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Labor espionage, with special reference to Pinkerton's national detective agency

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Labor Espionage, with Special Reference to Pinkerton's National Detective Agency

by

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter II</td>
<td>6</td>
</tr>
<tr>
<td>Early History of the Pinkerton Agency</td>
<td>11</td>
</tr>
<tr>
<td>The Molly Maguires</td>
<td></td>
</tr>
<tr>
<td>Homestead</td>
<td>16</td>
</tr>
<tr>
<td>Chapter V</td>
<td>19</td>
</tr>
<tr>
<td>After the Lesson of Homestead</td>
<td>31</td>
</tr>
<tr>
<td>The La Follette Investigation</td>
<td>38</td>
</tr>
<tr>
<td>The First Session</td>
<td>59</td>
</tr>
<tr>
<td>The Second Session</td>
<td>104</td>
</tr>
<tr>
<td>Conclusion</td>
<td>108</td>
</tr>
<tr>
<td>Bibliography</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER I
INTRODUCTION

In the long history of labor disputes and industrial unrest in the United States, it can be stated that there has been scarcely a dispute or strike of any consequence in which the labor spy has not been found fighting shoulder to shoulder with American management. His contribution has made itself felt in all types of enterprises, and in all walks of life. The direct social and economic consequences of his efforts may forever escape accurate measurement.

It is the purpose of this paper to treat the rise and development of labor espionage in one of its major arms, Pinkerton's National Detective Agency, Incorporated. Labor espionage, by definition, can be considered the "practice, followed by a majority of our great employers, of setting spies on workers with a view to curbing and subverting their labor organizations." As shall later be demonstrated, it may originate by reason of the ignorance of the average employer as to the character and point of view of his employees, and it may grow in ferocity and intensity by reason of the labor spy's ability to exploit the employer's ignorance.

Spying, when in the hands of government, may from time

to time avert wars and save lives. As an adjunct to the
detection and prosecution of crime, its social value may be
successfully defended. But its use by private industry can
be dangerous, anti-social, and completely at variance with
the ideals of democracy. Certainly, its use has exceeded the
limits of recognized standards of ethical procedure when a
chief of the railroad brotherhoods can say that he has not
often known "a unit large enough to be called a meeting and
small enough to exclude a spy."\(^1\)

An understanding of the actual extent of this institution
may be secured from a study of the histories of the private
detective agencies. Three of the larger agencies (Pinkerton,
Thiel and Burns) have at one time listed 135,000 men on their
combined payrolls, operated over 100 offices and over 10,000
local branches, with 75 percent of their operatives working
under cover in various labor organizations, earning them a
combined annual income of $65,000,000.\(^2\) In addition to the
coverage afforded by the private detective agencies in this
field there are the secret service departments of large concerns
such as United States Steel, Western Union, the Ford Motor
Company, and the various railroads. Strike insurance companies
have maintained spy services, and the recent hearings before
the La Follette Sub-Committee on Education and Labor have

\(^1\) Ibid, p. 12
\(^2\) Spielman, Jean E., *The Stool Pigeon*, (Minneapolis,1923), p. 124
presented evidence of the activities of employers' and patriotic organizations such as the National Metal Trades Association, the National Founders Association, and the National Association of Manufacturers.

The limitation of any study of labor espionage to the geographical confines of this country is never merely intentional, for the institution appears uniquely and completely American. In no other land is there any recorded instance of the spy being found in the service or pay of private industry.

At his best, the labor spy is a reporter who performs a liaison function in interpreting to management the attitude of its employees. When confined to factual reporting, the argument will be raised in certain camps that he is supplying management with information which is rightfully theirs. Unfortunately, there is no power on earth which can hold him to the truth in the performance of his mission. The spy will not lose sight of the fact that he has been hired to report labor unrest; therefore, if no unrest exists he will bring into play all his gifts of creative composition. Motivated by the normal instincts of self-preservation, he will falsify his reports in order to retain his job. Furthermore, the spy may incite direct action on the part of labor so as to make more secure his own position. There is the example of R.J. Coach, the Cleveland strikebreaker-

1. U.S. Congress, Senate, Committee on Education and Labor (76th Cong., 1st sess., Senate report no. 6, part 4)
detective, who in 1910 bought the Columbus Labor News during a street railway strike in that city and edited it to encourage the very agitation which he was being paid by the traction company to suppress. At the same time Mr. Coach made the boast that he "owned every union in Cleveland", and he is further credited with the now classic utterance, "There's more money in industry than there ever was in crime."

In addition to the quasi-legitimate reportorial function, the spy either assumes or is charged with the duty of spreading propaganda. This work may take the form of distributing information designed to enhance the esteem in which the employer is held by the employees or the public; or, as if more often the case, it may be shaped into direct attacks against labor organization leaders. Detailed examples of both types of propaganda will be presented in later sections of this paper.

Furnishing employers with the identity of labor leaders, and arranging for the blacklisting of such individuals is another service which the labor spy stands ready to perform. As a result, qualified workers, possessed of skill in high degree, will be blacklisted into industrial vagrants and turned away from every employment office in their industry. This, too, will be the subject of further treatment.

2. Idem
3. Ibid, p. 41
In the attempt of the spy to worm his way into labor unions for the purpose of corruption and disruption, we have no way of determining the total loss. We have the facts and figures about certain union fatalities, but numberless unions have failed due to the often undetected practice of spying. No cost accounting system, social or economic, can express the profit which might have accrued to a country whose workers were achieving new levels of living too subtle to be measured in figures.

Thus, briefly, I have described the scope and nature of this study. As Sidney Howard states in the following quotation from The Labor Spy:

....whatever industrial espionage may put forward in defense of itself, it cannot possibly accomplish any really constructive betterment of any situation. It can only complicate and intensify industrial unrest. We have learned nothing if we do not know that labor organization has come to stay and must be dealt with, Open Shop movements to the contrary notwithstanding. And, to retain a spy is to set between employer and employee a middleman whose business it is to stimulate the prejudice of the one against the unquestionable right of the other, whose very livelihood depends upon the existence and continuance of trouble, whether real, imaginary, or provoked.... Industrial espionage is, indeed, a curious substitute for industrial relations. 2

CHAPTER II
EARLY HISTORY OF THE PINKERTON AGENCY

In 1829, William Pinkerton, sergeant of police in Glasgow, was permanently crippled in a Chartist riot. We have no record describing the feelings of ten-year old Allan Pinkerton when his father was brought home, but it requires no unusual powers of analysis to infer that the incident may have made a lasting impression upon the founder of Pinkerton's National Detective Agency. Later, when operating in behalf of large corporations, and when criticized for forgetting his own impoverished youth and turning his powerful organization against the interests of the poor in support of the rich, he made this reply:

"I know what it is, from personal experience, to be the tramp journeyman; to carry the stick and bundle; to seek work and not get it; and to get it, and receive but a pittance for it, or suddenly lose it altogether and be compelled to resume the weary search. In fact, I know every bitter experience that the most laborious of laboring men have been or ever will be required to undergo, not forgetting frequent participation in the 'strike'; and from it all, there has come the conviction, as certain as life itself, that the workingman is never the gainer -- but always the loser, by resort to the reckless intimidation and brute force which never fail to result from the secret organization of the trades-union to force capital to compensate labor to a point where the use of that capital becomes unprofitable and dangerous. These trades-unions of every name and nature are but a relic of the old despotic days....In American citizenship there exists all the essentials to make success in the life of every man not possible, but
probable....And it will be found true, the world over, that in just the proportion that all classes of workingmen refuse to be coerced and embittered by these pernicious societies, in just that proportion do they rise above their previous conditions, and reach a nobler and happier condition of life."

It is not clear how often Pinkerton was compelled to "carry the stick and bundle", and "seek work and not get it", but we do know that after marrying in Glasgow at the age of twenty-three he emigrated to America, and, by easy stages through Canada, arrived in Chicago. There he found work at his trade as a cooper in Lill's Brewery, and for a full year he labored for a wage of fifty cents a day.

The independence of spirit which was to characterize his later years prompted him to move to Dundee, Illinois, about thirty-five miles north of Chicago, where he set up his own cooperage business. In supplying the wants of neighboring farmers he soon developed a business ample enough to support himself and his family. It was here that his first son, William Allen, was born in 1846, and it was here that he first evidenced his interest in detective work.

The town had become a way station of the Underground Railway. Pinkerton, in full sympathy with the Abolitionist cause, became a diligent, valuable foreman on the Railway, and in this manner acquired a background of secret service work.

Looking around for further employment of his newly discovered gifts, he dabbled in the harrying of horse thieves, coiners and counterfeiters, and recognition of his services came with his appointment as a deputy sheriff.

Not many months later the fame of the amateur detective had spread beyond the confines of Dundee; and when Sheriff William Church of Chicago came to Pinkerton with an offer, he turned over his business to an employee and returned to become the first and only "plain clothes" policeman in Cook County.

Although Pinkerton in his new job enjoyed phenomenal success in running malefactors to earth and making them confess their crimes, greater fields of opportunity soon beckoned. The railroads, coincident with their westward expansion, had presented inducements to competent and petty thieves alike. The epidemic of train robberies grew to such proportions that in 1850 the heads of several railroads operating out of Chicago came to Pinkerton with the request that he institute Chicago's first private detective agency.

At the start, Allan Pinkerton had a Chicago attorney, E.G. Rucker, as his partner. After a year or so the partnership was dissolved and the detective decided that he would rather go on alone. Working night and day, with relatively few employees,
Allan laid the groundwork and formulated the rules for an organization which has since supported a dynasty of Pinkertons up to the present day. It was at this time that he devised the distinctive trade-mark of his business -- the wide-open eye, and underneath it the caption, "We Never Sleep." This period also marked the beginning of what has since become standard practice in the detective field, i.e., the charging of clients on a strict per diem basis, plus travel and expenses, for the services of each operator hired.

The first recorded instance of the Pinkerton Agency expanding its field of operations beyond the Chicago territory occurred in 1859, when the Adams Express Company called on Allan to investigate the activities of one Nathan Maroney, the Company's agent in Montgomery, Alabama. Maroney was suspected of peculations of several thousand dollars, and his conviction by Pinkerton men resulted after extended operations in Alabama, Pennsylvania, New Jersey, and a final stirring court trial in New York City. In this case the Agency rigidly adhered to its previously announced practices; although the Adams Express Company had offered a reward of ten thousand dollars for the conviction of Maroney, Allan's bill, itemized on a per diem basis, was for much less.

1. Rowan, R.W., *The Pinkertons, a Detective Dynasty*, (Boston, 1928), p. 28
2. Idem
In 1860, operating officials of the Pennsylvania Railroad asked Allan Pinkerton to form a secret service on their line. Similar applications were received from other Eastern roads.

Allan Pinkerton's part in the safe delivery of Abraham Lincoln to Washington at the time of the 1861 inauguration and the consequent foiling of a well-organized plot to assassinate the President at Baltimore is well known, and should not concern us here. In like manner, we will eliminate consideration of Mr. Pinkerton's wartime duties as chief of the Federal Secret Service.

Late in the summer of 1865 the New York office of the Agency opened and a few months later a third branch was established in Philadelphia. Eastern clients like E.S. Sanford of the Adams Express Company and Thomas A. Scott of the Pennsylvania Railroad had strongly advised this expansion.
CHAPTER III
THE MOLLY MAGUIRES

By the close of the Civil War, assuming that any doubt had previously existed in the mind of Allan Pinkerton, it must have become apparent to him that the Agency's income would henceforth be largely derived from services rendered to giant corporations rather than from the shadowing and crime detection work performed at the request of law enforcement agencies and individuals. As yet, however, these services to corporations were confined to crime prevention and detection, and a great many firms were paying a yearly retainer and asking nothing more than twelve months wherein the need for calling in of Pinkerton men would not be made manifest. Although for some years the Agency revealed to railroad executives the discrepancies between fares actually collected and fares turned in, we must wait until the Homestead incident of July 6, 1892 before being able to point out an incontrovertible example of Pinkerton interference with the rights of labor. Prior to Homestead, labor was affected only in terms of the individual laborer's dishonesty, or in terms of protection of corporate property from rioting; and labor in the sense of comprising hours, wages, working conditions, and union strength was left unmolested. There is one possible
exception to this statement, although by no means clear-cut, and this exception has its being in the detection and apprehension of the Molly Maguires.

The Molly Maguires, for six years, from 1867 to 1873, were the terror of the anthracite coal regions of Eastern Pennsylvania. Its members were known to be Irish immigrants who had been inspired by the example of the Ancient Order of Hibernians, or "Ribbon Men", founded in Ireland in 1843. The name, "Molly Maguires", had its derivation in the old country, from the custom of wearing women's clothing as a disguise.

At best, the Mollies were a strongly nativist group of Irishmen who constituted a type of Ku Klux Klan in eastern Pennsylvania. Like the Klansmen, they were bound together by vow and by kindred interest to act as private agencies to redress wrongs dealt to members of their own group. Included among them were many of the most undesirable elements of the mother country. As their grip upon the region became more secure, the extent of their terrorism reached the proportions of a national scandal. In every township of the anthracite region could be found a lodge of Mollies, each headed by a so-called "bodymaster". The activities of these lodges ranged from attacks upon mine property and mine officials to actual assassination of other

2. Idem
racial groups whose interests clashed with those of the Mollies.

The law found itself powerless to curb this element. By 1873, six Pennsylvania counties were under their complete domination. In October of that year, Franklin B. Gowen, president of the Philadelphia and Reading Railroad Company, and the Philadelphia and Reading Coal and Iron Company, decided to call in the Agency. Allan Pinkerton, together with the superintendent of the Philadelphia branch, called upon Gowen at his office.

At this meeting it was decided that the only method of bringing the Mollies to justice was to send one of the Pinkerton operatives to the region with instructions to become a member of their innermost councils. The operative to be selected would of necessity be an Irishman and a Catholic, with a strong constitution and ability to work as a miner. At this first meeting Pinkerton definitely decreed that his operative would at no time be expected to give testimony in court, unless the present circumstances were greatly altered. He impressed upon Gowen the need for secrecy, and requested that no record of any dealings with the Agency be made by Gowen or his firm in connection with this matter. ¹

¹. Ibid, p. 82
At first, the Agency head was nonplussed as to what member of his organization possessed the necessary qualifications. It was not until he returned to Chicago and happened to be riding on a street car that he considered his search finished. He recognized operative James McParland, who was at that time listed as being in the employ of the traction company as a street car conductor. Thus, McParland was commissioned for one of the most notable feats of criminal investigation.

