

# The Imperfect Union: Labor Racketeering, Corruption Exposure, and Its Consequences

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December 3, 2023

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## Abstract

Can exposing corruption have unintended negative consequences? I tackle this question in the context of labor unions in the U.S., where the U.S. Senate McClellan Committee (1957-1960) publicly exposed corruption and organized crime infiltrations in their ranks. Using a difference-in-differences identification strategy and novel data, I examine the consequences of the Committee's investigation on unionization, the capacity of unions to mobilize voters during elections, and their ability to influence public policy. I study both the *direct effects* of the investigation in areas where investigated union locals were present and the *indirect effects* (or spillovers) in areas where no investigated union locals were present. First, I find that the negative spillover effects on unionization were stronger than the direct effects. Second, I show that the investigation caused a persistent decrease in the capacity of unions to foster voters' political participation in presidential elections. Finally, I provide evidence suggesting that the spillovers are at least partially explained by a large-scale news and reputation shock that had negative consequences on the entire American labor movement.

Keywords: labor unions, corruption, turnout

JEL Classification: J50, J51, D72, D73, N32

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\*University of Zurich, Department of Economics. I am indebted to Joachim Voth, Lorenzo Casaburi, and David Yanagizawa-Drott, as well as to Bruno Caprettini for their invaluable support and advice. I deeply thank Elliott Ash, Dan Bogart, James Fenske, Soeren Henn, Alexander Fouirnaies, Leander Heldring, Simon Jäger, Daniel Moskowitz, Sebastian Ottinger, James Robinson, and Silvia Vannutelli for their comments and support, and Zachary Schaller for sharing union elections' data. I am also extremely grateful to Luca Bagnato, Terence Chau, and Julian Langer. I would like to thank the discussants and seminar participants at the UZH Empirical Doctoral Micro Seminar, the Zurich Political Economy Seminar Series, the Student Applied Micro Seminar at the University of Chicago, the Lewis Lab Graduate Student Workshop at the University of Manchester, the 24<sup>th</sup> IZA Summer School in Labor Economics, the EEA-ESEM Congress 2023, the workshop on labor unions at PSE, and the IPERG Seminar Series at the University of Barcelona. I gratefully acknowledge financial support from the UZH Doc.Mobility grant.

# 1 Introduction

Can exposing corruption backfire? To eliminate corruption is to improve the efficiency of institutions and the equity of access (Olken and Pande, 2012; Shleifer and Vishny, 1993; Weaver, 2021); better institutions, in turn, foster economic development and growth (Acemoglu et al., 2005). Unsurprisingly, exposing corruption is widely regarded as a first step in reducing it. At the same time, revealing scandals can reduce trust in institutions, saddle them with cumbersome regulations, and cast a shadow on innocent bystanders. While much is known about the effect of “letting the light shine in” (Ferraz and Finan, 2008; Hirano and Snyder Jr, 2012; Guriev et al., 2021; Larreguy et al., 2020), less research has been carried out examining these indirect, negative, and unintended consequences. Furthermore, the empirical research in this area has primarily concentrated on corruption scandals involving politicians and political parties (Aassve et al., 2018; Solé-Ollé and Sorribas-Navarro, 2018; Chong et al., 2015).

In this paper, I study the allegations of corruption among U.S. union leaders. Between 1957 and 1960, the McClellan Committee, a U.S. Senate Investigative Committee, conducted an extensive and highly publicized investigation, holding public hearings on corruption and organized crime infiltration in American labor unions. This research paper is the first to focus on the indirect negative consequences of exposing corruption in the context of labor unions: institutions that play a crucial role both in the economy, enhancing efficiency and equality (Freeman and Medoff, 1984; Farber et al., 2021), and as political actors influencing elections and policymaking (Fouirnaies, 2022; Feigenbaum et al., 2018; Kerrissey and Schofer, 2013; Rosenfeld, 2010). From a political economy perspective, unions are institutions that mobilize not only workers inside firms but also voters in elections to push for policies closer to workers’ interests. In this sense, they contribute to the democratic process and to inclusive institutions by fostering citizens’ engagement and political participation. For this reason, Acemoglu and Johnson (2023) identify labor unions as essential institutions for equitable innovation and technological progress. As with any other institution, unions may be subject to cases of corruption that, when exposed, may disrupt their mobilization capacity.

I focus on labor unions in the United States: unionization in the U.S. is at a historic low (10.1% in 2022, Washington Post, 2023), but this has not always been the case. In 1960 the share of unionized workers in the U.S. was very similar to countries like Germany, Italy, and Canada. While the decline in unionization can be observed in most Western countries, the negative trend in the U.S. started two decades earlier, already at the end of the 1950s (Figure 1), with a 63% decrease between 1960 and 2010 (Figure 2). What caused this decline? This paper is the first to empirically investigate a large-scale corruption scandal as a reason for this decline and as a negative shock to unions’ ability

to foster citizens' political participation. I examine whether the Committee constituted a substantial shock that contributed to this sharp downfall of unionization, disrupting unions' ability to mobilize voters and channel workers' demands in public policy.

The McClellan Committee was a bipartisan<sup>1</sup> committee of the U.S. Senate chaired by Democratic Senator John McClellan with Robert Kennedy as the chief counsel and investigator. The investigations and hearings focused on union corruption and racketeering: corrupt union leaders were found guilty not only of embezzling from membership fees and pension and welfare funds but also of extorting and accepting bribes from employers in alliance with organized crime figures (Jacobs, 2006; Kennedy, 1960). Congressman and labor leader David Dubinsky defined labor racketeering "the cancer that almost destroyed the American labor movement" (Jacobs, 2006). Indeed, even if the investigation improved unions' transparency and plausibly curbed malpractices, the reputation consequences of union corruption and its unveiling were substantial. The investigation was highly publicized: the hearings were broadcast on television (Bernstein, 1997), and newspaper coverage was also extensive.<sup>2</sup> Opinion polls reveal that, as a consequence, between January and September 1957, the approval rate of labor unions fell by 10 p.p. from 75% to 65% (Gallup, 2022). American studies and law scholars argue that the Committee ingrained in the minds of many citizens and workers the idea that union strength was inherently linked to union corruption, portraying unions as flawed institutions exercising illegitimate power and hence contributing to unions' decline (Witwer, 2003; Goldsmith, 2019). Not only American scholars but also the Committee itself became soon aware of the consequences of the investigation. The 1957 end-of-the-year report of the McClellan Committee underlined that the revelations had seriously shaken the public, that labor's influence had dipped sharply in legislative halls, and that unionization was also negatively affected (Bureau of National Affairs, 1958). The Committee's hearings also brought directly to the passage of the 1959 Labor Management Reporting and Disclosure Act (Landrum-Griffin Act) that mandated secret union elections and annual financial reports from unions to the Department of Labor and prohibited convicted felons from holding union office. These provisions, aiming at increasing unions' transparency and integrity, plausibly also imposed additional organizational and administrative costs, especially on small union locals<sup>3</sup>. This paper aims to empirically investigate the consequences of the McClellan Committee, using the investigation as the first big national-level revelation of unions' corruption, a turning point for U.S. unions' public perception (Lichtenstein, 2002).

I leverage quasi-exogenous variation in the exposure to the McClellan Committee us-

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<sup>1</sup>Half of the members were Democratic Senators, half Republican Senators.

<sup>2</sup>The total number of newspaper pages discussing labor racketeering and union corruption increased by more than 10 times when comparing 1957 to 1956 (Figure 3).

<sup>3</sup>In North America, a union local (often shortened to local) is a local branch or chapter of a national or international labor union.

ing a difference-in-differences (DiD) approach. I compare outcomes before and after the Committee's investigation period (pre-post variation), and I exploit two main sources of cross-sectional geographical variation to identify the *direct* and *indirect* consequences of the McClellan Committee on labor unions. First, I study the *direct* shock to unions' influence in counties where investigated union locals were present: investigated unions were likely directly affected, unions' reputation may have been impacted differently in these counties, and corrupted union locals should have been hit more harshly by the Landrum-Griffin Act of 1959, imposing stricter financial reporting and prohibiting convicted felons from running union locals. Second, the shock should have had more significant *indirect* negative consequences (spillovers) in counties where unions were initially stronger, able to mobilize many voters and influence public policy, even if no investigated or corrupt union locals were present. The news coverage of the investigation could have been stronger in these counties, and even the reputation of honest unions may have been severely affected.

