not only is it illogical, but it's not what Congress intended.

Congress was, as I stated earlier, preoccupied with its concern to foster Union self-government. And as the Senate Report put it, "To keep the governments hands off Unions, to the maximum extent consistent with the requirements of this statute."

Mr. Gottesman, in this connection,
help me along here. In 402 (b), it states, !The Secretary
shall investigate and if he finds probable cause to believe
that a violation of this Title has occurred,..." and so
forth. Am I correct in my understanding that this statute
formerly spoke of such violation?

A No, Your Honor.

Q Such allegation rather than violation?

No, Your Honor. I believe the governments brief rather got carried away on that point, if I may, I'll explain what happened.

This bill was enacted in 1959, and it was the KennedyIrwin Bill which led to Title 4. In 1958 there was a bill
called the Kennedy-(Ives) bill, introduced and passed by the
Senate, but not by the House. And that bill, as passed by the

Senate had exactly this language, which appears in the final statute. But because it was not passed by the House, it came up again in 1959 for reconsideration by the Senate.

In 1959, several other proposed bills were also introduced inthe Senate, one wof which was introduced by Senator Mundt, and that was Senate Bill No. 1002, and that is the one which the government referrs to.

Senator Mundts bill was completely different from this. It required no exhaustion of remedies within the Union at all. But it described some rules about how elections were to be conducted. And it said, if 2% of the memberd of the Union are dissatisfied, or think a violation has occured, they may, by signing a prtition, go the the Secretary of Labor, alleging that a violation has occurred.

and the Secretary may then bring a lawsuit challeng ing such violation.

Now that is where that language came from that they site as the competing --- beforeCongress. That bill, in fact, never say the light of day. It is doubtful if anyone other than Senator Mundt ever read it. At least when the floor depates on the Kennegg-Irwin bill were going on, Senator Mundt said that his bell had been given short shrift in teh committee and nobody had paid any attention to it, and he was gery regretful about that.

But the fact is that that bill was mever seriously

before the Senate for consideration. The language as it appears in its final form had been adopted a year prior to that in 1958. It was simply carried forward again in 1959 and readopted by the Senate without change in any of the salient points.

So that, I mean, it does use the words "a violation" but I don't think you can draw any inference that there is a conssious decision by Congress to use the words "a violation" rather than "such violation." Since, if Senator Mundt is to be beleived, no one less even knew that his bill and his words "such violation" was before them for competing consideration.

Q Well why do you think they used the words "a violation"?

A Well I think if youread the words "a violation" in context, they don't mean any violation. It says the Secretary shall investigate such complaint, and if he finds probable cause to believe that a violation has occurred. Now I think that that, fairly read, and particularly read in light of the purpose, means a violation alleged in the complaint.

Q You mean that as if instead of "a", it were "the complaint or violation"?

A Right. That is certainly a reading of it. If you had nothing but---

Q You're suggesting that that they should have is as if instead of "a" the words "the complaint".

That's correct, and we suggest that that Sam. reading is so consistent with the structure of these two 2 3 readings, ---But what if the member, having exhausted B on one issue, may legally under the Act --- claim with the 5 Sectetary --- ? 6 Well, again, that boils to whether he can 7 do that, and to decide whether he can do that, you have to 8 --- to 402 (a). So we say that if you read them together, what 9 it says if he complains to the Secretary about that which 10 he had exhausted within the Union, and the Secretary may ---11 with respect to being a violation, by which he complained. 12 Which means ---13 --- if he files a complaint listing six 14 issues when he's only exhausted onone, the Secretary really 15 has no authority to investigate or to investigate and ---16 of any but one. 17 He may investigate, he may not file a law-18 suit on any but the one. He may not file a lawsuit on any 19 issue, except---20 Although the members edition of the 5 21 alledged violations brings about then, is the 601 investigation? 22 A Correct. Now that result ---23

occurred, the Secretary would simply be able to say to the Union

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Is it your suggestion that if that situation

member, now I find 5 other violations that you didn't complain about, and I can't do anything about them unless you exhaust your remedies within the Union. Isn't that about the course to be followed?

A Well, if there was still fime, consistent with the Unions rules for the member to go back and exhaust undoubtedly he would be free to go back and exhaust and then bring it back to the Secretary.

Q Wouldn't your---

A Normally the timing is such that that wouldn't be a feasible alternative, because the time for exhausting within the Union would have expired under the Union's own rules.

O Isn't your argument on this one sentence of Section (b) which uses "such complaint" in the first line, and "a violation" in the second line, rather at odds with most of the canons of the sonstruction of the statute?

A I think not. I think the first and most basis canon of construction is to discern what Congress intended to do, which is discernable from the legislative history, which I do want to get to in---

Q Well, isn't the first job to see what Congress said?