On October 27, 1873, McParland entered the anthracite country. By July, 1874, he had become secretary to the bodymaster of the Shenandoah Lodge. By the following Summer, the Philadelphia office of the Agency was able to publish broadcast in the papers of the nation the names of all the members of the brotherhood, listed by counties. Other Pinkerton men were dispatched to the region to act upon the evidence gather by McParland, and the power of the Molly Maguires was broken.

McParland's accomplishments, to my mind, must be viewed solely in the light of their contribution to criminology. Undoubtedly, there were forces making for labor unrest in the anthracite fields at this time. Men were working below ground twelve hours per day for six days a week. Conditions were hazardous and mine owners were grudging and reactionary. Yet, the
actions of the Mollies did not indicate labor conspiracy, or actual class consciousness. Their lawlessness at no time appeared to be rooted in any express or implied program of industrial betterment.
CHAPTER IV

HOMESTEAD

In the strikes of 1877, the railroad connections of the Agency led to actual involvement in labor unrest. In the riots at Chicago the Pinkertons were able to confine themselves to the protection of railroad property, and all charges of shooting were leveled at the deputies, militiamen, police and rioters. In Philadelphia, however, at the calling of a strike by the Brotherhood of Locomotive Engineers, the Pinkerton operatives engaged in their first large-scale attempt at strikebreaking. In April, 1877, Mr. Gowen of the Philadelphia and Reading Railroad was informed by the Brotherhood that a strike for higher wages was to take place. On April 14, when the men left their engines, the Agency was able to supply immediate replacements. It was afterwards the boast of Allan Pinkerton that during this shift not a single passenger train was stopped, or even delayed.

Allan Pinkerton died in 1884, leaving an estate of five hundred thousand dollars to his widow, and control of the business to his two sons. The elder, William, remained in Chicago as head of the Agency, and Robert moved to New York. Thus, it became the lot of the second Pinkerton generation to

1. Pinkerton, Allan, Strikers, Communists, Tramps and Detectives, (New York, 1878), p. 115
write one of the most horrendous chapters in American labor history.

In the summer of 1892 the Amalgamated Association of Iron and Steel Workers called a strike at the Homestead plant of the Carnegie Iron and Steel Company. When, during pre-strike negotiations, the workers burned company president Henry C. Frick in effigy, Mr. Frick bargained with Robert Pinkerton for three hundred strike guards to be delivered in Homestead. The guards were assembled at Ashtabula, Ohio, moved from there by rail to Youngstown, and from there by boat on the Mahoning River to Homestead. For the transportation on the river the steel company donated two of its barges, and took the precaution of lining the hulls and deckhouses with heavy steel plates.

The Agency in later defending its actions at Homestead maintained that its operatives were sent to protect company property. The allegation that strike-breaking activities had been planned was heatedly denied.

During two attempted landings on company property eleven strikers were killed and the Pinkertons lost nine of their own number. The men were finally disarmed by the mob and forced to leave the city. This incident, more than any other, served to

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make the name, "Pinkerton", synonymous with "labor scab". At a Congressional inquiry held on July 23, William and Robert Pinkerton were called to testify. It is related that both principals of the firm were non-committal in their answers; however, they admitted that the guards had been armed, and that one third of the three hundred and ten men on the barges were not regular employees.

1. Ibid, p. 311
CHAPTER V
AFTER THE LESSON OF HOMESTEAD

Since the Congressional inquiry of 1892 the Pinkertons have prudently refrained from furnishing strike guards to their clients. Yet, this action did not affect the Agency's growth, since by 1906 twenty offices were in operation in the following cities: Montreal, Boston, New York, Philadelphia, Chicago, St. Louis, Kansas City, St. Paul, Denver, Portland, Seattle, San Francisco, Buffalo, Pittsburgh, Cincinnati, Cleveland, Minneapolis, Omaha, Spokane, and Los Angeles.

In each of the above mentioned offices four distinct departments had been set up, known respectively as the clerical, criminal, operating and executive departments. The clerical department was headed by a chief clerk, and included the various janitorial, bookkeeping and stenographic functions. The criminal department, although headed in each office by an assistant superintendent and possessed of a "Rogues Gallery" and card index file, was in most instances a department in name only. With the possible exception of the Chicago and New York offices little criminal work was done, and the existence of this department in most cases appeared to be merely a bit of window dressing retained for purposes of impressing the public or various

1. Friedman, Morris, The Pinkerton Labor Spy, (New York, 1907), p. 4
2. Ibid, p. 3
police and detective officials.

The operating department was composed of the actual outside representatives. These operatives were divided into three classes; namely, special, general and secret. The special operatives comprised men who were hired on a temporary basis for purposes of doing shadow or investigative work. The general operatives, who were the most highly prized men in the organization, consisted of versatile, all-round individuals of the James McParland type. These men were possessed of more than average ability and intelligence. In emergencies they could be depended upon to do the right thing even in the absence of instructions. Each office was required to maintain two or three general operatives, whether there was work for them or not.

The appellation, "secret operative" was but another name for "labor operative" or "labor spy". In order to fill positions of this nature the Agency sought out ordinary workmen of average intelligence who were willing to obey orders. No especial skill was required except the ability to perform some task of work in the business of the client to whom the operative was assigned.

The executive department consisted of the superintendent and assistant superintendents. Aside from general administrative duties the principal function of this department was to super-
vise the secret operatives in the field and to edit their
daily reports.

Let us continue our consideration of the secret operative,
whose activities are of primary concern to us in this paper.
For the most part, these men were not considered part of the
permanent payroll, and were not hired until their services had
already been sold to the client. Thus, for example, if the
client was a mine operator, the Agency would insert the follow-
ing advertisement in the city's newspapers:

WANTED at once several competent and
experienced coal miners. Top wages and steady
employment to good, able men. State age and
experience. Z-415-Herald. 1

Although the Agency may have desired to obtain the services of
only one man, the ad would call for several miners so as to
avert possible suspicion.

In interviewing prospective operatives the superintendent
exercised the utmost care and discretion before disclosing the
exact nature of the work. Unless the Agency intended "hooking"
the operative, the superintendent studied carefully the inter-
viewee before admitting that the position required the violation
of workmen's confidences, union secrets, and class allegience.
The operative was then informed that his salary and expenses
would be paid by the Agency, and that the money he earned while

1. Ibid, p. 12
working in the client's plant would be credited to the client's account, the operative not being permitted to keep any of it for himself. As Friedman relates in The Pinkerton Labor Spy, the secret operative (in 1907) rarely received more than fifteen dollars per week for this work, plus nominal living and traveling expenses.

From the very moment that the secret operative was hired, he became a source of anxiety and trouble to the Agency executives. The chief difficulty lay in the fact that the operative, although recruited from the working classes, immediately experienced a disinclination to work at his trade. By reason of his newly acquired duties and responsibilities he rested in the conviction that the actual productivity of his labor was but a minor consideration in the performance of his job. Despite the fact that the spy was requested to set a good example for the other workmen, he frequently became the most flagrant loafer in the client's plant. Constant prodding, therefore, was necessary in order to avert complaints from the client.

In addition, the spy all too frequently overplayed his part. In his efforts to ferret out traces of union activity he might impersonate a union agitator with such vigor that the client considered him more dangerous that the alleged menace he had been

1. Ibid, p. 13
retained to stamp out.

As a general rule, the operative worked some distance from the Agency office, and, therefore, supervision had to be carried on by mail. Although such a situation permitted difficulties such as have been mentioned above, yet, as a matter of record, the system worked fairly well once the operative became accustomed to the routine, and became fully cognizant of what the Agency hoped to find in his daily reports.

When hired, the operative proceeded to the city or town in which the client's plant was located, and engaged a single room in a working class section. It was obligatory, of course, that he room alone; he needed privacy so that he could compose his reports without arousing suspicion. He then rented a post-office box, by means of which the Agency mainatined its invisible control over his actions. Whenever feasible, the operative presented himself at the gates of the client's plant and attempted to secure work by applying in the regular way. Should no work be available, or should he be turned down, it then became necessary for the Agency to step in and arrange with the client the operative's employment.

Once inside the plant it became the duty of the operative to establish himself on terms of friendship and confidence with his fellow employees. To complete the fiction that he was one
of them he did not let his contacts cease at the factory gates, but kept in constant association with as many workers as possible. He was free with his money and "stood treat" for drinks, but never to the extent that his real motives might be understood, or that he might be suspected of spending more than his wages allowed.

If a union existed, the operative directed all his efforts toward gaining membership. Once admitted he took a leading part, cheerfully shouldering whatever responsibilities were thrust upon him. Although he was an aspirant to whatever office might be open (with the possible exception of that of business agent) he especially coveted the duties of the recording secretary. The motivation behind this ambition is not difficult to perceive. The recording secretary was the custodian of the union's membership lists. Should the operative gain access to the list, it was virtually a certainty that the power of the union would be broken. A copy of the list would be placed in the hands of the client, and the resultant discrimination which he could display against all union members, or perhaps certain key men, could send the rank and file to cover.

Throughout his term of service the operative exercised the utmost care in concealing his identity and purposes. In this he secured the complete cooperation of the Agency, since
in addition to the fact that discovery could mean actual bodily harm to the operative, the operative, once his identity was revealed, would be of no further use to the Agency.

Before taking up his duties the operative was assigned a number, which he substituted for his signature on all his reports. Thus, his name was known only to the executive branch of the Agency. He did not address his mail direct to the Agency office, but to a post-office box. In order to avert any suspicion caused by his buying large quantities of stationery and stamps, these supplies were mailed to his post-office box by the office at regular intervals. Whenever possible, the operative's identity was kept from the client.

The daily report as made out by the typical operative contained little of recognizable value to the client. The report usually listed the time the operative arose, when he arrived at the plant, how long he worked, who he talked to during the day, who he talked to after hours, when he retired, and how much money he spent during the day. Comments as to the actions of fellow employees, unless the operative found himself in a position to give actual facts as to union activity, were limited to trivialities which ordinarily could be noted much more inexpensively by an alert foreman or supervisor.
The names of those employees killing time or violating any of the firm's rules were listed, and if the operative discovered any incompetent workers, their names would also be found in his report. In addition, he felt it his duty to submit any suggestions he might have regarding possible changes and improvements in the physical set-up of the plant. It is this later function which gave the agencies an opportunity to defend their position by maintaining that they were conducting an industrial engineering service rather than actual labor espionage. As a practical matter, however, it is doubtful that Pinkerton's ever justified their existence from a dollars and cents point of view merely by reason of their suggestions concerning general plant efficiency. There is no recorded instance of any Pinkerton operative being equipped by virtue of special training and experience to handle investigations of this nature.

The daily reports of the operatives were never submitted directly to the client. Since the secret operative was primarily a workman and did not share the managerial point of view of the Agency executives, this is understandable. Thus, the reports were gathered from the post-office boxes by an Agency employee and turned over to an assistant superintendent for editing and revision. The revised report was then typed and submitted to the client, and a carbon copy assigned to the Agency's files.
At regular intervals the assistant superintendent summarized the daily reports in a report of his own. No new facts were incorporated, and the presentation was in actuality merely a recapitulation of the information already forwarded to the client in the operative's reports. For the most part, it stressed whatever data the operative had unearthed regarding his fellow employees under some such caption as "Dangerous Union Agitators," and made definite recommendations concerning the discharge of these men. Also, it stressed the important part the Agency was playing in the client's continued well-being, and perhaps outlined a further and more costly program of investigation.

The Agency in all its contacts with the client would recommend that he stand firm in every instance where labor demanded increased wages or better working conditions. The advantages of such a stand so far as the Agency was concerned need not be enumerated here. From past experience the Agency knew that its revenue and apparent usefulness increased markedly in times of labor unrest.

Following is an example of the type of report made possible by strike conditions. The report is presented by secret operative A.H. Crane, or "No. 5", of the Denver office, and was prepared for the United States Reduction and Refining
Company, which owned and operated the Standard Mill in Colorado City. At the time of the report the strike is four days old.

"Dear Sir:

OPERATIVE NO. 5 REPORTS

Colorado City, Colo.
Wed., Feb. 18, 1903

At 9:00 A.M. Sanger came and called me out and said he heard there was a car-load of Italians going to be shipped here today, and asked me what I thought best for him to do, and I said I did not just know what would be best, but he could send a few men to see them when they got off the train. He then told me he had sent two men to each depot. He then left.

I went to see Moyer and Mangon, and there I met Mr. Burr, from Leadville, who has come down to take charge of the strike. We talked a few minutes.

I left and went to get something to eat, and while in the restaurant two or three different union men came after me to make out applications for them.

At 10:00 A.M., I left the restaurant and went with Sanger to fix out the applications. Moyer told me the electricians and blacksmiths had quit, so it would make things a little more difficult for the Standard Mill to work. He said if we continued to keep on the way we were doing, the Standard would have to go down. We then obligated four members, after which I left the room and went on the street and stood around with the men until about 11:30 A.M., when I went into the Alamo Club. I met Sanger and other union men, and they all seem to think that the men will win the strike.

About 12:00 o'clock I left the club and took a walk around the different places where the union pickets are stationed, and found everything very quiet indeed, and returned to town about 12:45 P.M., when I went to dinner.

At 1:15 P.M. I saw Sanger. He said he had a bond for Charles Lewis, and wanted someone to sign it so as to get him out of jail, so we then hunted around and found J. Hill and Swartz, and they signed it by just
writing their names on the back. When I gave it to
the Justice he said it was no good signed that way,
which I knew, but said nothing to Sanger.

I then left the Justice's office and had a
little talk with Mr. Hawkins, then went to the D, and
R.G. Depot to see the union men who were watching the
trains, but found none there, so stayed around a little
while, when Richardson, Garrison, Howard and two other
union men came. I talked a few minutes to them, and
about 3:00 P.M. left them and took car for Colorado
City, where I met L.N. Edwards. He said he had some
good news for us, and that Mr. Fullerton, of the Telluride
mill, wanted to have a talk with Moyer and the
other officers of the union and try to fix matters
up. Edwards said Mr. Fullerton said he did not want
to discharge any union men, and would not, as he
thought it would be best if all the men belonged to
the union, and he did not want any of the union men to
think he was connected with Mr. Hawkins or any of
those companies, and would not have a thing to do with
them. Edwards then left me.

I met Sanger, who told me I had better take a
trip around and see how the boys were getting along,
which I did with two other men from the Building
Trades Council. We went to the big pump on Sixth
Street, and then across the Company's ground past
the old mill to the road which leads to the Avenue.
We saw no one on the way until we got to the M.T.
Railway switch which leads to the sampler. There
I talked with the company's watchmen. I said to
them, 'You are not doing much looking around when
you let men walk across the company's ground, and
strikers at that.' They did not say much to me, so
I went across the tracks to where the union men were
sitting. I talked a few minutes with them, but
learned nothing from them, and left them and went to
town. There I met Dowse, Sanger, and several others.
They asked me how things were, and I said all right.
We all then went to the Alamo Club and had the treats
together.