To study the consequences of the McClellan Committee, I built a novel dataset at the county and electoral district level by collecting and assembling data from several sources, ranging from newspaper data to unionization and political mobilization measures. I digitized and geolocalized the list of the investigated union locals ([U.S. Senate, 1957–1960](#)). I collect and use unionization data from different sources: locations of union locals in 1940, 1944, and 1947 from the *Mapping American Social Movements Project* ([2023](#))<sup>4</sup>, and in 1960, 1964, and 1971 from the *Register of Reporting Labor Organizations* ([U.S. Department of Labor, 1990](#)), union membership from the American National Election Studies (ANES) survey, and NLRB union certification elections for 1963 ([Schaller, 2023b](#)). In the U.S., elections are needed in each establishment to determine if a majority of workers want to be represented by a particular union, and the National Labor Relations Board (NLRB) supervises these certification elections. Importantly, to the best of my knowledge, I am the first to geolocalize the results of the NLRB union certification elections at the city and county level, while previous literature studying unions in the U.S. used this data only at an industry-state level or with no spatial variation. I am also the first to digitize the locations of all union locals in the U.S. from the *Register of Reporting Labor Organizations* ([U.S. Department of Labor, 1990](#)), available from 1960 to 1990. Given unions' strong campaigns fostering registration and turnout, I combine data on turnout in presidential elections from [Clubb et al. \(2006\)](#) and [Charles and Stephens Jr \(2013\)](#) to measure unions' political mobilization ability. To understand whether unions' ability to influence policies was affected by the investigation, I use roll-call data from the U.S. Congress ([ICPSR, 2010](#)) regarding minimum wage extensions, which are policies strongly supported by U.S. unions. In addition, I collected data from [newspaperarchive.com](#) to measure newspaper

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<sup>4</sup>[https://depts.washington.edu/moves/CIO\\_intro.shtml](https://depts.washington.edu/moves/CIO_intro.shtml).

coverage of labor racketeering and union corruption and the sentiment towards unions in newspaper articles as a proxy for unions' reputation. As a further measure of unions' reputation and support among policy-makers, I use the text of congressional speeches (Gentzkow et al., 2019) and measure their sentiment towards unions. Moreover, I look at the effect of TV set ownership (data from Gentzkow, 2006) and TV signal in this period to further support the role of reputation as a mechanism.

My empirical analysis explores the *direct* and *indirect* consequences of the McClellan Committee on unions' capacity to mobilize workers inside firms and voters in elections and to influence public policy. First, to explore the *direct effects* of the investigation in a difference-in-differences identification, I exploit cross-sectional variation in the presence of investigated locals, measured as the number of investigated union locals per ten thousand inhabitants in 1950. As a first step, I study the consequences of the Committee on unions' membership and mobilization capacity within firms. In the early 1960s, after the McClellan Committee concluded its hearings, unions were not significantly less likely to win NLRB certification elections in firms located in counties with a stronger presence of investigated union locals. This is in line with historical sources suggesting that support for investigated unions was not strongly affected by the investigation at least in the short run (Bernstein, 1997). As a second step, I show that the McClellan Committee negatively impacted the political mobilization capacity of labor unions in counties with more investigated union locals. A higher number of investigated union locals per ten thousand inhabitants in 1950 predicts a persistent decrease in turnout in presidential elections from 1964 onward. A 1 s.d. increase in the number of investigated union locals per ten thousand inhabitants in 1950 is associated with a decrease in turnout in presidential elections between 0.4 and 0.8 p.p. from 1964 onward. Even in the absence of strong effects on their membership base, labor unions' ability to mobilize voters and the general public during elections was negatively affected by the investigation. As a further step, I use roll-call data regarding minimum wage extensions, a policy strongly supported by U.S. unions, to study unions' ability to influence policymaking. Congresspersons elected in districts with more investigated union locals did not decrease but increased their support for minimum wage extensions in 1960 and 1966, suggesting that unions in areas with more investigated union locals lost relatively less influence on Representatives in Congress. This is supported by the fact that a higher presence of investigated union locals in an electoral district predicts lower support for the introduction of the Landrum-Griffin Act among Representatives elected in the district.

Second, to explore the *indirect effects* of the investigation, beyond investigated unions, I exploit cross-sectional variation in the strength of unions' presence before the McClellan

Committee, measured as the number of union locals per ten thousand inhabitants in 1940<sup>5</sup>. In these areas, the negative shock plausibly had bigger consequences on the mobilization capacity of labor unions. Crucially, to verify that the results are not driven by investigated union locals, I also present results removing from the sample all counties with at least one investigated union local. As a first step, I study the consequences of the Committee on unions' membership and mobilization capacity within firms. In the early 1960s, after the McClellan Committee concluded its hearings, unions were less likely to win NLRB certification elections in firms located in counties with a stronger union presence in 1940. This result is not driven by a smaller number of elections or by more challenging elections being held in these counties. As a second step, I show that the McClellan Committee negatively impacted the political mobilization capacity of labor unions. A higher number of union locals per ten thousand inhabitants in 1940 predicts a persistent decrease in turnout in presidential elections from 1964 onward. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 1 p.p. decrease in turnout in presidential elections in 1964 and between 1.5 and 1.9 p.p. in the following years. These effects are comparable to the reduction in turnout caused by the introduction of a Right-to-Work law (2 p.p., Feigenbaum et al., 2018). As a further step, I study how congresspersons reacted to the investigations in their voting behavior in Congress. I show that congresspersons elected in electoral districts with a higher union presence in 1940 decreased their support for a minimum wage extension in 1961 but increased it in 1966 (this second coefficient is smaller and not significant when excluding counties with investigated union locals). These results are virtually identical when excluding counties where at least one union local was investigated, showing that the effects predicted by this second source of variation are not driven by investigated union locals.<sup>6</sup> This confirms that the consequences of the investigation hit all unions and not only investigated union locals. To sum up, counties with a high pre-committee union presence experienced a decrease in the unionization of new firms and a persistent decline in turnout in presidential elections following the McClellan Committee. Representatives elected in counties with stronger union presence before the Committee also decreased their support for minimum wage extensions in the short run.<sup>7</sup> Crucially, these results are not driven by the presence of investigated union locals, suggesting that the negative consequences of the McClellan

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<sup>5</sup>Data are available for 7 national unions: UAW, UE, ACWA, ILWU, ILGWU, ITU, and IWA.

<sup>6</sup>I also present results interacting the two sources of variation: presence of investigated union locals (*direct effects*) and strength of union presence before the Committee (*indirect effects*). This confirms that the *indirect effects* are not driven by the *direct effects* on investigated union locals.

<sup>7</sup>The Committee and the investigations were headed by Democrats, and Teamsters' leadership was mostly supporting Republicans. For this reason, the usual connection found in the literature between a negative shock to unions and a loss for the democratic party is not straightforward in the context of the McClellan Committee. I also consider the effects of the Committee on the share of votes in favor of the Democratic presidential candidate, finding positive effects (see Section 7.1 for a more detailed discussion.)

Committee hit the entire American labor movement and not only investigated unions.

In addition, I explore the mechanisms through which the investigation *indirectly* affected the whole labor movement. I present evidence suggesting that unions were hit by a negative reputation shock. Counties with high pre-committee unionization had higher news coverage of the Committee's hearings between 1957 and 1959. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 3.4 p.p. increase (+104%) in the share of newspaper pages covering union corruption in 1957 and a 1.9 p.p. increase (+60%) in 1958.<sup>8</sup> Moreover, newspapers located in counties with higher union presence before the investigation associated negative words with labor unions more frequently in 1957 and 1959.<sup>9</sup> Likewise, Representatives elected in districts with higher union presence before the Committee are more likely to associate negative words with unions in their speeches. Moreover, I use TV ownership and maximum signal in a county as an alternative source of cross-sectional variation to measure the exposure to the media and the televised hearings. Also using this source of geographical variation in a difference-in-differences, I find a decline in unionization and turnout in presidential elections. While I cannot claim that the indirect consequences of the McClellan Committee were solely due to the reputation shock it caused, this evidence supports the historical accounts underlining the importance of this mechanism. The McClellan Committee impacted the public discourse regarding labor unions and hindered their mobilization capacity beyond areas where corrupt union locals were present.