A Well I think perhaps not so much with this statute as with the others. This Court has made very clear

in other cases dealing with this very section, that this is not a statute which can be read literally. That in view of the competing and contending forces that went into its construction and the changes that were made on the floor, etc., etc., this is a statute that has to be approached with caution as to its construction.

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You say it cannot be read literally?

That's what this Court said, Your Honor. A It said labor legislation generally, and this statute in particular cannot be read literally, but must be read in terms of the purposes which Congress sought to serve in its enactment. Which can be discerned from the legislative history.

> What case was that? 0

I believe it was the Laborer's case. There were two decided in the same day, Laborers and Glass Bottle Blowers. And in one of those, and perhaps in both, the Court made the statement that it cannot be read literally.

Well I think that's been said in other cases, particularly about labor legislation, hasn't it?

Yes, indeed, Your Honor, but it's Glass Bottle Blowers. This portion is quoted at apage 32 of our brief.

You agen'yorried about a literal reading? A Well I'm not sure what alliteral reading leads to.

Q --- You can be as literal as the next fellow.

Well you can literally read this to mean whatever you want it to mean. I think that's why this assumption about how wone construes labor legislation began, was that you can read things to reach whatever result you want. If you read the Senate Report, I think you get more guidance, and the ambiguities are somewhat resolved.

As we read the Senate Report, the exhaustion requirement was intended to serve four functions.

at large, bringing lawsuits wherever he thought Unions weren't doing things right. --- As Mr. Wallace said. Congress wanted to allow the Secretary to act where the members were dissatisfied with the way their Union was being run. And if the members are not dissatisfied with the meeting attendance rule, Congress didn't want the Secretary trampling in, challenging it absent their consent. Now that purpose can't be served at all if the Secretary is free to alledge anything he wants to alledge, because as here, he can then alledge things to which there is no indication of membership dissatisfaction.

The second thing Congress wanted to serve by this, it wanted to instill in the membership respect for Union tribunals and it wanted Union tribunals to function as administrative agencies notwithstanding the governments assertion to the

contrary.

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This Court said that it was Congress' emphatic intention that unions would be the principle enforcement agencies of this statute. And so Congress wanted members to see that their tribunals would indeed be available to the resolution of these problems.

Now members are not --- engouraged to take their disputes to the Unions tribunals for solution. If theyknow that they can just throw any old thing into the Union and then go to the Secretary afterward, and he'll take it whether the Union had it or not.

And indeed, when the Unions are in fact behaving in a responshile fashion, as indeed the Steelworker's is, and the resolving election disputes, this union over a period of 1964 through 1967 it provided corrective action in a majority of election complaints that came to it.

And so it is doing the job that Congress hoped and expected --- . But if the members say that the union trib-bunals are just willfully overruled by the Secretary --- law-suits. They are not going to be convinced that this union is doing a job and they re going to lose their motivation to bring their problems to the union for correction.

Now to be sure, if the Union has fair notice of the problem and doesn't do anything about it, then it deserves the disrepute which its own internal procedings have brought it.

But where as here, the Union has no notice whatsoever that an issue is being challenged and the reason it
has no notice is the reason that the issue is not being
challenged by any of its memebers. It does nothing but bring
the union's tribunal to disrepute. For the membership to see,
but notwithstanding the Unions' action, the Secretary of
Labor has then issued a lawsuit to set that election aside.

And finally, this statute was designed with very specific time limits in mind, andthe hope that Union problems would be corrected very promptly.

And what the Secretary's construction means is, that particular kinds of election problems can be raised for the first time, many months, in this case it was 4 or 5 months after the election has been decided, and long after all the Unions internal correction procedures had been exhausted.

The Senate Report, said that it was putting the time limits into this statute because time is of the essence.

That is their words. Time ceases to be of the essence when 5 minutes later the Secretary as a result of his own views of what's good and what's bad in unions can raise for the first time issues which were never raised in the Union.

What do you say about the Secretary's right to have the membership attendance rule passed on in this case when, if he sues just for the ---

A For the president.

Q What about---

Me're ambivalent about that. There's -most of the purposes for which the exhaustion rule was designed would not be violated by allowing the Secretary to
get what amounted to a declatory judgement in the election
which has been set aside for another reason. This thing will
be done the way the Secretary claims it must be done under
the statute.

Q Isn't that essentially for him to carry out his---

A Well, it is, except for one--

Q --- to the Act.

A It's not really essential to, and I'll explain why. There is one purpose of exhaustion which would not be served by that, and that's the purpose that unless the membership's unhappy, things are not to be changed. Which I stated was the first of the purposes. And it's the only one, incidentally which the Secretary acknowledges.