At 6:00 P.M. we all left for supper, after which
at 6:45 P.M. I met Garrison, Henderson, and several
union men. We talked together until about 7:15 P.M.,
when I went to my room and got my books, and at 7:30
P.M. I went to the meeting. There were about 150 or
200 in attendance, with all the new members. Fifteen were taken in the first time, and thirty-one the next time, so it made quite a few new members.

After we got them fixed out all right, Mangon made a little talk to the boys, and told them to work as they had the past two days, and then he did not think we would have to call out the Cripple Creek miners, but if we could not stop the Standard Mill, they would surely call out the miners. Mangon said he would leave us in the morning, and would visit each union at the camp, and tell them how we are fixed, but he did not need to tell them anything, as it was all left to the District No. 1. He then sat down.

Burr then made a little talk and asked the President to pick out a strike committee of five men. He picked out A.H. Crane, H.L. Sanger, Tom Daniels, C. Lyons and J.H. Hill as the committee, and asked each and every member to do as the committee told him. Three men were picked out as captains to look out after the different shifts of pickets.

The next thing taken up was about Mr. Western, the superintendent of the Telluride Mill. The men want him removed from the works, and are going to present a bill against him at the Trades Council after the 25th, so as to have the trouble come all together, as several men consider him unfair to organized labor.

About 11:45 P.M. we left the hall. I first took my books to my room, and then took a walk around, but found everything very quiet indeed. I then came back to the restaurant and had a little lunch, then went to my room, and at 2:30 A.M. discontinued for the night.

Yours respectfully,

As can be seen, Operative No. 5 had been given the opportunity for which his employers had hopefully been grooming him. There is no occasion for surprise when we learn that No. 5 was one of the instigators of the strike, and that his subsequent efforts aided greatly in the calling of the great Cripple Creek strike.
CHAPTER VI
THE LA FOLLETTE INVESTIGATION

In a previous chapter we have already commented on the death of Allan Pinkerton, and the continuation of the Agency under the management of his two sons, William and Robert. After the regrettable Homestead incident in 1892, it became evident that this new generation had none of the founder's passion for publicity. Whereas Allan Pinkerton had published eighteen volumes of reminiscences, which sold like novels, his sons came to restrict themselves to occasional fifty-word interviews as unrelated as possible to the privacy of their business.

There was adequate reason, of course, for this new dearth of information concerning the Agency. First of all, neither William nor Robert had their father's gifts of creative composition. Furthermore, the principal clients were rich and reticent corporations or individuals; and the age -- after 1880 -- was one in which large enterprises and riches were subject to suspicion and attack.

With little or no information emanating from the Agency, the student in his search for facts is limited to the semi-
sensational books and magazine articles of the period, all of which are tailored to the tastes of the readers of the "muck rake" era. Mention has been made of Mr. Friedman's book, which is largely an expose of the part played by Pinkerton's in the overthrow of the Western Federation of Miners. Mention must also be made of two volumes written by Charles A. Siringo, who himself was a Pinkerton operative for a period of twenty years. Siringo apologized, in 1912, for his delay in publishing his observations by saying:

"A word from William Pinkerton or one of his officers would send any "scrub" citizen to the scrap heap or even to the penitentiary. A man without wealth or influence trying to expose the dastardly work of the Pinkerton National Detective Agency would be like a two-year-old boy blowing his breath against a cyclone to stop its force." 3

After publication of the works of Friedman and Siringo, the Pinkertons entered a period of about two decades during which they escaped almost completely the scrutiny of the public. Meanwhile, they enjoyed a period of steady growth and uninterrupted profits. In time, the second generation passed on, but younger Pinkertons were present to assume their duties.

In 1907, Robert Pinkerton died, and his place was taken by his son, Allan. It was not long before Allan became the virtual head of the firm, for William Pinkerton was in poor

1. Friedman, M., The Pinkerton Labor Spy, (New York, 1907)
2. Siringo, C.A., The Cowboy Detective, (Chicago, 1912); Two Evil Isms; Pinkertonism and Anarchism, (Chicago, 1915)
health and could not shoulder the full responsibilities of the office of president. Allan took complete command in 1923, upon the death of his uncle, "Big Bill". His reign was to last for seven years, and he was succeeded by his son, Robert, who is now president.

In 1931, Richard Wilmer Rowan published *The Pinkertons, A Detective Dynasty,* (Boston, Little, Brown and Company). However, Rowan confined himself almost exclusively to consideration of the detective exploits of the Agency, and nowhere did he mention the possibility of Pinkerton's deriving any revenue from labor espionage. It remained for the Senate Sub-Committee on Education and Labor, under the direction of Senator Robert L. La Follette of Wisconsin, to again focus the glare of public opinion upon this phase of their activities.

This Committee was organized in April of 1936, when its first appropriation of $15,000 was made by Congress. In February, 1937, it received an additional sum of $40,000, but it is apparent that these were almost fantastically small sums to match against a scattered field which comprised investigation of interference with the rights of labor in respect to racial discriminations, deprivations of court process, vigilante propaganda and violence, public and employer terrorism in
labor unions, peonage of share croppers, and isolated cases of suppression of free speech, press, and assemblage. By reason of such limited appropriations, the Committee faced the immediate problem of limiting its field of inquiry, and of dealing with that field as economically as possible.

When the hearings opened in April, 1936, the National Labor Relations Board presented fragmentary but voluminous data which were to chart the course the Committee was to follow. The Board's work of conducting elections under the law which legalized Labor's right to organize without employer interference had been continually stalemated by espionage. Consequently, it was decided to investigate at once the field of labor espionage and strike-breaking.

It was realized that the most vulnerable agencies of espionage, from the standpoint of being openly available to scrutiny, would be those firms which catered to the larger business enterprises. These firms had permanent headquarters, addresses, officers, payrolls, invoices, and were making out income tax returns. Of 300 detective agencies known to be doing industrial work, the Committee put five or six of the largest under subpoena. The following were called: Railway Audit and Inspection Company, Pinkerton's National Detective
Agency, Corporations Auxiliary Company, International Corporation Service, and the William J. Burns International Detective Agency. These firms were examined in the order named above.

At the Hearings, Senator La Follette was usually flanked by his fellow member, Senator Thomas of Utah. The third member of the Committee, Senator Murphy of Iowa, was killed in an accident during the summer of 1936. Also present were La Follette's young lawyer, John Abt; Robert Wohlforth, the Committee's secretary; Heber Blankenhorn of the National Labor Relations Board, perhaps the foremost authority on espionage in industry; plus various staff assistants, secretaries, and occasional distinguished guests.

As the investigation progressed, it became evident that here was perhaps the most sensational inquiry since Teapot Dome. All the elements of drama and human interest were present, and the audience in the crowded committee room came back day after day to listen to the testimony. The drama, of course, lay in the conflict of American society, as represented by the Committee, and the agents of the vested interests, which were identified as the detective agencies.
The following quotation from Clinch Calkins' *Spy Overhead* is illustrative of the theatrical atmosphere which pervaded the inquiry:

"The audience, as in the theater, identifies itself with its favorite character. When it appears that the villain has been bested, it gloats over the villain, and rages visibly if he is unperturbed. La Follette grinds on, tireless, patient, shrewd, rephrasing each question until the eel-like witness can no longer wriggle through it. His method and the resistance to it furnish the suspense. In the role of Greek, Senator Thomas interpolates the tragic meanings of the play, not afraid to state and restate for contemplation the moral situation which is set forth. As for the time element no dramatist could hope for more. The timelessness of the conflict, time out of mind, past and future, rob the show of cheap topicality, although its incidence upon the moment when labor is rising to unprecedented heights of daring makes it throb with excitement. All is there, even the comic relief of the Senate turned detective, its ponderous monocle upon the spy."\(^1\)

As the succeeding chapters will indicate, the Pinkertons employed openly dramatic means to keep secret their activities. Their witnesses, from Robert Pinkerton down to the most obscure assistant superintendent, were reluctant and uncooperative. Records had been destroyed, information or assistance was refused, and there were detected several instances of outright perjury. But the careful, plodding cross-examination of Senator La Follette made possible the large measure of success

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that the inquiry enjoyed. As Calkins says, in his description of the Senator's methods:

"Thus the bush is beaten and re-beaten. At last goes up one stupid bird, on the wing of a careless answer. Startled and unhappy, it catches the charge, falls, and is retrieved by the industrious dogs who have been waiting for the word, is presented in style, and laid warm upon the record." 1

Now, let us proceed to our account of the actual happenings of the inquiry.

1. Ibid, p. 23
On Friday, September 25, 1936, the investigation of the Pinkerton Agency before the Senate Subcommittee on Education and Labor had its formal beginning in the calling of Robert Pinkerton and Asher Rossetter to the witness stand. Mr. Pinkerton was the first to testify. Aided by the questioning of Senator La Follette, he stated that he was a resident of New York City, and president and general supervisor of Pinkerton's National Detective Agency, Incorporated. As president, he received no salary. However, he owned 70% of the company's stock, the balance of 30% being held by two aunts, Mrs. Anna P. Gibb and Mrs. Mary P. Carlisle. Dividends were declared in 1935 in the amount of $185,000, and Robert Pinkerton's share was approximately $129,500. In the first half of 1936, a dividend of $33,000 was declared. In addition to dividends, Pinkerton made mention of a deferred liability of $367,000 on the company's books which was owed him. This deferred liability was set up in 1925, when a corporate form of organization was substituted for the original partnership. Originally, the liability had amounted to between $1,000,000 and $1,500,000.

Asher Rossetter revealed his position as being that of
vice-president and general manager of the firm. His service record with Pinkerton's extended over a period of forty-nine years, and included work in such capacities as office boy, operative, assistant superintendent, superintendent, division manager, assistant to the general manager, and finally general manager. Rossetter admitted to having no financial interest in the company. He was paid a salary of $10,000 per year in 1935, plus a bonus of $2,000.

When asked by Senator La Follette what the character and work of the Pinkerton Agency was, Robert Pinkerton replied as follows:

Mr. Pinkerton: Our incorporation calls for general detective business, agency, watch, and patrol. We do investigation, we conduct investigations of any legitimate type, any type within the law.

Senator La Follette: What do you mean by "legitimate type"?

Mr. Pinkerton: We assist police, sheriffs, law-enforcement bodies, we do investigating work for lawyers, insurance companies, people of that sort. The general type of investigation work. 1

Mr. Rossetter then stated that the entire organization employed about one thousand people, with main offices at 124 Nassau Street, New York City, and twenty-six or twenty-seven branch offices located throughout the country.

Mr. Pinkerton responded with a statement of gross income for 1934, 1935, and the first half of 1936. For 1934 he listed gross income as $2,100,000; for 1935, $2,300,000, and for the

first half of 1936, $1,037,351.32.

The work, according to Rossetter, was divided into "general" and "patrol". Patrol work included all functions in which the employee was in uniform, and general work comprised all functions where the employee worked in secret. The income from patrol services, according to records furnished by the company, amounted to between twenty and twenty-five percent of the annual gross income.

When discussing that phase of general work which could be termed labor espionage, Rossetter estimated that thirty percent of the company's income came from this source.

Senator La Follette presented in evidence journal sheets from the Pinkerton records which indicated that labor espionage work had been performed for such firms as Baldwin Locomotive and Bethlehem Steel. In an attempt to draw from Mr. Rossetter a description of the company's methods, the following testimony ensued:

Senator La Follette: In a case of that kind (labor espionage), suppose you found out for the client that the activities being carried on were of the nature you describe as being bona fide activities of labor organizers -- that is, organizers for bona fide labor organizations as you describe them -- would the Pinkerton Agency then drop the case, even though the client wanted information about the activities of one of these organizations or organizers connected with so-called bona fide labor groups?

Mr. Rossetter: We would drop the case if the client was satisfied

1. Ibid, p. 479
2. Ibid, pp. 483-84
the case was normal and he had nothing to worry about. He would then order us to discontinue, and we would drop the case. We do not undertake these assignments for any given time.

Senator La Follette: I got the impression from your previous statement that you only investigated for clients the activities of what you call radical or nonbona fide representatives of labor.

Mr. Rossetter: Yes.

Senator La Follette: Now, I ask you whether, if you had a client who, let us say, suspected that the organizers trying to organize his employees were radical; and you got an undercover man and found out, and the report you got into your office showed that these organizers were really the so-called bona fide organizers for labor organizations, you would drop the case then, even though the client wanted information concerning the activities of these people?

Mr. Rossetter: I do not think the client would want it to continue.

Senator La Follette: I did not ask you that. I asked whether it was the policy of your company to drop the investigation of activities or organizers of employees whenever you found the activities were being carried on by what you term "bona fide" organizers of labor?

Mr. Rossetter: I tried to explain to you our work ceases when the client sees these activities are all right. We never close a case until our client tells us to do it, and if the client is satisfied there is no danger at the time, and thinks the men are all right he might instruct us to quit. 1

Mr. Rossetter tried to maintain that Pinkerton's for the most part investigated only Communist activities in labor. This drew from Senator La Follette the following interrogation:

Senator La Follette: Will you name some of the unions you regard as being communist?

Mr. Rossetter: You mean the individual locals? I could not do that.

Senator La Follette: No; you have talked a great deal, now, about the distinction between the so-called Communist and radical labor organizers and labor unions, and those you describe as bona fide. Now tell me the names of some you had in mind when you used those terms.

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1. Ibid, p. 486
Mr. Rossetter: I don't believe I can give you the name of any particular communist labor organization. The only thing is we know of the Communists as Communists, as generally known by everyone, and they are members of various organizations.

Senator La Follette: You have been in this business a little over 49 years?

Mr. Rossetter: Yes

Senator La Follette: And you cannot name a single organization that you regard as communist, and yet you are trying to leave this committee with the impression, if I understand you, that you make that distinction, and that your company is doing largely that type of work.

Now, I ask you, Mr. Rossetter, to be frank with this committee.

The Senator introduced journal sheets covering activities for General Motors and its subsidiaries. Exhibit 315 concerned the Fisher Body Corporation, and was headed "Tool and Diemakers Picnic". This picnic apparently lasted from August 3, 1933 to November 30, 1933, and investigation costs were $1,300. When Rossetter could not explain, Mr. Shoemack, superintendent of the Detroit office, was called to the stand. Shoemack, pleading that his memory could not go back to 1933 in this case, was not able to clarify the matter.