This paper mainly contributes to three strands of literature. First, I contribute to the research on the consequences of unveiling corruption. My paper is the first to empirically examine the consequences of a corruption scandal in the context of labor unions: institutions that play a crucial role both in the economy and as political actors influencing elections and policymaking.<sup>10</sup> In his seminal paper, [Tirole \(1996\)](#) builds a theoretical model of collective reputation that can be applied to many groups and settings. Nonetheless, the empirical literature on the consequences of corruption revelations and loss of institutions' reputation has mostly focused on the political consequences of corruption scandals involving politicians and political parties. Exposing corrupt politicians frequently affects their electoral performance, decreasing the probability of being re-elected, especially where

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<sup>8</sup>Out of the total number of newspaper pages mentioning labor unions.

<sup>9</sup>I also examine the news coverage of the Committee's hearings in counties with a stronger presence of investigated union locals. Surprisingly, news coverage of union corruption is significantly lower in counties with more investigated locals. A 1 s.d. higher number of investigated union local per ten thousand inhabitants in 1950 predicts a 1.7 p.p. lower (-54%) share of newspaper pages covering union corruption in 1957 and a 1.5 p.p. lower (-46%) in 1958. This may suggest that newspapers had incentives to under-report corruption cases where they happened, possibly to prevent retaliation from powerful corrupted individuals or unions.

<sup>10</sup>Regarding unions' reputation and citizens' attitudes towards unions more in general: [Naidu and Reich \(2018\)](#); [Hertel-Fernandez et al. \(2021\)](#)

news outlets are present to divulge the information (Ferraz and Finan, 2008; Guriev et al., 2021; Larreguy et al., 2020), but empirical results are sometimes mixed, and punishment of corruption by voters may be absent (Cobb and Taylor, 2015; De Vries and Solaz, 2017; Arias et al., 2022). In addition, exposing corruption may have unintended consequences. Corruption scandals have been found to also have a long-lasting negative effect on levels of trust in politicians (Solé-Ollé and Sorribas-Navarro, 2018; Ares and Hernández, 2017) and on institutional<sup>11</sup> trust (Aassve et al., 2018), decrease voter turnout, support for the challenger party, and partisan attachments (Chong et al., 2015), and increase the vote share for the anti-establishment populist opposition (Guriev et al., 2021).<sup>12</sup> Similarly, a few exceptions outside the strictly political domain focus on medical institutions, doctors, and medicine: cases of criminal medical malpractice, or their public exposure, in colonies against the native population (Lowes and Montero, 2021), or in the U.S. against black male patients (Alsan and Wanamaker, 2018) had long-lasting effects on the willingness of the relevant group to seek medical help, with massive negative health consequences.<sup>13</sup>

Second, I contribute to the literature on the political and economic role of unions and their decline focusing on a shock to unions and unionization that was never empirically studied before. I study the negative shock caused by the investigations of the McClellan Committee, exposing corruption in U.S. unions. Importantly, this event, associated with a massive aggregate reputation shock, happened at a crucial turning point for unionization in the United States, increasing the importance of understanding its role in the historical decline of U.S. unions. Previous economic literature has also investigated the causes of unions' decline in the second half of the 20<sup>th</sup> Century. U.S. right-to-work laws and structural change are two of the most investigated causes. In the U.S., the structural change from union to nonunion sectors seems to dominate changes in the union's new organization rates as a factor explaining the decline in private sector union density (Farber and Western, 2002) and approximately 40% of the decrease in union certification elections is in response to sectoral shifts (Schaller, 2023a). While sectoral changes in economic activity seem to explain a good part of the decline in unionization in the U.S., this estimate suggests that this is far from being the only cause. Substantial research in economics and political science has studied the role of unions in the labor market and in the political arena. Regarding the labor market, important empirical contributions studied the effect of unions on income inequality and wage structure. Unions raise wages more for workers with lower levels of observed skills (Card, 1996), de-unionization was an

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<sup>11</sup>i.e., Parliament, government, civil servants

<sup>12</sup>Gulino and Masera (2023) find that corruption scandals affect the propensity of supermarket customers to steal while using a self-service checkout system. While this is a negative spillover, it does not involve (other) institutions or collective reputation.

<sup>13</sup>A different recent strand of literature has studied firms' corruption (e.g., Colonnelli and Prem, 2022; Colonnelli et al., 2022) and the collective reputation of firms in the same sector (Bai et al., 2022)

important factor in explaining the rise in wage inequality from 1979 to 1988 (DiNardo et al., 1996), and unionization caused a significant share of the dramatic fall in inequality between the mid-1930s and late 1940s (Farber et al., 2021).<sup>14</sup> Regarding the political arena, a large literature has found that unions mobilize voters in elections and influence public policy (Feigenbaum et al., 2018; Fouirnaies, 2022). In the U.S., right-to-work laws hindering unions' powers had a massive negative effect on unionization and also decreased Democratic presidential vote shares, turnout, and the number of working-class candidates in state legislatures and Congress, while state policy also moved in a more conservative direction (Feigenbaum et al., 2018).

Third, I will contribute to a very recent empirical literature on union racketeering and mafia infiltration in U.S. unions. Mastrobuoni et al. (2023), in an ongoing project, study the consequences of the 1970 Racketeer Influenced and Corrupt Organizations (RICO) Act and show that RICO cases, which most likely broke many cartels (that were kept in place by mafia-infiltrated unions with the threat of violence) led to subsequent growth in employment, in the number of establishments and even in overall wages in mafia-prone industries. I will not focus on the repercussions of dismantling organized crime influence in particular industries. Instead, I will delve into the disruptive effects that exposing its connections with a minority of unions had on the American labor movement.

The rest of this paper is organized as follows. Section 2 provides a brief review of unions' history in the U.S. and details regarding labor racketeering and the McClellan Committee; Section 3 discusses the identification strategy; Section 4 describes the data sources; Section 5 presents the empirical results (*direct effects* in Subection 5.1 and *indirect effects* in Subsection 5.2). Section 6 investigates the mechanisms behind the *indirect effects* and Section 7 explores additional findings. Section 8 illustrates the robustness of the results, and Section 9 concludes.

## 2 US labor unions and the McClellan Committee (1957-1960)

### 2.1 Labor unions in the U.S. (1900-1955)

The history of labor unions in the U.S. starts in the second half of the XIX Century, hand-in-hand with the second industrial revolution. However, early attempts to organize a movement at the national level (e.g. the National Labor Union, the Knights of Labor) were very short-lived in a context where labor unions were not lawfully recognized and

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<sup>14</sup>Recent literature has also focused on codetermination (worker representation in firms' governance and management) more broadly (Jäger et al., 2021; Jäger et al., 2022 for a review).

strongly (and frequently violently) opposed by employers. Founded in 1886, the American Federation of Labor (AFL) was the first national union federation (i.e. a federation of different unions, each mobilizing and enrolling workers in a different profession) to stand the test of time. Already in this period of violent conflict between workers and employers, organized crime groups started to infiltrate a number of union locals by supplying goons to both sides ([Jacobs, 2006](#)). Even if strongly advocating for better working conditions, the early AFL avoided deep involvement in partisan politics and, after the First Red Scare (1918-1920) essentially swept away the more radical union Workers of the World, all the major U.S. labor unions aligned to moderate, non-ideological, but progressive positions. The era of labor peace during the 1920s rapidly collapsed with the Great Depression, when the fate and reputation of the U.S. labor movement changed drastically with the election of Franklin D. Roosevelt. His pro-union stance, incarnated by the statement “If I went to work in a factory, the first thing I’d do would be to join a union”, was put into practice with the passage of the National Labor Relation Act of 1935 (Wagner Act or NLRA), that guaranteed the right of workers to organize and to bargain collectively with their employers. The National Labor Relations Board was created to conduct union certification elections<sup>[15](#)</sup> and to verify the good conduct of unions and employers during the bargaining process. The legalization of unions allowed unionization to grow at an unprecedented rate in the following years. Inside the AFL, leaders of the United Mine Workers and several other AFL unions embraced industrial union organizing strategies<sup>[16](#)</sup> and founded the Congress of Industrial Organizations (CIO) in 1935. Expelled from the AFL two years later, the CIO began a contentious rivalry with the AFL that lasted until 1954, when the two federations reunited as the AFL-CIO ([Flagler, 1990](#)). The decision to re-unite the two biggest national union federations came from the need to counteract a new wave of anti-union legislation after the end of the Second World War. In 1947 the Taft-Harley Act was enacted, overwriting the provisions of the 1935 NLRA and restricting unions’ powers. Importantly, the Taft-Harley Act allowed states to enact right-to-work laws banning union shops: the practice for which all workers in unionized establishments are required to contribute to union representation expenses. Between 1947 and 1955, 15 States passed right-to-work laws<sup>[17](#)</sup> and the skyrocketing 10-year-long increase in unionization that the U.S. had experienced after the Wagner Act completely flattened (See Figure 1). However, the declining trend in U.S. unionization did not arise until the end of the 1950s and the beginning of the 1960s.