Q --- have to be about one thing.

A Yes.

Q --- a new election---

A Right.

Q ---in order to satisfy the membership you're going to have to carry out an election, and the Act says that if you carry out an election you carry out one that's inappro-

priate to the law.

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That's right. But the Act also says that unless somebody is unhappy with that election that you're going to carry out that it's not subject to challenge.

So you get the following dual problem: on the one hand, if all the members are delighted with the meeting attendance rule, take the extreme case, everyone of the million and a quarter steelworkers sign a thing saying I think this is a great rule, Congress quite clearly didn't want the Secretary to be able to get that rule set aside.

Even though it might be technically a violation.

I don't know how you can say that, because if Congress said you find the violation --- carry out an election --- you must carry it out in accordance with the law.

A Well---

I don't see how you say Congress didn't intend for them to raise the question of the meeting attendance rule.

A Well if this Court concludes that irrespective of membership satisfaction that a new election must be conducted in accordance with Title, with every requirement of Title 4 even though the members might prefer it another way, then we would have no rproblem with the Court saying that the adjudication of themerits of this issue can be made,

not for the purpose of setting aside anything because of that adjudication, but for the purpose of obstructing the Union and the Secretary as to how a re-run, ordered for other reasons is to be conducted.

And indeed we told that to the Court of Appeals,

I recall that we won this case in the District Court on the
merits. The District Court said the meeting attendance rule
is reasonable. In the Court of Appeals, the government, for
the first time made the argument well, even if we're not allowed to challenge the election on this ground we ought to
be entitled to guidance if we're to re-run the election for
the president for other reasons we ought to have guidance as
to how to do so.

And we indicated that we had no serious objection with the Court deciding the issue for that limited; purpose. Not for the purpose of setting aside the election of all 11 officers, which is what the Secretary seeks, initially, but for the purpose of instructing the parties simply on how the re-run is to be conducted.

Want to make sure I get it right, that even as regards the

Secretary, this man, who had qualified under the Union rule,
had made no complaint to the Secretary, putting aside exhaustion
about the rule,---

A Well, there's not---

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Special Is that an overstatement or am I mis-0 2 understanding it, or what? Well, there is a disagreement between the 3 Secretary and us as to what he complaind about to the Sec-4 retary. His words were ambiguous. 5 Well what did he complain about? 6 He said the Union conducted the election 7 under a rule which was unfair. The meeting attendance rule 8 which was unfair. I'm characterizing it. Because it was not 9 adequately communicated to the members. 10 Now the Secretary said he was complaining about both 11 the unfairness of the rule as such and the failure to commun-12 icate. We say, no, he was only complaining about the failure 13 to communicate the rule. And we were prepared to have him 14 testify and expected fully that he would testify. But he 15 was only ---16 --- irrelevant under your position on the 17 Act. 18 Oh , yes, it's irrelevant under ours---19 He could have expressly attacked the rule 20 and you would still be here. 21 A Absolutely. 22 0 In the same ---23 It's irrelevant under ours but there is 24 at least a possible middle ground of saying that he can sue 25

by the Secretary can sue --- what is raised in the complaint.

The Secretary has sort of alluded to that middle ground and I want to emphasize that even if there were such a middle ground, which we don't agree, we say that exhausted in the union, even if there were such a middle ground this record would not justify them to allow to sue on that.

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Now I'd like to turn in my remaining few moments to the meeting attendance rule and its reasonableness as such.

The Secretary repeatedly talks about this is just like hotel employees, this is a case where a rule has disqualified, has rendered a majority of the members of a union ineligible to run for office. And the single thing I would most like to emphasize is that this rule disqualified nobody.

Every single member of this union, and the Secretary conceeded could qualify under this rule, and qualify without difficulty. All he had to do was attend 11 meetings over the course of a 21 month period.

The Secretary of Labor had a regulation published, it is still published today, expressly stating that a meeting attendance requirement, requiring 50% attendance at the meetings over a 2 year period, is a reasonable rule. Unless there is difficulty in attendance.

We are ironically here defending --- the Secretary's published regulation. He ironically is here attacking it. And the basis of his attack is that well it's true that's what my regulation says, but from time to time I change my mind, and

indeed, as the record in this case shows he changed it often.

On the question whether an otherwise reasonable rule should be seta aside, because infact only a very small percentage of the members choose to qualify themselves under it, by attending the meetings.

Six months before this election was held, the

Secretary stated that he had conducted a review and had determined that the small percentage should not invalidate the rule.

Precisely because anybody could attend who wanted to and if
they chose not to, that's their own choice.

After we held our election he changed his mind agains and decided to sue us. So we got caught betwixt and between.

What we did was lawful when done, but unlawful when the Secretary changed his mind.