With Rossetter again the object of questioning, La Follette introduced Exhibit 317, covering a partial list of industrial firms served by Pinkerton's. This list was as follows:

General Motors Corp., including the following subsidiaries:
- Fisher Body Division
- Chevrolet Motor Division
- Pontiac Motors

1. Ibid, p. 489
2. Ibid, p. 673
3. Ibid, p. 676
Cadillac Motor Co.,
Harrison Radiator Division
Bethlehem Steel Co.
Pennsylvania Railroad
Tennessee Public Service Co.
Barry Wright, Rome, Ga.
Guide Lamp Corp.
Harmony Bus Transportation Co.
Callaway Mills
RCA Manufacturing Co.
Detroit Sulphite Pulp and Paper Co.
American Sugar Refinery
Philadelphia Evening Bulletin
Curtis Publishing Co.
New York Ship Building Corp.
Baldwin Locomotive Works
Industrial Association of San Francisco
Bowman Dairy Co., Chicago
W.J. Holliday and Co., Chicago
Springer Mill Co., Seattle
Tacoma Smelter Co., Seattle
Washington Veneer Co., Seattle
Kansas City Southern Railway Co.
American Bakeries Co.
Savannah Electric Co.
Georgia Power Co.
Trion Company
Greenwood Cotton Mills
Tubize Chatillon Corp.
Tennessee Public Service Co.
Chicopee Mfg. Co. of Georgia
Exposition Cotton Mills
Gate City Cotton Mills
Newman Construction Co.
Southern Spring Bed Co.
Pelzer Mfg. Co.
American Bakeries Co.
West Point Mfg. Co.
Reynolds Bros. Lumber Co.
B.F. Goodrich Co.
Aiken Mills, Inc.
Davenport Hosiery Mills
Randall Bros., Inc.
Kansas City Southern Ry.
Alton Boxboard and Paper Co.
Bell Aircraft Corp.
F. Burkart Mfg. Co.
Carter Carburetor Corp.
Champion Coated Paper Co.
Commander Mills, Inc.
Consolidated Laundries, Inc.
DeLaval Steam Turbine Co.
Hooker Electric-Chemical Co.
Endicott-Johnson Corp.
Frankfort Distilleries
Fruehauf Trailer Co.
L.H. Gilmer Co.
Hughes Tool Co., Inc.
Inland Mfg. Co.
Kroger Grocery and Baking Co.
Montgomery Ward and Co.
Penn Fibreboard Corp.
Real Silk Hosiery Mills, Inc.
Reliance Mfg. Co., Chicago
Phelps Dodge Copper Corp.
Western Maryland Ry.
Textileather Corp.
Western Sugar Refinery
Mullins Mfg. Co., Salem, Ohio
Ft. Wayne Corrugated Paper Co.
John Watkins, P.O. Box 1091, Pittsburgh, Pa.
Barrett Co.
Budd Mfg. Co.
Campbell Soup Co.
Congoleum-Nairn, Inc.
Continental Oil Co.
Firestone Tire Co.
Freihofer Baking Co.
Gates Rubber Co.
Lehigh and New England R.R.
Libby-Owens Glass Co.
Lyon Co., Detroit, Mich.
Wm. L. McLean, Philadelphia, Pa.
Nevada Northern Ry.
Pennsylvania Power and Light Co.
No comment was made regarding the above list.

Mr. Rossetter continued by explaining Pinkerton's method of "canvassing" or acquiring new business. He stated twelve men in the organization did nothing else, and that every superintendent and assistant superintendent was also expected to do his share of canvassing. In this manner practically all firms who might desire detective service were contacted.

In industrial work, according to Rossetter, an informant would not be hired until the client had been secured. Then, he would be located through some source with which the Agency was
acquainted, or through interviews with likely prospects. When hired, the informant was given an arbitrary initial for purposes of identification. This arbitrary initial bore no relationship to the informant's own name. Prior to January 1, 1936, informants were listed on the company payroll, and were paid twice a month. After January 1, 1936, the men were classified as "correspondents" and were given the status of independent contractors. Rossetter insisted that the only reason the men were carried as independent contractors was that in this manner it was not necessary to report the men in accordance with the provisions of the Social Security Act. He felt that if the Agency reported its payroll the men would be exposed, and, since they were undercover men, some danger might accrue to the men if they were reported. In this connection the records of the company concerning the employment of the individual operatives were apparently restricted to such data as might appear on a small card index file. In all, about 250 to 300 men were hired in this capacity during the first half of 1936.

In passing, La Follette asked Rossetter if Pinkerton's did any work in Wisconsin. Rossetter said no, and through further questioning it developed that the Senator had introduced
a state law in Wisconsin to the effect that all secret operatives had to be registered. When this law was passed, Pinkerton's moved out of the state, closing an office it had established in Milwaukee.

Rossetter, in common with the rest of his organization to take the stand, admitted to knowing very little about the exact nature of Pinkerton's secret personnel. He did state that quite frequently the major portion of the informants hired were employed by the individual client in some capacity. He could give no further breakdown, stating that he did not know whether any white collar workers, or any unemployed men were used. He had no knowledge of any informants on relief rolls, of any avowed Socialist Party members, of any Communist Party members, or any members of the Progressive Party in Wisconsin. He was then asked whether or not information was purchased from union members, and he replied:

Mr. Rossetter: Not because they are union members. Some of our informants belong to the unions, if that answer will suffice. Senator La Follette: If the job for the client is to report on activities of organizations, is it not a fact that a member of a union will be a desirable informant from your point of view? Mr. Rossetter: Yes, if that is all he wanted, certainly. Senator La Follette: Do you know whether you have any officials of local unions among your informants? Mr. Rossetter: I have no personal knowledge of it, sir. Senator La Follette: Would your superintendents know? Mr. Rossetter: Well, if anybody would know they would be the ones that would know.
Senator La Follette: Who among them would know that are here?  
Mr. Rossetter: I suppose any of them could answer that question definitely one way or the other. I cannot.  
Senator La Follette: Mr. Shoemack? 1

Mr. Shoemack resumed the stand, and was questioned as follows:

Senator La Follette: Mr. Shoemack, have you any members of local unions among your informants in the Detroit area?  
Mr. Shoemack: I couldn't say myself; no....  
Senator La Follette: Have you got an assistant here?  
Mr. Shoemack: Yes, I have two.  
Senator La Follette: Have you got one that would know?  
Mr. Shoemack: Yes.  
Senator La Follette: What is his name?  
Mr. Shoemack: Mr. Mason. 2

Mr. Mason, an assistant superintendent, was sworn in.

Senator La Follette: Have you any informants who are members or officers of local unions in your territory?  
Mr. Mason: Not at present.  
Senator La Follette: Are you certain of that fact?  
Mr. Mason: I am certain of it at present, yes, sir.  
Senator La Follette: Did you have any before August 1 of this year?  
Mr. Mason: Yes, sir.  
Senator La Follette: Officers of unions?  
Mr. Mason: An officer of a local union.  
Senator La Follette: How many?  
Mr. Mason: One.  
Senator La Follette: And prior to that time have you had any others?  
Mr. Mason: Not to my knowledge.  
Senator La Follette: You may stand aside. Mr. Pugmire. 3

And Mr. Pugmire, another assistant superintendent, took the stand and testified that to his knowledge no officers of local unions had ever been Pinkerton informants. He was followed by Ray L. Burnside, who admitted to knowing of an

1. Ibid, p. 509  
2. Idem  
3. Ibid, p. 510
informant in Toledo who was also a union official. He refused, however, to divulge the identity of this man. Burnside stood aside and S.L. Stiles, division manager in Philadelphia, was questioned. This man confessed to knowing no informants with union connections. George G. Hunt, assistant superintendent in Philadelphia, offered similar testimony. Charles M. Reed, superintendent in Pittsburgh, was asked to search his memory, but he, too, could remember no union men.

Exhibit 330 was introduced. Containing an exchange of correspondence between Mr. S.L. Stiles and the New York office, this exhibit is presented below in part:

Balt. A-2164
Bartlett-Hayward Co.
Susp. radical activities

Asher Rossetter, New York Phila., April 1, 1936

1. Supt. Biggard telephoned me this morning that this client insisted that we purchase information from a member of Tmehy (the International Association of Machinists); that he had a prospective correspondent lined up. I instructed Supt. Biggard not to contract with this man for in my opinion it is at this particular time dangerous. Supt. Biggard said the client would not listen to buying information from a non-member; that he desired quick action. I instructed Supt. Biggard to again see the client and point out the dangers and recommend to him to let us handle it in our own way and we believe we can accomplish results. However, Supt. Biggard said the client's situation is critical and he insists on quick action. This probably means the loss of the business, but do you not think it is the correct stand to take?

1. Ibid, p. 682
Your letter April 1st
1. You have taken the correct stand, and in this
 connection Mr. Pinkerton has made the following
 notation:
 "Refuse it as gracefully as possible, but refuse
 it."

Testimony ensued as follows:

Senator La Follette: Do you know why Superintendent Stiles
thought, "it is at this time dangerous" to purchase in-
formation from a member of the International Association of
Machinists, Mr. Pinkerton?
Mr. Pinkerton: I don't know why he thought so.
Senator La Follette: Well, why didn't you think so?
Mr. Pinkerton: I simply didn't want it done.....
Senator La Follette: Mr. Stiles, will you please state why you
thought is dangerous at that time to buy from a member of the
International Association of Machinists -- buy information, I
mean?
Mr. Stiles: Well, I know it was against the policy of Mr. Pink-
erton to do so. Here was an old, valued client that we had
served for years, and he asked us to do something that was a
violation of Mr. Pinkerton's policy. And I presumed -- I can-
not honestly now state why -- it was because of this investigation. 1

Exhibit 331, which concerned the hearings of the National
Labor Relations Board at Detroit, brought out the fact that
Pinkerton's had employed a man named Martin as a secret oper-
ative in the plant of one of their clients, the Fruehauf Trail-
er Company. As a result of these hearings, a cease and desist
order was issued, which enjoined the client from "employing
detectives, or any other person, for the purpose of espionage

1. Ibid, p. 515
2. Ibid, p. 683
with the United Automobile Workers Federal Labor Union No. 19375."

The matter of furnishing armed guards for strikebreaking purposes came up for consideration, and Messrs. Pinkerton and Rossetter testified that since the time of the Homestead incident in 1892 the Agency had done no work of that nature. No satisfactory evidence was introduced by the Committee to refute this claim.

While these two gentlemen were on the stand, Senator La Follette developed some further definite information on the Agency's methods of handling their secret operatives. Their testimony revealed that reports from correspondents came to the Agency office by mail, going first to a post-office box in the city where the Agency office was located. Neither the names nor proper initials of the Agency or the operatives appeared on the reports. When gathered from the post-office box the reports went to the office, and there they were corrected for spelling, and immaterial matter removed. A typed copy was then sent to the client. The witnesses insisted that only one copy was typed, with no carbons, and that the original report of the operative was destroyed when the typed copy was released to the client. However, Rossetter admitted that this practice
had been in effect for only a year, and that prior to that copies of reports might be made up and held for about 30 days, and then destroyed. Both men reiterated the fact that the Agency did nothing to encourage their operatives to join unions.

Senator La Follette had Rossetter testify that Pinkerton's had received $167,586.60 from General Motors during the year 1935. General Motors had reported this amount to the Securities Exchange Commission under the heading, "plant protection". It was Rossetter's belief that included in this amount were charges for labor investigations as well as ordinary plant protection.

Rossetter offered the information that the only record of a specific investigation done for a client would be contained in a journal sheet, and that all other records were temporary and were destroyed in short order. All journal sheets that concerned labor investigations since the year 1933, he said, had been turned over to the Committee. La Follette made the observation that the Committee had received journal sheets bearing the dates August 12 and 13 to which correspondence was attached. August 12, incidentally, was the date of service of the Sub-Committee subpoena. However, no correspondence was
found in connection with earlier journal sheets, and nothing had been attached to sheets bearing dates subsequent to August 14. Rossetter replied that all correspondence prior to August 12 had been destroyed before service of the subpoena had been made, and that since August 14 the Agency had directed its operatives to make no further written reports. Rossetter did not know whether or not the Agency would ever go back to the practice of submitting written reports, since, as he put it, "Well, we haven't got anything in contemplation just at the time. We do not know what is going to happen."  

La Follette then trained his guns on Robert Pinkerton:

Senator La Follette: Do you take pride in the fact, Mr. Pinkerton, that your agency does not take any divorce matters?  
Mr. Pinkerton: I do not know that I would say that I take pride in it, Mr. Chairman, but we decided it was the type of work we do not wish to take.  
Senator La Follette: On the other hand, for the first 7 months of this year your company has spent something like $240,000 to purchase information from employees concerning the activities of their fellow workers, is that not correct?  
Mr. Pinkerton: If those are the figures, I expect it must be so. I do not know, sir.  
Senator La Follette: I would be interested to know why you take pride in the fact that your company does not do any work on marital infidelity or divorce matters but that you find it entirely within your code of ethics to pay men to spy and peach upon their fellow workers. I would like to have either or both of you inform me as to why that is.  
Mr. Pinkerton: I will undertake to answer that. The main reason that I can see is that I feel a man running a business must keep himself posted on how that business is being run. He wants to know if there are shortages, thefts, he wants to know any conditions that upset or disturb the smooth running of his
business.

Senator La Follette: I am not talking about thefts, I am not talking about efficiency work, I am not talking about finding out if there is sabotage. I am talking about this type of industrial espionage that you do. I do not see how, frankly, Mr. Pinkerton, I do not see how you can draw the line on taking cases which have to do with divorce matters and then be perfectly willing to have your company go out and pay what is practically bribe money to men, $242,253 of it in the first 7 months of this year, to spy upon their fellow workers, and to report what they are doing with regard to organization of their workers' union.

Mr. Pinkerton: Well, if you were running a business would you not want to know those facts?

Senator La Follette: No, sir; and I certainly would not want to obtain it by those methods.

Mr. Pinkerton: Well, you understand that we are not sending out men in there to form a union or to bust up a union.

Senator La Follette: What other effect do you think it can have except bust up a union if you hire and get an informant to tell upon his fellow men and to report to the management the names of the men that are interested in union activities? What other effect would that have and for what other purposes do you employ men except to prevent these men from forming independent labor unions?

Mr. Pinkerton: I do not think action is always taken to dismiss the men, or anything of that sort.

Senator La Follette: Well, it certainly was taken in the Fruehauf Trailer case, was it not?

Mr. Pinkerton: It would appear so from the newspaper reports. I cannot answer offhand on it. 1

Joseph Littlejohn, superintendent of the Atlanta office, reacted in typical Pinkertonian fashion during his time on the stand. At first he denied handling or canvassing for labor investigations. However, he reversed his field after the introduction of Exhibit 338, which described several of his canvassing trips. This man could not clarify in any way the company's definition of communism. Although he admittedly had

1. Ibid, pp. 533-34
2. Ibid, pp. 736-37
used the term, "communist activities", as a selling point during his canvassing calls, he was forced to state that he, personally, had never seen or heard of a bona fide Communist in the territory served by his office.