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<sup>15</sup>Elections were needed in each establishment to determine if a majority of workers desired to be represented by a particular union.

<sup>16</sup>Organizing workers of every level and task within the same industry in the same union.

<sup>17</sup>Arizona, Arkansas, Georgia, Iowa, Nebraska, North Carolina, North Dakota, Tennessee, and Virginia in 1947; Nevada in 1952, Alabama in 1953, Mississippi and South Carolina in 1954, and Utah in 1955.

## 2.2 Labor racketeering and the McClellan Committee (1957-1960)

In the 1950s, the labor movement in the U.S. was also forced to face for the first time what union leader David Dubinsky called “the cancer that almost destroyed the American labor movement”: labor racketeering. U.S. unions were prone to this issue, relative to labor unions in other countries, for a number of reasons. First, strong anti-communist and anti-socialist propaganda made U.S. unions less politicized than in most other countries and hence potentially more prone to corruption since it may be more difficult to corrupt a union leader with strong political views. Second, unions in the U.S. frequently manage substantial private pension and welfare funds, which is not common in other countries. In addition to this, the end of national-level prohibition increased the importance of labor racketeering among the income sources of organized crime, allowing the extraction of money and resources in an efficient and concealed way, entrenched in the legal economy and more difficult to prosecute. When controlling one or more union locals, organized crime figures or corrupted labor leaders could use workers’ mobilization, violence from their goons, and their close interaction with employers for their personal gain and the one of their organized crime group. On the one hand, they had the ability to extort employers by threatening strikes, picketing, and workplace sabotage; on the other hand, they may request or accept kickbacks from employers to ignore the terms of collective bargaining agreements (sweetheart deal), prevent strikes (labor peace) and enforce employer cartels. Additionally, even corrupt leaders with no connection with organized crime could commit thefts and embezzlement from membership fees and unions’ pension and welfare funds. Cases of organized crime infiltration and corruption were not unheard of in the early 1950s. However, these cases have always been considered by the AFL-CIO, covered by the press, and discussed by lawmakers as local matters connected to the thriving organized crime in a handful of big U.S. cities.<sup>18</sup> In 1949, investigative journalist Malcolm Johnson exposed labor racketeering in the International Longshoremen’s Association (ILA), completely controlling the docks of the New York port and enforcing employer cartels. In 1953, the Waterfront Commission of New York Harbor was established and tasked to regulate waterfront business activity and labor relations and investigate current illegal activities. This was the first investigation on labor racketeering that caught the attention of the public while still being perceived as a local and limited problem.

Only in 1957, the creation of the United States Senate Select Committee on Improper Activities in Labor and Management (the McClellan Committee) made labor racketeering

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<sup>18</sup>e.g. the sociologist John Landesco in his book *Organized Crime in Chicago* (1929) and Harold Seidman in his book *Labor Czars: A History of Labor Racketeering* (1938) covering labor racketeering cases in Chicago and New York.

a national issue eclipsing all other legislative or commission investigations into labor racketeering ([Jacobs, 2006](#)). The Committee held public hearings between 1957 and 1960 and was led by Democratic Senator John McClellan from Arkansas, a conservative Democrat from a right-to-work state who saw the labor as “the greatest potential threat to our freedom” ([Goldsmith, 2019](#)). It was a bipartisan committee (members were half Democratic and half Republican Senators);<sup>[19](#)</sup> Robert F. Kennedy served as the chief counsel and investigator, and the investigations and hearings focused on union corruption and racketeering. Its one-hundred-member staff still is the largest congressional investigative staff in American history, and it called to testify 1,526 witnesses, over 270 days of testimony ([Neff, 2015](#); [Goldsmith, 2019](#)), even if many high-ranking union officials and mobsters refused to answer on Fifth Amendment grounds ([Jacobs, 2006](#)). The Committee predominantly investigated the International Brotherhood of Teamsters,<sup>[20](#)</sup> but also the Bakery Workers Union, United Textile Workers, Amalgamated Meat Cutters Union, Transport Workers Union, and the International Longshoremen’s Association, among others ([Kennedy, 1960](#)). The revelations of the Committee seemed to come as a shock even within the AFL-CIO. President George Meany’s reaction to the hearings was reported by the New York Times: we thought we knew a few things about trade union corruption, but we didn’t know the half of it, one-tenth of it, or the one-hundredth of it ([Jacobs, 2006](#)). The reputation consequences of union corruption and of the hearings were considerable. The investigation was vastly publicized, and the hearings were broadcast on television and followed by around 1.2 million viewers ([Bernstein, 1997](#)). The dramatic dialectic exchanges between Robert F. Kennedy and Teamsters’ vice-president (and then president) Jimmy Hoffa became a television spectacle ([Goldsmith, 2019](#)) and captivated the national audience ([Jacobs, 2006](#)). Newspaper coverage was also extensive. The total number of newspaper pages discussing labor racketeering and union corruption increased by more than 10 times when comparing 1957 to 1956 (Figure 3). Also, when looking at the content of newspaper articles covering labor unions, the change in the most frequent words associated with labor unions is substantial, partially pushed by Robert Kennedy’s steady stream of inflammatory press releases ([Caro, 2012](#); [Goldsmith, 2019](#)). In 1957, the words *teamster*, *senate racket* (Committee), and *Dave Beck* (Teamsters’ president) become some of the most present, and mentions of *Hoffa* and *racketeering*, absent in 1956, appear in the picture (Figure 4). Nonetheless, historical sources and scholars suggest that

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<sup>[19](#)</sup>The original members were John L. McClellan (Dem, AR), John F. Kennedy (Dem, MA), Sam J. Ervin, Jr. (Dem, NC), Patrick V. McNamara (Dem, MI), Frank Church (Dem, ID), Irving Ives (Rep, NY), Karl E. Mundt (Rep, SD), Barry Goldwater (Rep, AZ), Joseph McCarthy (Rep, WI), Carl T. Curtis (Rep, NE). Joseph McCarthy died on May 2, 1957 and was substituted with Homer E. Capehart (Rep, IN). Patrick McNamara resigned from the committee on March 31, 1958 and Irving Ives retired in December 1958.

<sup>[20](#)</sup>The powerful Teamsters union had 1.5 million members in 1957.

Teamsters' members maintained their loyalty to and support for their allegedly corrupt union leaders who had secured them good wages and benefits and were now persecuted (Bernstein, 1997).<sup>21</sup> Indeed, Jimmy Hoffa, formerly vice-president of the Teamsters, was elected President in October 1957 even after appearing in August in front of the Committee accusing him of associations with organized crime and questionable financial practices (Raskin, 1957).<sup>22</sup>

But the consequences were also more concrete. The 1957 end-of-the-year report of the McClellan Committee states that the Committee's revelations have seriously shaken the public, that labor's influence has dipped sharply in both national and state legislative halls, that union organizing campaigns were postponed, and that unions began to show poorer results in certification elections held by the National Labor Relations Board (NLRB). In addition, the report connects the investigations with the new push for right-to-work laws in States like Indiana and California (Bureau of National Affairs, 1958). In January 1957, citizens' approval of labor unions had hit its all-time-high 75%, but "by September, in a poll taken soon after Kennedy's widely watch four-day grilling of Hoffa, support for unions had dropped to 65%" (Goldsmith, 2019; Gallup, 2022). The hearings also led directly to the 1959 Labor Management Reporting and Disclosure Act (Landrum-Griffin Act) that set out a federally guaranteed union members' list of rights, mandating secret union elections and annual financial reports from unions to the Department of Labor and prohibiting convicted felons from holding union office and plausibly imposed, especially on small union locals, additional organizational and administrative costs. Nonetheless, McAdams even while focusing on labor legislation in the book *Power and Politics in Labor Legislation* writes that "the most crucial factor was the reaction of the public to the issue of labor corruption" and that the Committee "set the climate of opinion in which public and congressional discussion of labor matters took place" (McAdams, 1964, page 273). As the labor historian Nelson Lichtenstein wrote, the Committee's hearings had "a devastating impact on the moral standing of the entire trade-union world" and "marked a true shift in the public perception of American trade unionism and of the collective-bargaining system" (Lichtenstein, 2002). Goldsmith (2019) ventures to claim that among the many reasons why union membership fell from its high point in the mid-1950s, the most fundamental was the identification of the entire labor movement with corruption, violence, and bossism. This paper aims to empirically investigate the consequences of the

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<sup>21</sup>Bernstein (1997) writes: "The polarized views of class conflict, Americanism, and crime served to broaden and solidify the cult of Jimmy Hoffa within the union."

