Constitutional Law -- Due Process -- Right of State to Prohibit Union Security Contracts

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descendants of adopted children to inherit from the adopting parents, making no distinction between adopted and natural children in such matters. The court reasoned that Texas gave appellant's mother the status of legal heir, citing several Texas decisions to support its finding. These cases involved the question of inheritance rights of parties adopted in Texas as to property in which Texas law determined the right to inherit. Having already determined that appellant's mother had been legally adopted under Texas law, the court should not have considered itself bound by decisions, as here California law determines the right to inherit.

The court also relied on Shaver v. Nash. In that case one adopted under the Texas statute later moved to Arkansas and there claimed the enlarged inheritance rights granted by that state to those adopted under its own law. The court held that Texas law governed both his status as an adopted child and his right to inherit. However, most jurisdictions differentiate between the status created by the act of adoption, and the separate and incidental inheritance rights emanating from this status. Since this court professes to follow the majority view, reliance on the Shaver case appears erroneous.

There would seem to be no such status as that of a partially adopted child; a child is either adopted or not. Furthermore, the law of inheritance is a mere incident to adoption without significance outside the state of its enactment.

The contract theory propounded by the California court appears to have been unnecessary. The decision did not have to rest solely on a few words fortuitously incorporated into the adoption agreement.

CONSTITUTIONAL LAW—DUE PROCESS—RIGHT OF STATE TO PROHIBIT UNION SECURITY CONTRACTS

Defendants were convicted by a North Carolina court for violating a state statute making it illegal to discriminate against union or non-union men...
in the hiring of employees. The conviction having been affirmed by the Supreme Court of North Carolina, an appeal was taken, one ground being that the statute deprived the defendants of their liberty to contract and there was a violation of the due process clause of the Fourteenth Amendment to the United States Constitution. The same issue was also involved in a Nebraska case, and, because of the substantial identity of the questions involved in the two cases, the Supreme Court decided them together. Held, that states may pass laws protecting the right to work of non-union, as well as union, men as proper exercise of their police power and these laws do not violate the due process clause of the Fourteenth Amendment. Conviction affirmed. Lincoln Federal Labor Union No. 19129, American Federation of Labor v. Northwestern Iron & Metal Co.; Whitaker v. State of North Carolina, 69 Sup. Ct. 251 (1949).

One of the earlier cases which showed the Court's regard for the individual's right to contract was Algeyer v. State of Louisiana. Louisiana had enacted a statute forbidding persons to transact business with marine insurance companies that had not complied with the statute. The statute was declared unconstitutional as taking away the liberty to contract without due process of law.

Also illustrating the limitations placed upon the state's general police power are the decisions declaring statutes unconstitutional which attempted to regulate hours of employment, or to deny the employer the right to discharge employees because of membership in a labor union.

The principal cases are an extension of a general trend allowing the right to contract to be limited when that right conflicts with a reasonable exercise of police power by the states. The beginning of this trend can be seen in the decisions of Nebbia v. People of New York and West Coast Hotel Co. v. Parrish, where it was established that states can legislate on what are found to be injurious practices in their internal commercial and business affairs, so long as their laws do not contravene some specific federal constitutional prohibition, or some valid federal law. In the Nebbia case, the Court upheld a

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4. 165 U.S. 578 (1897).
9. 300 U.S. 379 (1937); see United States v. Darby, 312 U.S. 100, 125 (1941).
statute fixing the price of milk, stating that the right to contract is guaranteed by the Constitution, but is subject to public regulation when the public need so requires. The *West Coast Hotel* case upheld a state statute setting a minimum wage for women, as a proper exercise of the police power.

With the growth of the labor movement,¹⁰ the unions gained recognition. The right to prevent employers from discriminating against them by the use of "yellow dog" contracts was recognized when these contracts were declared unenforceable as against public policy by the Norris-LaGuardia Act in 1932.¹¹

In the principal cases the unions sought to have the statutes in controversy declared unconstitutional because they alleged that such statutes would deprive the employer and union of the right to contract freely. It would appear that the same result would be reached either under the Taft-Hartley Act or the Wagner Act. Section 8(3)¹² of the Wagner Act stated that closed shop agreements were legal as long as the parties went through the steps required by the act.¹³ It should be interpreted in the light of a senate committee report¹⁴ stating that the bill did nothing to facilitate closed shop agreements or to make them legal in any state where they might be illegal, indicating that Congress, at that time, thought the state police power adequate to regulate labor contracts.

The Taft-Hartley Act in section 14(b) provides that nothing in the act will be interpreted as meaning that the Federal Government authorizes any form of union security contract in states or territories which have laws prohibiting them. That states now have regulatory police power to control labor-management contracts is indicated by a recent case.¹⁵ This decision validated a state law more restrictive on labor unions than the provision in the Taft-Hartley Act, on the basis that congressional intent was to leave to the states the police power to regulate further their own labor problems.

The decision in the principal cases was unanimous. It now appears that any reasonable state regulation of labor-management contracts will be upheld under the police power of the state as not violative of due process.

¹². 49 Stat. 452 (1935), 29 U.S.C. § 158 (3) (1946). (Nothing in the act or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein if such labor organization is the representative of the employees.)
¹³. See National Labor Relations Board v. Lion Shoe Co., 97 F.2d 448, 457 (C.C.A. 1st 1938).