When Charles Reed, superintendent at Pittsburgh, again took the stand the Committee gained a point when they were able to secure his admission that one of his secret operatives was an active member of the Communist Party. This drew from Senator Thomas the following response:

Senator Thomas: Your man who is posing as a Communist and pays his dues to the Communist Party is not a Communist -- but he is deceiving his brothers, isn't he -- and he is getting a revenue through deceiving them, isn't he?

Mr. Reed: Yes, sir.

Senator Thomas: Is that not chiseling?

Mr. Reed: I would not term it that way in my way of looking at it. 1

A.L. Pugmire, assistant superintendent at Detroit, testified that he had about twenty secret informants under his supervision. Five of these were union members. All were employed by General Motors or a subsidiary.

Exhibit 335 presented the first actual report of an operative to be introduced in the Hearings. Signed by "A.J.", this report was read as follows:

Thursday, Aug. 13/36

Resumed at 3:30 P.M.

The employees of die room #39 are becoming

1. Ibid, p. 548
2. Ibid, p. 551
political minded. John Freeman, employee of die room #39, said the people should boycott the Hearst newspapers; everything that the President tries to do that would be beneficial to the poor man, Hearst knocks it. I have quit taking his paper. Newspapers won't elect a President. The people decide that.

There is no argument about our present administration. All you have to do is look at things the way they are today and look what they were four years ago.

...Harry Hice, also of die room #39, said he wished the company would give us some consideration in regard to alternating shifts. It is not fair to keep a man working nights all the time. The day men are no better than us. We want some time with our family, too. All that the night men can do is get out of bed and to work. You can't even take in a picture show.

Watchmen on door duty in plant 3 were on the alert asking to see badges of employees entering.

Work in die room #39 is progressing. The foremen and workmen are kept busy. Employees are checked each day by the check-up man. Discontinued at 1:00 A.M.

Throughout the investigation the Committee displayed great interest in the Pinkerton-General Motors relationship, and the following testimony threw additional light on their dealings:

Senator La Follette: You are not rendering any service for General Motors -- industrial service?
Mr. Pugmire: Oh, industrial we are carrying on.
Senator La Follette: Are you out of work now?
Mr. Pugmire: No, sir; no, sir. I am carrying on, but I am saying I am not relaying information.
Senator La Follette: What are you doing to earn the money they are paying you?
Mr. Pugmire: Well, what can I do if my client says to me,
"Pugmire, for the time being I don't want to hear from you?" Senator La Follette: Now, if it is a fact that all this work is on communism, why don't they want to hear from you now? Mr. Pugmire: They know the answer to that, sir; I don't. 1

When Pugmire was waved aside, the Committee turned to L.L. Letteer. This meant that the Pinkertons were being given time to lick their collective wounds, inasmuch as the Committee was to call for an adjournment after hearing this witness.

Letteer enjoyed the distinction of being the first witness not employed by the Agency to offer testimony, although it soon developed in preliminary cross examination conducted for the benefit of the record that Letteer had once worked for Pinkerton's, back in 1934. But Letteer was now in the employ of the Bureau of Internal Revenue, and the Senator from Wisconsin at last had an opportunity to question a man who felt no compulsion to fence with him, or fall victim to attacks of temporary amnesia.

The witness had a record of six years service as assistant superintendent in the Atlanta office. Calmly, he related that 60% of the work handled during his tenure had been industrial work, and that espionage was carried on in exactly the proportions that the Committee had suspected. The rest of his story contained nothing new; it was merely a sub-

1. Ibid, p. 556
stantiation of charges that already had been made by La Follette and Thomas. His testimony reads like a familiar play. The characters are well-known, and the action can be foretold. The secret operative appears. He enters the client's employ, and then ingratiates himself with the employees' union. As usual, he works diligently in behalf of unionism, and aspires to the position of financial secretary. All the while he mails his reports to a blind post office box, and those reports are edited, corrected and typed by the Agency office.

With this, Senator La Follette announced that the investigation of the Pinkerton Agency had been only preliminary. The Committee adjourned, subject to the call of the chairman, and the subpoenas which had thus far been issued were to be in effect until December 1, 1936.
Due to the pressure of other matters, the Committee did not recall the Pinkerton witnesses for over five months. It was February 8, 1937, before the Agency again became the target for Senatorial fire.

On this day Senator La Follette reopened the inquiry by requesting Samuel H. Brady to take the stand. Before Brady could respond, Mr. William D. Whitney, counsel for the Agency, made an address to the chair. He stated that he had conferred with his client, and that his client had informed him fully of the dangers inherent in the Committee's plan to force a disclosure of the names of secret operatives. He cited as an example the experience of Mr. Burnside, the Toledo superintendent, who when he returned home in September received a letter saying, "Scram, rat. Get out of Toledo and stay out." If such a thing could happen to a company executive who worked in the open, what, argued Mr. Whitney, would not happen to a secret operative who was regarded by labor, rightly or wrongly, as a spy? Whitney admitted that one witness was present who could furnish these names; that was Mr. Pinkerton. However, Mr. Pinkerton on the advice of counsel respectfully refused to
make any such disclosures. The Committee promised to take
the matter under advisement.

Brady, reading from prepared notes, indicated that he
was now employed as superintendent of the Cincinnati office.
His connection with the Agency dated from 1908. Glibly, he
related various pre-war assignments in industrial undercover
work for the Pennsylvania Railroad, the American Locomotive
Company, the Southern Railway, the Baltimore Drydock and Ship-
building Company, and the United States Shipping Board. On
each assignment Brady testified that his duties comprised plant
protection and policing, and that labor espionage had never
been a necessary part of his job. In holding down certain of
these positions, Brady had found it advisable to join the
International Association of Machinists; actually, he had en-
joyed three terms of membership, first in 1906, then 1910, and
then, later, in 1911. On the second occasion he said he
remained a member for only four months, and when he was elevated
to a position of "straw boss" it was thought best that he should
get out. On the third occasion, he dropped out when his Pink-
erston assignment was finished.

Senator La Follette made no earnest attempt at this time
to cross-examine the witness, but his forbearance to attack
immediately became understandable when the next witness, E.C. Davidson, began his testimony. Davidson introduced himself as secretary-treasurer of the International Association of Machinists, and mayor of Alexandria, Virginia. It developed that he knew Brady intimately. He first met the man in Richmond, in 1910, while he, Davidson, was the local business agent of the Association. At this time the Association was organizing employees of the local branch of the American Locomotive Works. Brady applied for membership, presenting a card from another lodge of the Association. Although it was commonly known that he had received employment through channels not generally followed by other employees, he was accepted for membership, and immediately he took an active part in the affairs of the lodge. By January, 1911, all committeemen and officers of the lodge (except Brady) had been given road jobs by the company, and kept away from Richmond. Also, the most ardent union men in the shop were made foremen, and thus required to resign from the Association.

The show-down occurred when Brady made a series of complaints to the grand lodge in Washington, which were climaxed by a composite photograph purporting to show Davidson in a Richmond saloon. When Brady was in Washington with a five man
committee which was demanding Davidson's removal, one member of the committee searched Brady while he was under the influence of liquor, made copies of reports he had made up for the Pinkerton Agency, and then replaced the originals in his pockets. Upon his return to Richmond, Brady was placed on an organizing committee. The lodge drew up applications which supposedly came from men who were not members, and allowed these applications to pass through Brady's hands. It was noted that all the men whose names were on these applications were discharged. In May of 1911 the lodge decided to expose Brady in a specially arranged mass meeting. However, someone evidently informed him of their intent, and he disappeared.

In the summer of 1913, Davidson was in Atlanta and much to his surprise he encountered Brady, who was very active in local lodge number 1. They met in the office of the Atlanta business agent, and Brady simply made the statement, "I guess it is all up now."

In February, 1915, Davidson visited Baltimore, and uncovered Brady as vice-president of lodge number 186. This time, Brady was officially expelled for conduct unbecoming a member.

At the Democratic Convention in New York, in 1924, Brady
and Davidson again came together. But let Mr. Davidson tell about it himself:

Mr. Davidson: Mr. Brady met me there and he admitted his past connections with the Pinkerton Agency in prior years, and stated that the Pinkerton Agency was no longer engaged in industrial undercover work, that their work was now catching criminals and that he was superintendent of the New York office at that time, and in a bantering sort of way I asked him the question as to who it was that had blackjacked me in the city of Richmond when we had our turmoil. He said he would very probably tell me if I would tell him how I found out that he was a Pinkerton detective. I have never, until this moment, divulged how I found out about his connections with the Pinkerton Agency. So possibly Mr. Brady can tell me who did the blackjacking down at Richmond.

We carried on the conversation along that line and finally Mr. Brady said, "Now, I want to show you that I am absolutely all right." I said, "Sam, who is it that is working this undercover work?" He said, "In the New York area it is the Burns agency." He said, "I will get you a list of the operatives. Just don't say anything about it." He said, "I do not believe in that kind of espionage work."

Well, I left New York and never got that list in New York, but about two weeks after I returned to Washington a list came into my office headed "Burns Undercover Operatives in the New York area." I did not know where it came from.

Senator La Follette: What did you do with that list, if anything? Mr. Davidson: After checking over the list we found a number of names on the list who were men that we knew, who were above suspicion, who had no connection with the Burns Agency or anybody else's agency. We checked up on those men, giving them an opportunity to explain themselves, which they did. Some of the group were members in local lodges in New York, and in some instances they were operatives and disappeared. That was particularly true in Lodge 434 in New York. When the list was read there, there were several hasty exits from the meeting.

We could not use that list because we were fearful of involving innocent men, men who were active in the organization and had no connection with this at all, so we did not attach a great deal of importance to that list. 1

1. U.S. Congress, Senate, Hearings before a sub-Committee on Education and Labor, (75th Cong., 1st Session, part 5)
In May or June of 1936 Brady came to Alexandria and called on Mayor Davidson. Brady was, ostensibly, merely renewing his long acquaintance, and he insisted that he had no ulterior purposes in mind. During the interview he casually asked Davidson if he knew anything about the Senate investigation of detective agencies, and if he happened to know Senator La Follette. Davidson said yes, he knew several senators. Brady said, "I have got a suggestion that I think is worthy of consideration. That is, that this committee employ the Pinkerton Agency to uncover and turn up all of the activities of these other agencies." It was Davidson's opinion that the detective was genuinely sincere in his belief that the Pinkerton Agency could render a real service to the sub-committee.

It was inevitable that Brady should be called back for further grilling. Naturally, the Committee was deeply interested in his proposal that they employ the Pinkerton Agency. He denied ever mentioning such a thing to Davidson, or to anyone. When asked what he and Davidson talked about he said that his visit had been merely a social one and that they had confined themselves to talking over old times. Further questioning brought to light the fact that he had made a special trip from

1. Ibid, p. 1461
Cincinnati just for the purpose of having this interview.

When asked who paid for the trip Brady said General Motors.

He justified the excursion in the following manner:

Mr. Brady: Well, I might explain that in this way, Senator, if I can: I was engaged at intervals for General Motors on this public opinion, getting hearsay information and data, and so on -- and we can get it; we can buy it from informants and correspondents -- and I had in mind that perhaps in meeting Mr. Davidson -- I knew he was well informed, well entrenched -- he might say something, but I did not develop any information of any consequence from Mr. Davidson. 1

When pressed for a more logical explanation Brady admitted that he thought he might get some information about the C.I.O. Yet, he denied that the fact that John L. Lewis lived in Alexandria had anything to do with his decision to visit his old friend.

Brady was forced to admit he lied when he told Davidson in 1924 that Pinkerton's had given up labor espionage. He also admitted he lied when misrepresenting his connections to certain operatives he had hired.

An interesting bit of testimony was heard at this juncture:

Senator La Follette: You lied to them, too?
Mr. Brady: That is right; that is correct.
Senator La Follette: It seems to be a part of your business.
Mr. Brady: Well, we call that pretext, Senator -- that is a little milder. (Laughter) 2

Brady's connections with the Brotherhood of Railway

1. Ibid, p. 1465
2. Ibid, p. 1473
Clerks came up for consideration. In his own testimony, Brady stated he investigated this union for the Pennsylvania Railroad during 1930 and 1931. He said his work for the most part revolved about the investigation of thefts and irregularities. He reported on union organization activities only once -- in 1930. Emphatically, he denied doing any further spy work in connection with this union.

Unknown to Brady, the Committee had another witness who stood ready to attack the veracity of his testimony. They introduced Phil E. Ziegler, secretary-treasurer of the Brotherhood of Railway Clerks. Ziegler related the experience of William Jones, night watchman of the Cincinnati building owned by the Brotherhood, who was approached by a man who called himself Bradley with the request that he make out daily reports of his observations. In order to make sure that Jones would write proper reports, "Bradley" at first sent samples to which Jones subscribed his number, 260, and then returned.

Although "Bradley" introduced himself as the representative of an organization of philanthropists and public spirited men who were interested in collecting data about wages and industrial conditions throughout the country, Jones immediately suspected that he was dealing with a detective, and went to
Ziegler for advice. Ziegler advised him to continue his dealings with "Bradley". As a result, the Brotherhood secured photostatic copies of the sample reports, and, later, they assisted in the preparation of the reports Jones was to write personally.

With such strict censorship in operation, it was natural that Jones' reports did not contain sufficient "meat" to justify the expense involved. Consequently, after repeated warnings and suggestions, "Bradley", or, rather, Brady, was forced to send the following letter to Mr. Jones by way of discontinuing his services:

October 22, 1930

Broadminded and fair as you are, I am sure that you will agree that I fulfilled my "contract" with you and assisted you in every way to prolong the work in question because it was a pleasure to be associated with you, and only for the lack of information and reducing expenses, did matters come to an end which was to be expected.

In due time there will be a "Turning Point" when things may cut loose. Thus, perhaps, we can re-affiliate; in any event you will be given the preference. 1

Since Jones had failed him, Brady turned to John Brullard, general chairman of the freight handlers employed by the Southern Railway at Cincinnati. Again, the Brotherhood was informed, and again copies and photostats of all reports were made. In like manner, Brady discontinued this man's services

1. Ibid, p. 1480
when it became apparent that he was not getting his money's worth.

Ziegler had occasion to meet Brady in 1935, when his bank called and informed him that a man answering to Brady's description was seeking credit information concerning one of the union's subordinate units. The union man rushed down to the bank, intent on giving Brady a piece of his mind. However, Brady protested his innocence, and a few days later called upon Ziegler at his office. The detective introduced the same arguments that he had unsuccessfully used in his interview with Davidson. He acquainted Ziegler with the fact that he was once a member of a machinist's union. He stated that Davidson, the general secretary-treasurer, was a personal friend. Furthermore, he avowed that he had been a life-long friend of labor. With much force he denied the charge that Pinkerton's were involved in labor espionage.