<sup>22</sup>A 1960 country music piece by Smokey Stover titled *The Ballad of Jimmy Hoffa* reads: *The Senator from Arkansas [McClellan] has tried to prove Hoffa broke the law, but the drivers say "Jimmy is our man" and the trucks keep rolling on across our land [...] we don't know who is right or wrong, but a million drivers will sing his song.* To this day, the Teamsters' webpage on Hoffa does not mention his conviction, his connections with organized crime, or his mysterious disappearance.

McClellan Committee on unions and their activity, considering the Committee as the first big national-level news shock regarding union corruption.

After this groundbreaking and extensive investigation, congressional hearings on organized crime and on labor racketeering continued through the 1960s, 1970s, and 1980s. Senator McClellan focused on promoting legislation to counteract organized crime and specifically the Italian mafia in the U.S., leading to the passage of the 1970 Racketeer Influenced and Corruption Organization Act (RICO). However, its provisions were not frequently applied in courts until James Hoffa (former Teamsters leader) disappeared in 1975 and was considered murdered by the mafia. After this event received extensive media coverage, criminal and civil RICO cases against organized crime (and its infiltration into unions) started becoming more and more common in American courts, while unions' decline in the 80s and 90s made labor racketeering less and less profitable for both corrupt leaders and professional criminals.

### 3 Identifying variation

The hypothesis is that the McClellan Committee caused a news shock regarding unions' corruption, hindered unionization, and decreased unions' ability to mobilize workers in elections. The reduced mobilization capacity may, in turn, also translate into unions' inability to represent workers' interests in the workplace credibly and to push for pro-labor policymaking. I use the McClellan Committee in a difference-in-differences identification strategy, comparing outcomes before and after the Committee's investigation period. I am interested in studying both the *direct* effect on areas where investigated union locals were located and the *indirect* effect on other areas and unions. For this reason, the empirical results exploit two sources of cross-sectional geographical variation: the presence of investigated locals (*direct effect*) and the strength of unions' presence before the McClellan Committee (*indirect effect*).

#### 3.1 Presence of investigated union locals

First, the *direct effects* of the McClellan Committee's investigation may have been stronger in counties where investigated union locals were present. On the one hand, the influence of corrupt union locals on workers and voters could have been partially disrupted by the investigation, and these locals should have been hit more harshly by the anti-corruption clauses of the Landrum-Griffin Act of 1959. On the other hand, however, historical sources suggest that the Teamsters' members maintained their loyalty to their union leaders who had managed to secure good wages and benefits (Bernstein, 1997). In addition, *indirect effects* (or spillovers) on other unions might have happened within these counties. Unions'

reputation may have been impacted differently in these counties, and non-corrupt unions in the same areas could have perceived stronger scrutiny on their compliance with the Landrum-Griffin Act and diverted resources from their mobilization efforts to administrative matters. Equation 1 illustrates the difference-in-differences exploiting the presence of investigated union locals as a source of variation.

$$Y_{it} = \sum_t \beta_t \left( \frac{\text{Num investigated locals}_i}{10k \text{ people}_{i1950}} \times \mathbb{1}[\text{year} = t] \right) + \alpha_i + \gamma_t + \varepsilon_{it} \quad (1)$$

where  $Y_{it}$  is the outcome of interest (e.g., union reputation, unionization, political mobilization) for county  $i$  in year  $t$ , and the continuous treatment variable is the number of union locals investigated by the McClellan Committee per ten thousand inhabitants in 1950.<sup>23</sup> The coefficients of interest will be  $\beta_t$  for each year after 1956, and the regression includes county ( $\alpha_i$ ) and year ( $\gamma_t$ ) fixed effects; standard errors are clustered at the county level. To support the parallel trends assumption, coefficients  $\beta_t$  for each year before 1957 should not be significantly different from zero.

Making predictions regarding the effects of the revelations of the McClellan Committee in counties with more investigated locals is less straightforward than one would expect. First, on the one hand, the investigation might have hindered corrupt union locals' influence directly; on the other hand, historical sources and scholars suggest that Teamsters' current membership base (at the time) maintained their loyalty to their effective union and leaders, even if allegedly corrupt (Bernstein, 1997). Second, the Landrum-Griffin Act of 1959, mandating secret union elections and annual financial reports from unions to the Department of Labor and prohibiting convicted felons from holding union office, may have hit corrupted union locals more than honest ones. Similarly, even non-corrupt unions in the same areas could have perceived stronger scrutiny of their compliance with the Landrum-Griffin Act and diverted resources from their mobilization efforts to administrative matters. Third, citizens and workers living in proximity to an investigation may have updated their beliefs about unions' corruption differently from workers in other counties. On the one hand, local newspapers tend to cover more extensively news connected to the region or area where their headquarters are located and where most of their readers live, and this could be the case for articles regarding the Committee's investigation. Relatedly, even without higher news coverage of the events where corrupted unions are located, citizens might be more likely to infer that many or all unions close to them are corrupt. On the other hand, where corrupted union leaders and organized crime were controlling more unions, newspapers may also have incentives to under-report union corruption, possibly fearing retaliation from powerful corrupted individuals or directly from

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<sup>23</sup>Section 4 and Subsection 4.1 describe the treatment variable and its variation in detail.

corrupted unions.<sup>24</sup> In addition, if corruption was common knowledge in counties where corrupt unions were located, we might expect no effect of the investigations on unions' reputation among workers, citizens, and policy-makers. For these reasons, we have two opposite possible predictions regarding change in news coverage and sentiment towards unions in these counties. Similarly, effects on unionization, turnout, and union-supported policymaking should be present if unions' corruption was not common knowledge in these counties before the scandal (reputation channel) and/or if corrupted unions were more severely hit by the Landrum-Griffin Act. Effects may also vary depending on how widely known corruption was: union members or the marginal union member might have known about it, but the general public (target of extensive voting registration campaigns organized by unions) might have been clueless.

### 3.2 Strength of unions' presence before the investigation

Second, the *indirect effects* of the McClellan Committee should have been more substantial in counties where unions were initially stronger, able to mobilize many voters in elections, and influence policymaking. In contrast, a shock to unions' influence should have had fewer consequences where unions were already very weak before. In addition, we should expect stronger news coverage of the investigation where unions were more present and more interesting for newspaper readers. Equation 2 illustrates the difference-in-differences exploiting this source of variation.

$$Y_{it} = \sum_t \beta_t \left( \frac{\text{Num locals}_{i1940}}{10k \text{people}_{i1940}} \times \mathbb{1}[\text{year} = t] \right) + \alpha_i + \gamma_t + \varepsilon_{it} \quad (2)$$

where  $Y_{it}$  is the outcome of interest (e.g., unions' coverage in the news, unionization, political mobilization) for county  $i$  in year  $t$ , and the continuous treatment variable is the number of union locals per ten thousand inhabitants in 1940.<sup>25</sup> The coefficients of interest will be  $\beta_t$  for each year after 1956, and the regression includes county ( $\alpha_i$ ) and year ( $\gamma_t$ ) fixed effects; standard errors are clustered at the county level. To support the parallel trends assumption, coefficients  $\beta_t$  for each year before 1957 should not be significantly different from zero.

I expect counties with higher unionization before the Committee (in 1940) to have higher media coverage of the Committee in newspapers and potentially a bigger increase in the negative coverage of labor unions during the investigation. Being the population more involved in union activity, newspapers located in these counties may have wanted

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<sup>24</sup>The McClellan Committee did, for example, hold hearings regarding the New York Newspaper Distribution.