Q Mr. Gottesman, if we reach the merits, should this Court pass on them or should we remand?

We strongly urge you to pass on them. And the reason we urge it is that the Secretary has now brought lawsuits against 15 steelworker local unions, challenging this identical meeting attendance rule, they're in just about every circuit in the United States. And we will be involved in endless litigation over this issue, which will undoubtedly result in a conflict and will undoubtedly get back here, anyway.

And since the issue is before the Court at this time,

if youcconclude that the issue od properly raised and therefore before you, we strongly urge that you reach it and decide it.

Q Does Mr. Wallace join you in this?

A Yes, he does. I think he does. He does.

One thing I'd like to say about percentages because that's really the only argument that hethe Secretary's bot here. Only a small percentage in fact chose to qualify, The fact is that of the 27 people who sought to run for office, 23 qualified.

And that provvprooves a rather salient fact which is, there's only a small percentage of people in any institution who want to tun for office, and of those who do, given reasonable requirements for qualifying, the vast majority will, in fact, qualify.

Q What's the oghtother union that has the 3 year ---?

A I honestly don't recall. There is one other with a 2 year rule, but this election is only a 21 month rule, checuase it was in the local union. So the Court need not in this case determine the reasonablemess of the 3 year rule, but only a 21 month rule. Thank you.

Q Thank you, Mr. Gottesman. Mr. Wallace, you have about 3 minutes left.

REBUTTAL ARGUMENT OF LAWRENCE G. WALLACE, ESQ.

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ON BEHALF OF PETITIONER

MR. WALLACE: thank you, Mr. Chief Justice.

The Respondent's reading of the statute seems to us perhaps to be an appropriate one, if the House version had been enacted, giving the complainant the right to sue, but we believe the most crucial decision in the legislative history was when Congress decided to bringthe Secretary into the picture under the Respondent's reading of this, the only possible effect of bringing the Secretary into the picture is that he may decide not to sue about something the complainant would have sued about.

He cannot expand the scope of the lawsuit, it seems to us that Congress brough — the Secretary into the picture for exactly the opposite reason to expand the scope of the inquiry beyond the limited self interest of the complainant to look at the broader public purposes that are involved in this statute.

In order to assure free and democratic elections for everyone, now even looked at narrowly it's true that this complainant, as Mr. Justice Harlan pointed out, qualified himself but tit was a close election for president and the result might well have been different in someone else had been able to run in addition it might have taken away more votes from his opponent than from himself as happens in national

elections.

Que la constante

Q Well the thing that puzzles me is here is a man that's qualified under the rule that you're attacking. It is difficult for me to understand why he'd be complaining about a rule himself to the Secretary.

his complaint on page 44 of the record said that this is what he complained about to the Secretary, we think that was an accurate reading, but it may have been because he felt that with more candidates in the field he would have done better, there are people who are hoping that one of the governors will run for President on a third party ticket this year because they will benefit from it.

But self interest is not what Congress wanted to promote under this statute, and indeed, in a very real sense, since the Secretary's policy is to sue only if in his view the member; s complaint to the union had validity. In a very real sense what we are asking for here is to enable the Secretary to consolidate the lawsuits that otherwise would have to be separately brought, first to determine whether the lelection would be set aside and then to determine under what rules the new election would be held which would, it seems to us, untolerably delay the prompt remedy that Congress wanted to provide.

Q --- anybody since the other cases were de-

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cided, this issue is expressly left over --- wasn't it?

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A That is correct.

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Was any effort made to get Congress to
 do anything about it?

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A Not to my knowledge.

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I notice that this was a rather --- ques-

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A --- that the issue is open, that is correct, but Congress has not acted and there has not been an effort.

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There have been attempts to clarify the issue,

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in the Courts.

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Now I do want to point out before I sit down since a reference has been made to the Secretary's interpretive manual, which is on page 203 of the Appendix, that it does say that 12 of the attendance requirement 12 of 24 may be reasonable. This is not a regulation; it was not published in the Federal Register, it was prepared for internal purposes as a guide to field workers in the Department and was made public only by virtue of the Freedom of Information Act.

It was not designed to be a definitive interpretation of the statute, and certainly the Respondents have not relied on that provision because neither in that provision nor in anything else has the SEcretaty ever said that a 3 year requirement may be reasonable.

And it's a 3 year requirement that's involved here,

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and it is necessarily implicated in the case on the re-run of the election.

Even though the violation alleged was a violation of --- application to 21 months, the 3 year requirement is what is to be applied on the re-run.

I believe my time is expired.

Q Thank you Mr. Gottseman, thank you Mr. Wallace, the case is submitted.

(Whereupon at 11:12 am, argument in the above entitled matter was concluded.)