With Brady back on the stand, Senator Thomas recounted the charges made by Ziegler. Somewhat chastened, the Cincinnati superintendent admitted his dealings with Jones and Brullard. Once having gained this point the Committee lost no time in getting from Brady what information they could regarding the Pinkerton tie-up with General Motors. They
developed the information that the Cincinnati office had done work for the executive offices of General Motors, as well as for the Fisher Body plant in Norwood, Ohio. They also secured Brady's admission that he knew and had employed Fred Weber, whom the Committee had not yet called upon for testimony.

The Committee was by no means finished with Brady and his office. Philip G. Phillips, one of its authorized investigators, related his experiences in subpoenaing the records at Cincinnati. He first attempted to investigate on October 24, 1936, and was kept waiting in the outer office for a long time before finally being told by an assistant superintendent that Mr. Brady was not in and no one was permitted to talk with him. He came back on the 26th, and again had to wait until a Mr. Harding, a representative of the Pinkerton law firm, appeared. When Harding appeared he told Phillips that he would not be interested in any way in the doing of the Cincinnati office, since no labor work was being handled. Harding attempted to pawn off on Phillips a great deal of criminal investigation, insisting that that was the only type of material they had in their files. Brady then stated that labor work, if it was being done at all, was being handled by
means of oral reports only. Upon further questioning Brady said he was submitting oral reports to the Fox Paper Company, Lockland, Ohio, the Champion Paper Company, Hamilton, Ohio, the Inland Manufacturing Company, Dayton, Ohio, the Wagner Manufacturing Company, Sidney, Ohio, and the Fisher Body Company of Norwood.

Then Mr. Harding said that they had talked too much already, and that they were not supposed to answer any oral questions. Later, they refused to tell Mr. Phillips how they conducted their office. The investigator was bogged at every turn, and by reason of their unwillingness to cooperate he was unable to secure any records of industrial work. As a fitting climax to his investigation, Mr. Harding presented him with a receipt to sign which said in effect, "We thank you for your cooperation in conducting this investigation." Phillips refused to sign, and, in turn, he was refused permission to bring in a stenographer to make a transcript of what was actually transpiring.

Phillips continued his investigation of operative Fred Weber, gathering evidence that definitely placed this man in the employ of the Agency. Then, a week before the time of the hearing, Brady called him on the phone and mentioned that Weber had misrepresented himself and that he at no time had been a secret

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1. Ibid, p. 1502
operative. Also, Brady tried to enlist Phillips' aid in making it unnecessary for him to come to Washington, stating that since there was a flood at that time in Cincinnati it was his duty to protect the citizens from the brutal wolves that might be running around.

Brady was then cross-examined as follows:

Senator Thomas: Mr. Brady, you heard the testimony that was just given?
Mr. Brady: Yes, sir.
Senator Thomas: I am interested, Mr. Brady, in the statements that were made, that you were reported to have said that the office did no labor-espionage work. Is that statement correct?
Mr. Brady: Yes, sir.
Senator Thomas: You told him that.
Mr. Brady: Yes, sir; I told Mr. Phillips that.
Senator Thomas: Then you lied to Mr. Phillips in just the same way as you did in regard to the case yesterday?
Mr. Brady: Yes, sir; that is right.
Senator Thomas: You were lying?
Mr. Brady: Yes, sir.
Senator Thomas: That is all, Mr. Brady. 1

One of Pinkerton's former operatives, William D. Martin, was given an opportunity to testify. Martin had severed his connections with the Pittsburgh branch on October 11, 1935, and since that time he had been unable to find other employment. This man related a variety of work experiences which dated from the time of his acceptance of the Agency's offer of employment in 1928. Incidentally, his original employment resulted from his having heeded that ancient stratagem of the detective

1. Ibid, p. 1506
agencies, the "blind" newspaper want ad. The ad read, "clerk, with clerical experience," and when Martin was hired he was not told what his exact duties were to be. At first, he checked railroad and streetcar conductors on fares. His first industrial assignment occurred in 1930, when he was sent to Columbus, Ohio. The specific task was to "shadow" one George Bowen, an organizer for the International Association of Machinists. During this assignment Martin wrote reports which he sent to Mr. Brady in Cincinnati, and subscribed on them his number, which at the time was "153". The next industrial job he recalled was with the Federal Stamping and Enameling Company, located in Pittsburgh. In this instance Martin secured employment in the company's plant, since it was intended that he should leave with the rest of the employees at the time of the impending strike. However, the smell of enamel made the operative sick, and he was forced to leave before the strike occurred.

The next job took him to Toledo, where the Chevrolet Motor Company was out on strike. Again, Martin was detailed to follow an organizer -- this time a Mr. James Roland, of the United Automobile Workers. After shadowing Roland for about a week, he was assigned the job of shadowing Mr. McGrady, the labor conciliator appointed by the Federal Government. Martin
was one of a group who engaged a room in the Secor Hotel, directly adjacent to the suite occupied by McGrady. Martin put his ear to the wall in order to catch the conversation in the other room, but he heard nothing understandable.

After Toledo came an assignment in Fisher Body Plant No. 2, in Flint, Michigan. This plant was not out on strike, and Martin worked for about two weeks without learning anything from the company's employees.

His next, and last, undercover industrial job was in Pittsburgh, where the Harmony Bus Line had hired the Agency to investigate an organizing attempt. He was detailed to ride with a certain bus driver named McDonald, whose route took him from Pittsburgh on a forty-minute ride out to Allison Park. Martin carried a brief case and posed as an insurance man who was going out to Allison Park to deliver a check to a claimant. Whereas other operatives had failed, Martin was able to engage the bus driver in conversation, getting some information from him as to the union's aims and organizing activities.

When Martin came back to the office the superintendent told him that the next day he was to go out to the Pitt Stadium, where Carnegie Tech and West Virginia were playing football. During the game he was to wear a uniform with "Pink-
erton" written on it.

The thought of this assignment caused something in Martin to rebel. It seemed that the bus driver had told him that he was going to attend the game, since one of his relatives was playing on the West Virginia team. Rather than risk meeting the man at the Stadium, Martin refused to put on the uniform. As a result he received an immediate lay-off of one week. By the time he returned the New York office had instructed his superintendent to make the lay-off permanent. That was the end of Martin's career with Pinkerton's.

Martin's admission that he had shadowed Mr. McGrady, who at that time was Assistant Secretary of Labor, caused Senator Thomas to recall Mr. Burnside to the stand. He quizzed him as follows:

Senator Thomas: What do you think about the detail, in the light of experience? Do you think it is a mistake to shadow a Government man?
Mr. Burnside: I do not know why, frankly, you would make a distinction between Government men and any other person. In a case like that, if his activities were beyond reproach, there would not be any harm.
Senator Thomas: What if they were not?
Mr. Burnside: Why should he be immune from people knowing it, any more than anyone else?.....
Senator Thomas: But do you think the shadowing of a Government man is perfectly ethical?
Mr. Burnside: If it is for a legitimate purpose; yes, sir. 1

Senator Thomas was sufficiently interested to call back

1. Ibid, pp. 1522-23
Mr. Pinkerton in order to secure his opinion on the McGrady case:

Senator Thomas: You think in the particular case in regard to Mr. McGrady, that it was good detective ethics to put Mr. Martin and his associates in a room next door?
Mr. Pinkerton: No; I think probably if the operation had been submitted to me I would have turned it down. I am not sure, I could not say, because it was not submitted to me. I just cannot answer that question as to what it would be when it was taken up. 1

In regard to Mr. Phillips' experience in trying to subpoena the records at Cincinnati, Mr. Pinkerton said the following:

Mr. Pinkerton: I cannot tell, sir. I was not there. I do not know how it came about, how the conversation ran.
I will say this, that our men were instructed, on the advice of our attorneys, not to answer questions in regard to the work except here before the public hearing. They were instructed to turn over to the committee documents covered by the subpoena. 2

After a noon recess Senator Thomas posed before Mr. Pinkerton and Mr. Burnside the question as to whether spying on a Government official, as had happened in the McGrady case, was not actually nullifying the conciliatory efforts of the Government. He finally phrased the question in this manner:

Senator Thomas: Let us get away from strikes and go back to ancient times when they used to besiege cities, and the besiegers were fighting to get through the lines and they were getting weak themselves, and all of a sudden a spy tells them there is just enough food on the inside to last another day -- is that information valuable to the besiegers?
Mr. Pinkerton: It surely is.
Senator Thomas: I think it is. It might even cause the General Motors to get the idea of breaking off peace negotiations and going out to smash the union, because it was weakening. Might it not even go that far, to smash the strikers, not necessarily

1. Ibid, p. 1524
2. Ibid, pp. 1524-25
the union?
Mr. Pinkerton: I could not say it would.
Mr. Burnside: I would have to consider what is obtained. 1

And later:

Senator Thomas: Is it possible that you are spying for the General Motors right now in Detroit and furnish the same means for breaking down the conferences which President Roosevelt is trying to support?
Mr. Burnside: I do not believe we are doing any general work for the General Motors in Detroit, or any place.
Mr. Pinkerton: I can give you a very definite answer on that point. The answer is "no". 2

Lyle Letteer, whose father testified on September 25, told of his experiences as a former Pinkerton operative. It appeared that in April, 1934, Pinkerton's were anxious to place men in the Chevrolet plant in Atlanta, but were unable to do so because of the fact that the company at that time was laying off men rather than hiring them. Letteer, who was already working for Chevrolet, was hired for four dollars a day and expenses. He testified that the main thing Pinkerton's wanted to find in his reports was data concerning the financial condition of the labor union, which in this case was an A. F. of L. union, the number of members who were paid up, the number in good standing, and the approximate percentage of the members who were working in the plant.

It is here that we have the first instance where the Agency admittedly has made an effort to dramatize its reports

1. Ibid, p. 1529
2. Ibid, p. 1531
in order to prolong its contract with the client. Speaking of
an interview that he had with the Atlanta superintendent, Mr.
Littlejohn, Leteer said:

Mr. Leteer: He made the suggestion that on Sundays I visit
the different men that were union leaders in that area and get
their viewpoint and as much as possible of what their intentions
were in the future.
Senator La Follette: Did Mr. Littlejohn tell you why to make
your reports meatier?
Mr. Leteer: He said he wanted to pull the investigation along.
Senator La Follette: Wanted to what?
Mr. Leteer: Prolong the investigation.
Senator La Follette: How did he say it would prolong it if you
made your reports longer and meatier?
Mr. Leteer: He said if I made the reports longer and put more
meat into them, that the Detroit office would carry them along
quite a while longer than they ordinarily would run. 1

Letteer admitted that Littlejohn had expressly instructed
him to do everything in his power to join the union that was
being formed. When he finally was inducted into the union,
the Agency advanced him whatever dues and assessments he was
called upon to pay.

During the summer of 1934 the operative had charge of the
union office while the officers went to a meeting in Detroit.
He took advantage of his custodianship of the records to the
extent of taking whatever material Mr. Littlejohn called for to
the Agency office to be copied.

After a time, Leteer became a target for violence and
suspicion. Another secret operative, William Bannister by

1. Ibid, p. 1535
name, exposed him in order to save himself. Then, once or twice while driving Letteer nearly had his car forced off the road. On another occasion, a bullet struck a window jamb about fourteen inches from his head. However, he was laid off from the plant with a cry of discrimination against him, and when the union proposed to make a test case of his discharge, suspicion of his activities were abated.

For reasons not made clear in the testimony the union did not follow through in their attempt to reinstate Letteer. In order to justify his continued association with the union the operative bought a small truck, and was permitted to announce at the conclusion of various union meetings that he stood ready to serve any members who were planning to move. In this manner he continued his contacts with the union until August of 1935, when Pinkerton's decided to discontinue his services.

Letteer announced that the Agency had set up a special office in Detroit to take care of work being done for General Motors, with a Mr. McMullin in charge. He stated that at one time McMullin personally talked to him in Atlanta, and gave him numerous detailed instructions regarding investigation of the financial status of the union.

The witness made mention of a particularly vicious type
of editing that took place when his reports were turned into the Atlanta office. It seemed that Mr. Littlejohn had an altercation at one time with the personnel director of the Atlanta Chevrolet plant, a Mr. Galliher. Littlejohn had apparently been ushered out of the plant a few times, and because of this he colored whatever reports Letteer might turn in which mentioned the personnel director to such an extent that they would not even remotely resemble the original.

Letteer's work was of obvious benefit to the plant management. As soon as the union voted to go out on strike he reported the fact to his employers. The plant took effective retaliatory action by turning the strike into a lockout. In other words, two or three days before the strike was to take place all the employees were laid off for an indefinite period. In this manner the workmen were placed on the defensive, and the strike was averted.

Senator La Follette next called for "Otto Landean" to take the stand. In answer to this summons a man who introduced himself as John Aittama came forward. Aittama testified that he was a bookkeeper for Pinkerton's in their Chicago office, and that on one occasion he had used the name of Otto Landean. This was the occasion of his renting post office box
80

863 in Chicago. As to what was received in the box, the witness could give no information. He had merely rented the box for his employers.

La Follette's purpose in calling "Otto Landean" became apparent when he read a deposition taken from a Harold D. Lewis, an employee of the Janesville, Wisconsin plant of the Chevrolet Motor Company. In the deposition Lewis mentioned that on or about the fourth of February, 1936, a man introducing himself as A.W. Parkhurst came to his home and asked to see him privately. In the conversation that ensued Parkhurst employed the familiar technique of "hooking" Mr. Lewis. In other words, he sent out several conversational feelers to determine how Lewis liked his work at the Chevrolet plant, how much he was earning, whether or not he was satisfied with his wages, and what he thought about the possibility of making a little extra money. Parkhurst explained that all Lewis would have to do in order to increase his income would be to indulge in a small amount of correspondence. Lewis did not warm up to the idea, and Parkhurst, hoping to win him over, took a twenty-dollar bill from his purse and laid it on the table.

A few days later Lewis received a special delivery
letter from Parkhurst, in which the hooked man was directed to send his reports to Otto Landean, Post Office Box 863, Chicago. From time to time Parkhurst dropped in on Lewis and gave him advice as to how his reports should be written. On one occasion he told Lewis to take the attitude that his father owned the plant, and that he was taking an interest in what was going on in an effort to better conditions.