<sup>25</sup>Section 4 and Subsection 4.1 describe the treatment variable and its variation in detail.

to cater to their readership’s interest. As a consequence, in these counties, the national news shock caused by the committee may have had a stronger negative effect on their reputation, and this may be reflected in newspapers’ content. Similarly, unions’ reputation should have worsened relatively more among congresspersons elected in a congressional district with higher unionization. Moreover, the Landrum–Griffin Act of 1959, mandating secret union elections and annual financial reports from unions to the Department of Labor, may have had bigger consequences in counties with a stronger union presence, hitting all union locals with additional administrative and organizational costs, especially small ones. If counties with higher unionization were, in fact, exposed to a stronger shock to unions’ influence and a bigger news shock, we would expect unionization in those counties to fall more than in other counties after the Committee’s revelations. Additionally, unions were extremely active with campaigns fostering voters’ registration and turnout (see Figure A.1a) among their members and with door-to-door campaigns targeting the general population.<sup>26</sup> Intuitively, unions were able to mobilize more workers and eligible voters in counties where unionization was higher. For this reason, after 1957, we should expect a decrease in turnout in presidential elections in counties with higher pre-Committee unionization. Finally, if the investigations had a negative impact on unions’ reputation among policymakers and on unions’ electoral mobilization capacity, unions may have also lost their ability to influence politicians. Hence, congresspersons elected in electoral districts with higher unionization may also decrease their support for policies strongly advocated by labor unions.

For these results to identify the *indirect effects* of the McClellan Committee they should not be driven by counties where investigated union locals were present. For this reason, I will also present results from Equation 2 dropping counties with at least one investigated union. Additional results will also include a model investigating the interaction between the two treatment variations (presence of investigated union locals and strength of unions’ presence before the investigation).<sup>27</sup>

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<sup>26</sup>This was especially true in presidential elections where the stakes are higher in American politics, and the benefits of favorable politicians outweighed the cost of campaign organizing.

<sup>27</sup>The interaction regression follows the equation:

$$Y_{it} = \sum_t \left[ \beta_t \left( \frac{\text{Num locals}_{i1940}}{10k \text{ people}_{i1940}} \times \mathbb{1}[\text{year} = t] \right) + \delta_t \left( \frac{\text{Num investigated locals}_i}{10k \text{ people}_{i1950}} \times \mathbb{1}[\text{year} = t] \right) + \phi_t \left( \frac{\text{Num locals}_{i1940}}{10k \text{ people}_{i1940}} \times \frac{\text{Num investigated locals}_i}{10k \text{ people}_{i1950}} \times \mathbb{1}[\text{year} = t] \right) \right] + \alpha_i + \gamma_t + \varepsilon_{it}$$

### 3.3 Widespread consequences: the reputation shock and the Landrum-Griffin Act of 1959

These two sources of cross-sectional variation (the variation in unions' presence before the McClellan Committee and the presence of investigated locals) plausibly identify the (*direct* and *indirect*) compound negative effect of the McClellan Committee on unions. This compound effect can be attributed to different factors that I will not be able to completely disentangle. The variation in the presence of investigated union locals identifies the effect of the investigation in the counties where these unions were located. Since I cannot observe, for example, which union mobilized voters within an investigated county, I cannot disentangle how much of the effect is due to a reduced influence of investigated vs non-investigated locals. However, more interestingly, using the second source of variation (unions' presence before the McClellan Committee), I can investigate the mechanisms through which the Committee might have affected all unions and not only investigated ones. The historical sources suggest two main factors: a negative reputation effect of the investigation on the U.S. public and the passage of the Landrum-Griffin Act of 1959 (or Labor Management Reporting and Disclosure Act of 1959), in turn, considered a consequence of the reputation shock caused by the investigation. When summarizing why this law had been passed [McAdams \(1964\)](#) writes: "the most crucial factor was the reaction of the public to the issue of labor corruption", and the Committee "set the climate of opinion in which public and congressional discussion of labor matters took place".<sup>28</sup> While the additional organizational costs due to the Landrum-Griffin Act are impossible to quantify, the negative reputation shock for unions caused by the investigations is concretely observed in aggregate terms and easier to proxy for with geographically disaggregated data. The Gallup poll reveals a stark drop in unions' approval rate but, unfortunately, does not report geographically disaggregated data. Hence, I implement sentiment analysis on the text of newspaper pages regarding labor unions and on the speeches of elected congresspersons<sup>29</sup> to gauge the differential drop in unions' approval in counties and electoral districts with stronger unions' presence before the McClellan Committee. In addition, given the extensive TV coverage of the Committee's hearings, I will use the share of households owning a TV set and the maximum TV signal strength in a county in 1956 as alternative sources of cross-sectional variation, identifying the consequences of the news coverage of the Committee. Nonetheless, it will not be possible to attribute the consequences of the McClellan Committee on unions' mobilization ability solely to the reputation shock or to the Landrum-Griffin Act channel. These results are discussed in detail in Section 6.

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<sup>28</sup>page 273

<sup>29</sup>Description of these variables are in Section 4 and Appendix B discusses their construction in detail.

### 3.4 Monotonicity assumption: estimated effects as lower bounds

This paper studies the impact of the McClellan Committee (and the legislation that spurred from it) on labor unions. This was an aggregate shock that had, however, differential consequences across the US: I hypothesize that areas with stronger union presence before the investigation and with more prevalent corrupted union locals were hit more drastically by this aggregate shock. The estimated effects of this paper should hence be considered as a lower bound since all areas of the U.S. were at least partially *treated*. Nonetheless, an additional assumption is necessary to credibly identify a lower-bound effect: we need to assume a form of *monotonicity* of these consequences. For example, as a consequence of the McClellan Committee hearings, if areas with high union presence or more investigated locals experience a decline in unions' reputation or mobilization capacity, areas with lower union presence or less investigated union locals should not experience an improvement in unions' reputation or an increase in their mobilization capacity, because this would prevent from considering my estimated effects a lower bound. Note that all research papers that use similar identification strategies to study a shock that at least partially or potentially hit also the control group (i.e. a nationwide shock as in [Autor et al., 2013](#), or a setting with potential information spillovers and beliefs update as in [Wheaton, 2020](#)) will have to make this assumption, whether discussed explicitly or not. In my context, the consequences of the McClellan Committee most likely hit, at least partially, all areas of the U.S. with a bundled treatment that, given historical sources, I mostly consider composed of two factors: the negative reputation shock to unions caused by the investigations and the Landrum-Griffin Act of 1959.<sup>30</sup> Since the Act was strongly opposed by labor unions, it is probably safe to assume that it did not have any sizeable positive effects on unions' organizing activity (but negative, if any). Evaluating this assumption regarding the effect of the Committee's hearings and the high publicity they had on unions' reputation is more complex. In areas where unions' reputation was already very low before the McClellan Committee, the investigation, by showing some effort to eradicate union corruption, might have actually improved unions' reputation and these areas might overlap with the ones with low union presence before the McClellan Committee (i.e. one of the identifying variations). However, descriptive evidence from the Gallup Poll does not support this hypothesis. First, in terms of aggregate trends, in January 1957, just before the Committee started its hearings, approval of labor unions had hit its all-time-high at 75% ([Gallup, 2022](#)) and dropped by 10 p.p. by the end of August: such a massive drop is likely to have affected the vast majority of U.S. citizens. Second, using the Gallup data in more detail, I can look at this drop across different groups of the population. Between April and August 1957, the approval rate fell for both: union mem-

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<sup>30</sup>See Section 2 and Subsection 3.3 for a detailed discussion.

bers (from 89.5% to 87%) and non-members (from 68% to 57%), men (from 81% to 72%) and women (from 67% to 58%), white (from 74% to 65%) and non-white (from 73.5% to 67%), republicans (from 66% to 53%), democrats (from 78.4% to 73%) and independents (from 78.6% to 68%).<sup>31</sup> All groups decreased their approval rate with the smallest (but still negative) update among respondents who were union members in 1957. If we want to focus on differential updates in the approval of labor unions, groups of respondents with lower initial approval have a bigger negative update than groups with higher initial approval, and not vice versa. This supports the idea that the estimated effects are a lower bound.

The plausible monotonicity of the consequences discussed above also reduces concerns connected to treatment effect heterogeneity (and weighting of these heterogenous effects in regressions) as pointed out in Callaway et al. (2021) and De Chaisemartin and d'Haultfoeuille (2020).<sup>32</sup> To further tackle these potential concerns, I probe whether regression coefficients are driven by specific U.S. States, running separate regressions each excluding one State. The coefficients are remarkably stable and in no case flip sign (see Figure A.18 and Section 8 for a more detailed discussion). In addition, in Section 8 I also discuss results using a binary (dummy) definition of the two treatment variables (presence of investigated union locals and strength of unions' presence before the investigation). These results suggest that treatment effect heterogeneity leading to sign reversal is not a major concern in my setting.

## 4 Data

This section describes the data sources and the variables constructed to empirically investigate the consequences of the McClellan Committee. More information on the data and variable construction is available in Appendix B.

**Investigated union locals.** I digitized and geolocated the list of all union locals mentioned in the transcript of the hearings of the Select Committee on Improper Activities in the Labor Or Management Field (McClellan Committee). The list of all mentioned union locals is included in the index of the publication (U.S. Senate, 1957–1960). One treatment variable used in this paper is the number of union locals investigated by the McClellan Committee in a county or electoral district per 10'000 inhabitants in 1950. Figure 5 shows the spatial distribution of this variable.

**Union locals in 1940, 1944, and 1947.** The list of union locals in 1940, 1944, and 1947 are collected by the *Mapping American Social Movements Project* (2023).<sup>33</sup> The

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<sup>31</sup>Own summary statistics from Gallup Organization (1957a,b)

<sup>32</sup>Note that identification challenges connected to staggered difference-in-differences do not apply here.

<sup>33</sup>[https://depts.washington.edu/moves/CIO\\_intro.shtml](https://depts.washington.edu/moves/CIO_intro.shtml)

data contain information on the location and membership of union locals in seven major unions belonging to the Congress of Industrial Organizations (CIO): United Auto Workers (UAW), United Electrical Workers (UE), Amalgamated Clothing Workers (ACWA), International Longshore and Warehouse Union (ILWU), and International Woodworkers of America (IWA), International Typographical Union (ITU), and International Ladies Garment Workers Union (ILGWU). These unions covered around 2.3 million workers, 14% of the unionized workforce in 1960. Unfortunately, to the best of my knowledge, more comprehensive and disaggregated data on unions and union members do not exist for the 1940s and 1950s. This paper is the first to use this data for empirical research. Figure 7 shows on a map of the U.S. the number of union locals for each of these seven union federations in each county in 1940. One treatment variable used in this paper is the number of union locals in a county or electoral district in 1940 per 10'000 inhabitants in 1940. Figure 6 shows the spatial distribution of this variable.

**Union locals in 1960, 1964, and 1971.** I collected the full list of union locals in the U.S. for the years 1960, 1964, and 1971 from the *Register of Reporting Labor Organizations* (U.S. Department of Labor, 1990). In this paper, to construct a measure consistent with data from earlier years (1940, 1944, and 1947), I use the list of union locals for 7 national unions (UAW, UE, ACWA, ILWU, IWA, ITU, and ILGWU, as described above). To the best of my knowledge, I am the first to digitize this data.

**ANES unionization (1956-1998).** Union membership data for years between 1956 and 1998 come from the American National Election Studies (2023) survey (ANES). ANES data include a county identifier only starting in 1956, are representative only at the State level, and cover a small sample of counties.

**NLRB certification elections (1963).** I cleaned and geolocalized firm-level union certification elections data from Schaller (2023a,b)<sup>34</sup> and added union identifiers to the dataset for the earliest fully-digitized year (1963). To the best of my knowledge, this paper is the first to supplement this data with city and union identifiers, while earlier research only used industry × state variation.

**Turnout in presidential elections.** I combine data on turnout in presidential elections at the county level from Clubb et al. (2006) and Charles and Stephens Jr (2013).

**Congress roll-call data.** I use roll-call data from the U.S. Congress (ICPSR, 2010) to measure the support for minimum wage laws in year  $t$  by representatives elected in congressional district  $i$ . Among all union-related and union-supported laws, I select roll calls regarding minimum-wage extensions because, since multiple minimum-wage extensions are passed in this period, I can construct a time series of similar and comparable votes. Minimum-wage extensions were and are an important policy strongly supported by

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<sup>34</sup>I thank Prof. Zachary Schaller for sharing these data with cleaned industry and state identifiers for years between 1962 and 2021.

unions in the U.S. (see Figure A.1b). I select members of the House of Representatives to be able to assign to each representative a value of the treatment variable computed at the electoral district level with sufficient cross-sectional variation, and I drop districts-at-large.

**Newspaper pages on labor racketeering.** Data measuring newspaper coverage of labor unions, labor racketeering, and union corruption are collected from the website *newspaperarchive.com*. This is the first dataset regarding the news coverage of labor racketeering. One outcome variable used in this paper is the number of newspaper pages containing keywords<sup>35</sup> related to labor racketeering divided by the total number of newspaper pages mentioning labor unions<sup>36</sup> published in a county  $\times$  year. Figure 3 shows the aggregate time series of this variable, and Figure 12 visualizes its spatial variation aggregating years between 1957 and 1960.

**Sentiment towards unions in newspapers (1954-1960).** I collect the full OCRed text<sup>37</sup> of newspaper pages mentioning labor unions from the website *newspaperarchive.com*. I select pages mentioning labor unions using keywords (see footnote 25), and I run a sentiment analysis model to select the pages with negative sentiment. I measure the share of pages with negative sentiment towards unions published in year  $t$  in county  $i$ , relative to the number of pages mentioning labor unions. More details on the construction of this variable are in Appendix B. The word clouds in Figure 4 use the same texts selecting pages using keywords related to labor unions in 1956 and 1957.

**Sentiment towards unions in Representatives' speeches (1953-1962).** Using digitized congressional speeches from Gentzkow et al. (2019), I measure the share of speeches with negative sentiment towards unions given in year  $t$  by congresspersons elected in district  $i$ . I focus on the members of the House of Representatives to be able to assign to each congressperson a value of the treatment variable computed at the electoral district level, with sufficient cross-sectional variation, and I drop districts-at-large. I select speeches mentioning labor unions (see footnote 25), and I run a sentiment analysis model to select the speeches with negative sentiment. The share is relative to the number of speeches mentioning labor unions. More details on the construction of this variable are in Appendix B.

**Share of households owning a TV set in 1956.** Data on the share of households owning a TV set for each county in 1956 are from Gentzkow (2006).

**Maximum TV signal in a county in 1956.** I extracted position, height, and power

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<sup>35</sup>keyword search for “corrupt labor union”, “labor union corruption”, “labor racket”, “labor rackets”, “labor racketeering”, “union racketeering”, “union racket”, “union rackets”, “union mafia”, “labor racket committee”, “labor rackets committee”, “Senate rackets committee”, “Senate racket committee”, “McClellan committee”

<sup>36</sup>keyword search for “labor movement”, “labor organization”, “labor organizations”, “labor union”, “labor unions”, “organized labor”, “trade union”, “trade unions”, “union local”, “union locals”

<sup>37</sup>Text extracted from an image with optical character recognition software.

on TV antennas from the [Broadcasting Telecasting Yearbook \(1956-1957\)](#). I used this information to compute TV signal across the United States using the platform [CloudRF](#) and computed the maximum TV signal within each county.

**Other control variables.** From the County and City Data Book of the U.S. Census ([United States Bureau of the Census, 2012](#)), I gather population data for 1940 and 1950 at the county level and additional control variables (population, share of workers in manufacturing, share of black population, share of employed population).

## 4.1 Descriptive statistics

Table A.1 reports descriptive statistics for the main variables I use in the empirical analysis.

**Treatment variables.** The number of union locals in 1940, for 7 union federations, and the same variable normalized by population in 1940, varies substantially, as it is also clear from Figures 6 and 7. In Figure 7, one can notice the strong agglomeration of the United Automobile Workers (UAW) in Detroit and the Amalgamated Clothing Workers of America (ACWA) in New York, which are also the counties with the highest number of union locals: 87 in New York county, as reported in Table A.1, and 77 in Wayne county. The average number of union locals per county is 0.584. When looking at the same variable normalized by population in Figure 6 one can see that unions' presence (even when looking at 7 federations) seems to cover most of U.S. territory in 1940, with an average of around 8 locals per million inhabitants and a maximum of 8 locals per 10'000 inhabitants. The number of investigated union locals also varies substantially, with a maximum of 156 investigated union locals in New York but only 132 counties with at least one investigated union local (visible also in Figure 5). Normalizing by population in 1950 (in 10'000s) with an average of around 1 investigated union local for around 1.7 million people and a maximum of 2 for 10'000 people.