In April, 1936, Lewis finally realized that he was doing spy work. He told Parkhurst that he was going to cease all correspondence. As a result a man purporting to be Otto Landean contacted him in a further attempt to have him continue his services. Lewis, however, remained convinced that he wanted no further participation in this type of work.

Ralph Dudley, vice-president of Pinkerton's, was asked to give an opinion as the ethics of this incident, in view of the fact that Wisconsin had a statute requiring registration of all secret operatives. He summed up his opinion as follows:

Mr. Dudley: I think that a Pinkerton representative would have made more certain that the man that he discussed the purchase of information from was a more dependable man than this affidavit indicates this man to be. 1

In effect, Dudley condoned the practice of securing information in this manner in Wisconsin, and his chief criticism
was that his employee was not sufficiently astute to pick a man who could be relied upon to keep his mouth shut.

When Rossetter appeared on the stand, La Follette reminded him of his previous testimony in which he stated that Pinkerton's no longer were doing any work in Wisconsin. He replied that at the time of his testimony he meant merely that the organization had no physical office in the state. By way of further explanation he must now admit that the Agency still had a license to do business in Wisconsin, and that one registered operative who worked out of the Chicago office was living in Milwaukee.

Still bent upon exposing activities in Wisconsin, Senator La Follette called upon J.O. Camden, division manager in Chicago. This man stated that since January 1, 1936, from five to nine secret operatives had been employed in the state. With regard to the Chevrolet plant at Janesville, Camden said that only one man had been employed there since that date.

"A.W. Parkhurst" was identified by Camden as G.C. Packard, the man who preceded him as division manager, and who was now in business for himself. The date of Packard's resignation was given as April 1, 1936. He testified that Packard's contacts with the Janesville Chevrolet plant had come to a close
in the fall of 1935, when the Agency's services were temporarily discontinued. When the Agency was again engaged, in February of 1936, supervision of activities was centered in the special office that had been set up in Detroit.

Camden admitted to having business dealings with a Mr. Fitzpatrick, the plant manager at Janesville. Reluctantly, he confessed that the nature of the work performed had been for the most part labor espionage.

The scene again shifted to Asher Rossetter and Robert Pinkerton. Painstakingly, Senator La Follette made inquiry as to whether or not the Pinkerton management had given orders to the various superintendents to stop written reports on labor activities after the issuance of the Committee's subpoena. After considerable fencing, Rossetter admitted that he had telephoned the various superintendents, and instructed them to cease all written reports.

Having secured this admission Senator La Follette introduced Exhibit 577, which was a deposition taken from Edward V. Burnett, a secret operative employed by the San Francisco branch. In this deposition Burnett made mention of submitting written reports during the period August 7 to November 13, 1936. After acquainting Rossetter with the fact that these reports

1. Ibid, pp. 1791-1805
were for the most part written after the service of the subpoena, the Senator asked for an explanation as to why copies had not been furnished the committee. Rossetter countered with the argument that he had instructed his subordinates to cooperate with the Committee, and that if in this case the San Francisco office had not cooperated, then it was directly the fault and responsibility of the man in charge of that office.

Exhibit 578 concerned a similar occurrence in the Seattle office. In this instance written reports were sent to the Continental Can Company, the last written report being sent sometime between December 1 and December 14, 1936.

Senator La Follette then questioned Mr. Rossetter as follows:

Senator La Follette: Mr. Rossetter, can you explain why your copies of reports submitted to the Continental Can Co., Inc., subsequent to August 14, 1936, were not submitted by the Agency to this committee?

Mr. Rossetter: No, sir; I cannot. I can only say they should have been.

Senator La Follette: Do you know, Mr. Rossetter, whether subsequent to the service of the subpoena the agency has adopted the practice of instructing operatives to mail their reports directly to the clients so they would not clear through any Pinkerton office?

Mr. Rossetter: I have no personal knowledge of that, sir.

Senator La Follette: Do you know, as a matter of fact, whether it is a fact or not?

Mr. Rossetter: It would seem to be so.

The Senator read part of Exhibit 579, which was an affidavit taken from A.E. Bancroft, president of the Bancroft

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1. Ibid, pp. 1806-07
2. Ibid, pp. 1578-79
3. Ibid, pp. 1807-08
Walker Company, of Waltham, Mass. Referring to Pinkerton's services, Mr. Walker said:

"This service was engaged from about the middle of 1933 until November, 1936, and from September, 1933 up to date Pinkerton's were paid approximately $440,00. I have no records available prior to that time. As far as I know only one operative was employed. At first I received written reports once a week, but later changed to twice a month as I did not find them of any particular value. The last report I received from Pinkerton was a hand-written report from the operative around the first of December, 1936. This report and all others received by me from Pinkerton have been destroyed. Prior to December, 1936, when this last report was received, I obtained written reports twice a month through the year 1936 from Pinkerton's.

When Rossetter was asked for an explanation, he could give no satisfactory answer. The Senator asked him if he thought this case was a fair sample of the cooperation which the Agency had given the Committee and Rossetter answered no, he believed the management had endeavored to cooperate in every respect.

Mr. Dudley was invited to join Mr. Pinkerton and Mr. Rossetter on the stand, and an exhibit was entered in evidence which comprised a transcript of a radio broadcast made on January 10, 1937 over a national network. The sponsor of this broadcast was Realsilk Hosiery. The script related an interview between Edwin C. Hill and one X-333, who was supposed
to be a Pinkerton operative. Reading from part of the script, the Senator quoted Mr. Hill asking X-333 if at any time the Agency took divorce matters, and the response was in the negative. The stand which the Agency supposedly took regarding divorce matters was further substantiated when the Pinkerton Order Book, which was introduced as an exhibit, was opened and a definite statement read in which the management announced that it would reject all work having to do with divorce and marital relations.

Naturally, there was method to the introduction of this evidence. Exhibit 582, a deposition taken from Louis Carr, a former operative connected with the Baltimore office, was produced and mention was made of Pinkerton's having done divorce work. When presented with this exhibit, Mr. Pinkerton admitted that from time to time certain exceptions had been made.

Again quoting from the order book, the Senator read the following:

"It (i.e., Pinkerton's) does not furnish guards, watchmen, or strikebreakers in labor disputes, referring clients in such matters to the regularly constituted authorities." 2

In this connection it happened that discussion of strikes brought up the Homestead incident. In commenting on the Home-

1. Ibid, pp. 1818-2
2. Ibid, p. 1584
stead trouble Mr. Rossetter drew a laugh from the audience when he said that "maybe two or three" people had been killed at that time. Further comment revealed that in 1893, as a direct result of the Homestead incident, Congress had passed a law in which it specifically stated that no employee of Pinkerton's Detective Agency, or any similar agency, should ever be employed by the Federal government. It was then noted that the Agency circumvented this law by rendering bills to the government on plain paper, and accepting payment by means of a government check drawn in favor of some individual employee in the organization. This matter was dropped without comment.

1

Exhibit 585-B, a letter released from the New York office to all branches, contained Pinkerton's interpretation of the Wagner Labor Relations Act:

July 9, 1935

STRICTLY CONFIDENTIAL

"The National Labor Relations Act (Wagner Bill) depends for its supposed constitutional sanction upon the power of Congress to regulate inter-state commerce. Manufacturing is not interstate commerce, though the products of manufacture are sold in interstate commerce. Congress has no power to regulate conditions of employment of persons engaged in manufacturing or in any purely inter-

1. Ibid, p. 1595
state activities. The test is not whether the employer is engaged in interstate commerce, but whether the employer is engaged in interstate commerce by which is meant the actual transportation of goods in interstate commerce. For example, a railroad trainman on an interstate train, or a truck driver moving goods from one state to another, would be engaged in interstate commerce, and I can imagine that as to such employees certain of the provisions of the Wagner Bill might be held constitutional. But employees engaged in manufacture, and employees engaged in the sale of a manufactured product, even though the product is shipped in interstate commerce, are not themselves engaged in interstate commerce, and Congress has no power to regulate the conditions of their employment.

Section 3 prohibits discrimination against union labor, and section 9 attempts to give legal sanction to the so-called "majority rule" enunciated by the National Labor Relations Board in the Houde case. I am of the opinion that these particular sections are unconstitutional for the reasons already stated, and for the further reason that they interfere with the freedom of contract which is guaranteed by the Fifth Amendment.

Asher Rossetter, N.Y.

In view of the fact that the Pinkertons had already testified that they were not interested in the activities of "bona fide labor unions", Senator La Follette wanted to know why the Agency had gone to the trouble of seeking an opinion as to the constitutionality of this act. Mr. Dudley explained that Pinkerton's employed a large number of men, and that he thought all large employers should inform themselves of such legislation. He further mentioned, strange as it may seem, that
at one time in San Pedro, California, an attempt had been made to organize a number of watchmen employed by the Agency.

The scene shifted to the Agency's activities in behalf of General Motors. Mr. Dudley was asked to explain the circumstances surrounding the establishment of a special office in Detroit for the purpose of servicing General Motors. Displaying astonishing effusiveness for a Pinkerton employee, he said:

Mr. Dudley: In the latter part of 1933, or the forepart of 1934, our Detroit superintendent had a conversation with one of the General Motors attorneys in Detroit -- Senator La Follette: (interrupting) Who was it?
Mr. Dudley: Attorney McAvoy. He is the man to whom we reported on our patent infringement work and claim liability cases. At that time Mr. McAvoy informed our Detroit superintendent that he understood the head of the public relations bureau was considering some means to more comprehensively inform himself of the probable changes in public opinion affecting the company's interests throughout the country, and also the attitude of the workers in all fields with respect to the various types, the various forms of industrial relationships coming into vogue. He felt that that was necessary in order to sufficiently inform himself for his position in the General Motors Corporation. He wanted to receive clippings from newspapers, editorials, magazines, pamphlets, and leaflets, and material of that sort as it appeared at any point where the company had interests. Its own interests as well as its manufacturing plants, its distributing plants, even its factory branches and distributing agencies, and also the points where important suppliers were located. Anything that would interrupt a continuous flow of supplies into the manufacturing units, naturally, would be of concern to them. This information he desired to receive with the utmost promptness.

On one of my visits to Detroit, I arranged a meeting with the head of the publicity department, and he repeated to me --
Senator La Follette: (interrupting) Who is he?
Mr. Dudley: His name is Mr. Hale. He repeated to me his wishes along the same lines, describing what he desired us to do, and he wished to be relieved of all of the details and the necessity for creating an organization of his own to handle this. He wanted this information to come into Detroit, to be submitted to him here.

Our Detroit office was not equipped in office space or personnel to undertake this additional detail work; and I informed him that we could do it, utilizing our offices all over the country to collect this published data, speeches of prominent persons, prominent in civic, industrial and labor fields, with respect to the matters that the company was interested in -- that we would assemble that, send it in to Detroit, and submit it to him.

The matter of costs had to be considered; and after we had considered our expense and all costs in arranging this facility, we informed Mr. Hale of them, and he directed that we go ahead on a temporary basis and arrange to bring in the material to him. That we did. We had to increase our floor space in Detroit. We took one additional office on a month-to-month lease, because we did not know whether or not Mr. Hale would wish to continue it after a matter of a few months. We assigned a man to give his entire attention to receiving this material from our various offices and delivering it to the public-relations department.

Senator La Follette: Go right ahead.
Mr. Dudley: From time to time this man consulted with Mr. Hale, and Mr. Hale indicated his interest in the particular departments of the company's business, such as the police department, the medical or hospital departments; and where a local situation holding promise of danger to the company's interests developed, Mr. Hale would want prompt information on that.

Senator La Follette: What kind of danger?
Mr. Dudley: Well, danger arising from any interruption in the operation of the company's units or the supply of material to the company for manufacturing purposes.

Senator La Follette: What kind of interruption?
Mr. Dudley: Interruptions resulting, for instance, from labor strikes, sit-down strikes -- although sit-down strikes were not prevalent at that time at the inception of that work -- but surprise strikes, strikes that would be organized by a very aggressive and articulate group and bring about a
suspension of work without any advance notice to the company or to the company's suppliers.

Senator La Follette: Any other kind of interruptions other than labor disputes?

Mr. Dudley: Well, I think we are all aware of the activities of the labor-union racketeers over the country, and that is another form -- another means of bringing about a stoppage of work or an interference with the company's operations, and it was intended that we be alert to all of these things. 1

Robert Wohlforth, secretary for the Committee, indicated the extent of General Motors' reliance upon the Agency by presenting Exhibit 600 which listed the grand total of amounts invoiced by Pinkerton's to General Motors during the period January, 1934 to July, 1936 inclusive as being $419,850.10. Of this total, Wohlforth had determined that $124,759.76 had been billed to the Executive Office, $119,545.17 to the Chevrolet Division, and $121,490.79 to the Fisher Body Division. By way of explanation, he stated that he had no way of determining if these figures were complete, since they were tabulated from bills supplied to the Committee by the General Motors Corporation, and it was not known whether the bills were complete payments or not.

With Mr. Shoemack back on the stand, the Committee learned that the Agency had served continuously the Flint, Pontiac, Detroit, Lansing, St. Louis, Kansas City, Baltimore, Buffalo, Tarrytown, Cleveland, Norwood, and Atlanta plants of

1. Ibid, pp. 1604-05
2. Ibid, p. 1859
the Fisher Body Division from the early part of 1933 until January 31, 1937. With regard to Chevrolet, the situation was slightly different. The entire Division did not avail itself of Pinkerton service until October 2, 1935, although individual plants had been served for some time prior to that date. After October 2, 1935, a Mr. Marshall, personnel director of the Chevrolet Division, kept in constant touch with the Agency, and Mr. Pugmire, assistant superintendent at Detroit, reported to him daily. With this change, however, the method of servicing Chevrolet became substantially the same as that employed in servicing Fisher Body, since in the case of Fisher Body a Mr. Peterson, an assistant superintendent, had been reporting for some time to a Mr. Burk, the personnel director.

Regarding termination of the relationship with General Motors, Mr. Pinkerton asserted that the executive offices had discontinued on August 31, 1936. Chevrolet dropped out on January 31, 1937, and Fisher Body discontinued on February 1, 1937. Thus, at the moment, no work was being done for any part of the organization. No contract had ever existed between the Agency and General Motors, and to the best of Mr. Pinkerton's knowledge no correspondence was ever entered into between the two firms which stated in any definite manner the terms under which the Agency was to operate.
In order to get more definite information on this termination of services, Mr. Peterson was sworn in. He was questioned as follows:

Senator La Follette: It has been testified that you were the first one of the Pinkerton organization with whom it was discussed that this service with General Motors should be discontinued. Tell us the first time you heard anything about its discontinuance.

Mr. Peterson: Mr. Anderson phoned and told me to discontinue it.

Senator La Follette: And tell us what the substance of the conversation was.

Mr. Peterson: He just said they would discontinue the General Motors work, over the telephone.

Senator La Follette: And that was the first you had ever heard of it?

Mr. Peterson: That is the first I had ever heard of it.

Senator La Follette: Did he give you any reason?

Mr. Peterson: No. He said, "I understand you have had visitors", or something like that, I imagine. Something along that line. That was all that was said. There was not anything else said at all. 1

When Peterson received this information he relayed it to Mr. Shoemack, the superintendent, and he immediately telephoned the New York office and talked to Mr. Dudley. As Mr. Dudley later testified, he was not particularly surprised at this action. He would not admit that the Committee's subpoena had frightened them, but attributed the decision to discontinue to the fact that oral reports were proving to be a poor substitute for the written reports that had been delivered prior to February, 1936.

Mr. Turrell, treasurer of the Agency, was called to the

1. Ibid, p. 1661
stand, and Senator La Follette showed him the report the Committee had derived from invoices subpoenaed from General Motors, in which payment in the amount of $203,333.08 had allegedly been made to Pinkerton's for services performed during the year 1935. The Senator pointed out the discrepancy between this amount and the amount of $167,586.60 which the corporation had reported to the Securities Exchange Commission. Mr. Turrell promised to look into the matter, and on March 19, 1937 he submitted a hand-written memorandum which read:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total service</td>
<td>$177,334.74</td>
</tr>
<tr>
<td>less credits</td>
<td>9,748.14</td>
</tr>
<tr>
<td>net service</td>
<td>167,586.60</td>
</tr>
<tr>
<td>expenses</td>
<td>37,988.99</td>
</tr>
<tr>
<td>Total</td>
<td>205,575.59</td>
</tr>
</tbody>
</table>

Senator La Follette expressed interest in the fact that the Agency had seen fit to set up a separate office in Detroit to handle the General Motors business. Mr. Shoemack informed him that the office was originally opened in July or August of 1934, directly adjacent to the branch office, and that the lettering on the door read "Acme Process Company". About a year later the office was moved to the other side of the Agency's suite, and the name "William Smith" was put on the door. This office, at the time of the Hearing, was still being rented by the Agency, although it was not being put to any practical use outside of perhaps storage of files and clippings. Other

1. Ibid, p. 1676
facilities mentioned by Mr. Shoemack included an apartment located around Second and Shelden Streets in the city. At this address, which was the residence of Mr. Mason and Mr. Pugmire for about a month, telephone calls from operatives were received. Pugmire placed their time of occupancy as being August or September of 1936. Mason engaged the telephone, and gave his name as "R.S. Matthews." Naturally, the Senator observed that this date coincided with the date of service of the Committee's subpoena. He inquired whether or not it was arranged to receive telephone calls away from the office so as to make certain that the Committee would secure no information should they attempt to tap telephone wires. Mr. Clark, the division manager, said that he had been apprehensive about the telephone wires being tapped, but that he did not want to go on record as being suspicious of the Committee in this regard.

When Mason and Pugmire moved, they took up new quarters in an apartment house on Adelaide Street near Woodward Avenue. The reason given for the move was that the first location also happened to be the residence of two or three Detroit policemen, and the Pinkerton men felt that since they were known to the police department they had better seek a more suitable apartment. They remained on Adelaide Street for about six weeks, and then
removed to 59 Seward Street. Pugmire gave two reasons for this change of location; first, the fact that the Agency suspected they were under surveillance, and second, that the Seward Street address was more convenient to the General Motors Building. After a month in this place the men transferred to the Book-Cadillac Hotel. One factor responsible for the removal from Seward Street was that Frank H. Bowen, a member of the Detroit office of the National Labor Relations Board, lived there. Another factor was that the Book-Cadillac was more convenient both to the Agency office and the General Motors Building. The men testified that they gave up their rooms at this hotel on February 1, 1937.

Further testimony revealed that in March or April of 1934 an office had been engaged in the Hoffman Building. The inscription on the door was something like "sales representative", and one or two operatives were stationed there on permanent duty. The purpose of engaging this office was to place the headquarters of the United Automobile Workers, which was adjacent to the office, under surveillance. In March or April of 1935 an office was engaged on a different floor in the same building for the same purpose.

Exhibit 606 was introduced. This exhibit was a journal sheet listing operations to be performed in behalf of the

1. Ibid, p. 1864
Executive Offices of General Motors. It read as follows:

JOURNAL

Detroit    Journal #6799  Reports and Bills to Pegwood
Account of MDABY      Address c/o Detroit Office
Operation       Public Opinion

Reports: 1 good and one poor to Pegwood -- 1 poor
to Datewood
Remarks: All office Special Rate Card applies

Detroit, January 22, 1936

This journal covers all work in connection with:

1. Review of industrial and public relations news and editorial comment in plant city newspapers.
2. Survey of employee and public reactions to Factory Supervision.
3. Review of safety conditions in MDABY plant.
4. Survey of employee and public reaction to plant medical departments.
5. Investigation of effectiveness of plant protection departments.

All service in this journal is entirely independent of and completely separate from any and all work at present being handled by any Agency office for this client or for any of its subsidiary companies. It must be clearly understood by all Agency officials handling this work that no mention whatever of the service outlined in this journal or as may be hereafter be authorized under this journal is to be made to local plant managers or their assistants, irrespective of whether the Agency is at present or may be in the future engaged directly by the local plant management. This journal, and service to be performed hereunder does not interfere in any manner with the instructions issued by local plant managers to Agency local offices or the execution thereof, and must be handled as a separate matter, and no local or other
MDABY representative be permitted to learn of this confidential service, nor is the fact of our employment by this Department to be disclosed to any other client.

Plan: Refer this journal to all offices. Each will continue to render service as previously authorized or may be hereafter authorized. Offices should assign this journal to the official handling work for MDABY units.

E.S. CLARK

Assigned to all offices. At Detroit reports and correspondence will by handled by Pegwood.

"MDABY", it was learned, was the code name for the General Motors Executive Offices. "Datewood" was the code name for Mr. Clark, the division manager, and "Pegwood" was translated as Mr. Peterson, the assistant superintendent to be in charge of the work. "Good" meant the original copy of the report, and "Poor" the carbon copies.

Item #1, the "review of industrial and public relations news and editorial comment in plant city newspapers" turned out to be nothing more complicated than an ordinary clipping service. Every office in cities containing "MDABY" plants bought the local papers and forwarded to "Pegwood" any clippings concerning the activities of the client. Mr. Clark testified that originally a clipping bureau had been consulted, but the
cost appeared rather high, and it was felt that the existing Agency offices were equipped to perform the task more effectively and more economically.

"Survey of employee and public reactions to Factory Supervision" meant a compilation of all public utterances which were heard made against the plant management, their employees, or the corporation itself.

Senator La Follette expressed surprise at General Motors being willing to pay for the function explained in Item #3. It was apparent that the Agency did not employ correspondents that were trained safety engineers; and, furthermore, work of this nature was thoroughly covered by plant employees, State inspectors, and underwriters of workmen's compensation insurance. In rebuttal, Mr. Clark said the job for the most part was one of reporting any violations of safety rules and practices.

The "Survey of employee and public reaction to plant medical departments" apparently had never been touched. None of the Agency men could remember having seen any reports dealing with the plants' medical facilities.

"Investigation of effectiveness of plant protection departments" was another matter which the Pinkertons found difficult to explain. At first, Mr. Clark tried to maintain
that a Mr. Mitchell of their office went over to General Motors as their representative and made an exhaustive survey of the plant police department. However, Mr. Peterson testified that to his knowledge Mr. Mitchell had resigned from the Agency before going to General Motors, and he had no connection whatever with this item.

"Summary of industrial disputes in the United States" was never really discussed, since the Committee happened to catch Mr. Peterson off guard, and relentlessly pursued its advantage to the point where considerably more of the Pinkerton wash was hung out to dry that the Agency men had intended.

It all started when Mr. Peterson admitted that the files regarding industrial disputes had been turned over to him, and that he did not examine them before answering the subpoena. Senator La Follette informed him that he was in contempt of the subpoena. He protested, and the Senator decided to ask him what he had done on the day the subpoena was served in the Detroit office.

Peterson confessed that when the Committee representatives appeared he took out several operatives' reports, his own personal papers, and a list of secret operatives before they could be detected. He put this material in his automobile
and intended to drive home with it.

This man was able to escape the gaze of the men serving the subpoena since he was located in the special General Motors office which was adjacent to the Agency suite. When the trouble began, the chief clerk of the Agency called him on the inter-office telephone and said, "This fellow is running all over the office.....Here is a lot of personal papers of the superintendent's. What will we do with them?" Peterson said that he would take care of them. Consequently, the chief clerk pushed the papers through the cubby-hole which was between the two offices. The witness sent one of his clerks down to his car with these papers, but the clerk was stopped by the Committee's representatives.

When the Committee men left, Peterson took out the list of operatives and operatives' reports that have been mentioned above. He stayed in his room for two or three weeks, and all reports from General Motors operatives were directed to his address. Mr. Mason and Mr. Pugmire visited him at frequent intervals. These two gentlemen carefully edited the incoming reports, striking out all material pertaining to labor espionage. The labor material was imparted to Peterson, and he reported this material to General Motors by telephone. The edited reports

1. Ibid, p. 1708
were then taken to the Agency office, and copies were made for the Committee.

Of course, the original reports which contained references to labor espionage were destroyed. Naturally, Peterson testified that he had retained no notes of the deleted material. The Senator from Wisconsin minced no words in telling the Pinkerton organization that antics of this sort amounted to contempt of the subpoena.

Senator La Follette wound up the inquiry by launching a determined offensive designed to force Robert Pinkerton to divulge the names of his secret operatives. Since the General Motors sit-down strike had been settled only the day before, he was particularly interested in securing the identity of the Pinkerton men on the General Motors payroll. Mr. Pinkerton, on the advice of counsel, refused to give up this information. His attorney, Mr. Bromley, supported him in this stand by stating that the identity of the informants was not a material fact, and that the Committee had no power to request information of this nature.

In passing, Pinkerton mentioned that from 50 to 53 reports had been sent to the New York office from Toledo and Detroit, all of which were in the original longhand writing of the secret
operatives. He was asked where these reports were. He replied that they were in Washington, in his hotel room. He was directed to immediately furnish these reports, and the Committee took its noon recess.

After lunch, Mr. Pinkerton appeared in the Committee room with two locked suitcases, one of which had been ripped open at the seams. When Senator La Follette requested that the contents of the suitcases be turned over to him, Mr. Pinkerton said that he must respectfully refuse to act on this request. Attorney Bromley jumped to his feet and said that these reports, since they were in the original writing of the informants, would tend to disclose the identity of the men. He argued, therefore, that the Committee had no right to see them.

Senator La Follette pointed out that the Committee would exercise discretion in considering the problem of making public the list of operatives. However, this argument failed to convince Mr. Pinkerton that he should relinquish the suitcases. Thus, after a short summation of the proceedings by Senator La Follette, the inquiry was brought to a close.
As the record indicates, the Committee by no means had succeeded in getting the full story of the Pinkerton activities. This was a peculiar business, and the people who knew the most about it would not talk. They were reluctant, secretive, and evasive. Often they did not hear the question -- or when they did hear it, they did not understand it. It appeared that they lied as often as they dared. Only when the Committee had an overwhelming amount of evidence could they back these men into a corner and force them to "come clean". However, enough of the story was divulged to indicate to the Committee that their original suspicions were justified. Agency employees had made indiscreet answers, former operatives had confessed, indisputable records had been subpoenaed, and the Committee's staff had done an admirable job of investigating with the limited funds and time at their disposal.

There are certain conclusions which can be drawn from a study of the record. The Committee had been charged by the Senate with the duty of investigating the activities of private detective agencies insofar as such activities inter-
ferred with the rights of free speech, free assembly, and the right of labor to organize and bargain collectively. Evidence was introduced that indicated the existence of such interference and restraint. As has been mentioned above, the evidence was as scanty as the Pinkerton organization could make it.

To recapitulate, the Committee secured a list of the firms served by Pinkerton's, and this list read like a copy of "Who's Who in American Industry". By counterbalancing the testimony of men such as Letteer, Rossetter, Burnside, and Davidson, we can deduce that a minimum of 50% of the moneys collected from these firms represented payment for undercover labor activities. In the case of General Motors, who paid over $419,000.00 in the space of two and one-half years, almost the entire amount was payment for espionage work. It cannot be denied that such actions violated the purpose of the Wagner Act.

The fact that the Agency did spy work within union organizations was very definitely nailed to the wall. We can start with the disgraceful way in which Mr. Brady was shown to have done this, and continue with the testimony of the younger Mr. Letteer, or Mr. Pugmire's admission that five of
twenty General Motors men under his supervision were union members. If we wish to demonstrate that the Agency did not stop at mere union spying, we can point to Mr. Martin's experience of shadowing a Government appointed mediator.

The determination of the actual limits to which an organization such as Pinkerton's may be permitted to go in its investigation of labor activities presents a difficult problem, and in the last analysis its solution remains one that the individual will decide by giving heed to his own pre-conditioned reactions. If it is believed that the risks undertaken by management are of such magnitude that information of this nature must be secured at all costs, then the restrictions to be placed are few. On the other hand, if it is believed that management will unjustly be benefitted, and at the direct expense of labor, then regulation of such organizations is a serious matter. I am inclined to subscribe to the latter point of view.

However, in the existence of the Wagner Act and the National Labor Relations Board, there is sufficient governmental machinery to make unnecessary any further remedial legislation. Today, with labor in the ascendancy, and with the power of a friendly administration behind it, the need for
policing to make certain that the detective agencies remain within bounds does not appear to be necessary. The problem, therefore, becomes one of continuing to guarantee to labor its rights as defined under the Wagner Act, and of making certain that in future administrations the National Labor Relations Board will have sufficient personnel, funds, and prestige to effectively maintain these rights.
13. Rowan, R.W., *The Pinkertons, a Detective Dynasty*, (Boston, 1931)
15. Siringo, C.A., *Two Evil Isms; Pinkertonism and Anarchism*, (Chicago, 1915)
19. U.S. Congress, Senate. Hearings before a Sub-Committee on Education and Labor, (74th Congress, 2nd session, part 2)

20. U.S. Congress, Senate. Hearings before a Sub-Committee on Education and Labor, (75th Congress, 1st session, part 5)

21. U.S. Congress, Senate. Committee on Education and Labor, (76th Congress, 1st session, Senate Report no. 6, part 4)
Nelson
Labor espionage

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Edouard, O.