**Outcome variables: before and after.** Table A.1 also reports summary statistics for the main outcome variables before and during/after the McClellan Committee. As clearly suggested also by Figure 3, which reports the aggregate number and share of newspaper articles about labor racketeering in the U.S., when comparing the average across countries of these two variables before and during/after the McClellan Committee in Table A.1, we clearly see a stark increase. The share of newspaper pages regarding labor racketeering among all newspaper pages about unions and the absolute number increased from 1.4% and 1 before the committee to 5.7% and 7 during and after (averaging all years between 1957 and 2000). Figure 12 shows the geographical distribution of this share across the U.S. We also see an overall increase in the number of newspaper pages regarding labor unions (the denominator of the share discussed above), going from 59 to 93 per county

$\times$  year. Similarly, the share of newspaper pages discussing labor unions with a negative sentiment exhibits a statistically significant 4.7 p.p. increase. The overall trend for the turnout in presidential and congressional elections is instead increasing, with an average of 54% and 45% before the investigation and 59% and 50% during/after. Table A.1 also reports the share of NLRB certification elections won by unions and the share of votes in favor of unions in elections held in 1963 for two groups of unions: the 7 unions for which I have data in 1940 and for all unions. Interestingly, the means of these two variables are not statistically different from each other when comparing these two groups of unions. The average and maximum number of union elections held in a county in 1963 is obviously different between these two groups: 0.1 elections on average when considering 7 unions and 2 when considering all unions; a maximum of 22 certification elections held by these 7 unions (in Wayne County) and a maximum of 294 certification elections held by all U.S. unions in 1963 (in Los Angeles County). One can also observe a small and not significant decrease in the share of congresspersons' speeches discussing labor unions with a negative sentiment. However, the support for minimum wage extensions among congresspersons during roll-call decreases by around 20 p.p. (from 81.5% to 61.6%).

**Other controls and descriptives.** Table A.1 also reports summary statistics for a number of control variables that I use in robustness checks or, in the case of population, as denominators for my treatment variables. Some variables have means lower (e.g. the share of non-white population, the share of urban population, and the share of workers in manufacturing) or higher (e.g. the share of workers in agriculture) than the aggregate numbers in 1950, computed for the whole U.S. since these means are averages of the shares computed at the county level.

## 5 Empirical results

### 5.1 The direct effects

This section presents the results examining the effects of the McClellan Committee in areas where investigated union locals were present. The strength of the presence of investigated union locals is measured using the number of investigated union locals in a county per ten thousand inhabitants in 1950. At the county or electoral district level, these *direct effects* actually combine the consequences of the investigation mediated by investigated union locals and by non-corrupt unions in counties where investigated locals were present.

#### 5.1.1 Unionization

As a first step, I analyze the consequences of the investigations on unionization: the ability of unions to unionize firms and establishments through certification elections and the

share of workers who are union members. Unfortunately, datasets reporting information on the share of unionized workers disaggregated at the county level are not available for early years. For this reason, I use data on the results of the NLRB certification elections, only available starting in the early 1960s, and Table 1 reports the results of cross-sectional regressions.<sup>38</sup> Given this caveat, the following results are to be considered only correlational. The table investigates the consequences of the McClellan Committee on unionization in counties where the presence of investigated unions was stronger. Columns (1) and (4) indicate that a higher number of investigated union locals per ten thousand inhabitants is associated with a lower pro-union vote share in NLRB certification elections and a lower probability of unions winning, but not significantly so.<sup>39</sup>

The imprecisely estimated correlation between the presence of investigated union locals and the support for unions in certification elections can be explained by the presence of two counteracting forces. On the one hand, investigated union locals might have lost part of their organization capacity due to the investigations or to the anti-corruption clauses of the Landrum-Griffin Act. Similarly, even non-corrupt unions in the same areas could have perceived stronger scrutiny and diverted resources from increasing membership to administrative tasks required by the Act. Moreover, the news shock about union corruption might have hit workers in these counties through mass media (e.g. national tv, radio) or by word of mouth. All these reasons would explain a decreased mobilization capacity of unions in counties with a stronger presence of investigated union locals. On the other hand, marginal union members (workers actually deciding whether to join a union or not) in counties with investigated locals might have known about the corruption in certain unions before the McClellan investigation, and the revelations might have not affected their support for unions. In addition, some historical sources and scholars suggest that corrupted unions' support among their members (especially the Teamsters) was not strongly affected by the investigation (Troy, 1965; Zieger et al., 2014) and that the investigation was seen among their rank-and-file as a persecution of leaders who had provided their members with good salaries and benefits (Bernstein, 1997). Indeed, when considering only NLRB certification elections where the union to be certified was the Teamsters, the non-significant correlation becomes positive (Columns 2 and 5 of Table 1). The Committee also held hearings regarding the United Automobile Workers union (UAW) in February 1958 but found no evidence of corruption or malfeasance. When

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<sup>38</sup>The data refer to certification election results in 1963, additional years of data are currently being digitized and geolocalized.

<sup>39</sup>Additional suggestive evidence can be gathered from survey data. Starting in 1956, the ANES survey reports county identifiers of respondents interviewed in a limited number of counties and non-representative at the county level. Given the above-mentioned caveats, the following results using these data are to be considered only suggestive: Figure A.2a shows that unionization declines more sharply in counties with at least one investigated union local than in other counties.

looking at elections to certify the UAW as the union representing workers in new firms and establishments, the union is more likely to win in counties with stronger presence of investigated union locals (Columns 3 and 6 of Table 1), plausibly as a reward for leaders that, when investigated, were found to be honest. This second set of explanations would explain a null (or even positive) effect of the McClellan Committee on unions' ability to extend union coverage to new firms and plants in areas with a stronger presence of investigated union locals. These opposite effects might partially offset each other producing a negative but not significant correlation between the presence of investigated union locals and support for unions in certification elections.

### 5.1.2 Political mobilization

The second outcome I consider is the turnout in presidential elections, a measure of the political mobilization capacity of unions. In using this measure, I follow previous literature that has shown how a negative shock to unions' organization capacity (e.g., the introduction of Right-to-Work laws) has negative consequences on turnout in elections (Feigenbaum et al., 2018). Indeed, unions were (and are) extremely active with campaigns fostering voters' registration and turnout (see Figure A.1a),<sup>40</sup> not only among their members, but with door-to-door campaigns targeting the general population.<sup>41</sup>

Using the number of investigated locals per 10'000 inhabitants, I identify the *direct effect* of the McClellan Committee in areas with a stronger presence of investigated union locals. Figure 8 shows a negative effect on turnout in presidential elections from 1964 onward. A 1 s.d. increase in the number of investigated union locals per ten thousand inhabitants in 1950 predicts a decrease in turnout in presidential elections between 0.4 and 0.8 p.p. from 1964 onward. The size of these effects on turnout is around one-third of the effects caused by the introduction of a right-to-work law (2 p.p. decrease in turnout) estimated in Feigenbaum et al. (2018).

In counties with a stronger presence of investigated union locals, the general public could have been affected even in the presence of a weak effect of the McClellan Committee on the ability of unions to expand representation to new establishments and firms. Even if union members or the marginal union member might have known about unions' corruption before the investigation, the general public might have been clueless. The news shock about union corruption might have hit the public in these counties through mass media (e.g. national tv, radio) or by word of mouth, translating in lower trust in unions in the general population and less voters being mobilized by unions' registration and turnout campaigns. Moreover, investigated union locals might have lost part of

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<sup>40</sup>For recent examples of registration efforts by unions: United Steel Workers, Teamsters, AFL-CIO.

<sup>41</sup>This was especially true in presidential elections where the stakes are higher in American politics, and the benefits of favorable politicians outweighed the cost of campaign organizing.

their organization capacity due to the investigations, and both corrupt and non-corrupt unions in areas with more investigated locals could have perceived stronger scrutiny and diverted resources from voters' registration campaigns to administrative tasks required by the Landrum-Griffin Act. In conclusion, the investigation of the McClellan Committee, and its reputational consequences, together with the Landrum-Griffin Act that followed, caused a decrease in the mobilization capacity of unions in elections.

### 5.1.3 Public Policy

Finally, I consider the effects of the McClellan Committee on policymakers' voting behavior in roll-call in the House of Representatives (from [Clubb et al., 2006](#) and [Charles and Stephens Jr, 2013](#)). Figure 9 shows the results considering five roll-call votes on minimum-wage extensions between 1949 and 1966 in the House of Representatives. Among all union-related and union-supported laws, I select roll calls regarding minimum-wage extensions because, since multiple minimum-wage extensions are passed in this period, I can construct a time series of similar and comparable votes. Moreover, minimum-wage extensions were and are an important policy strongly supported by unions in the U.S. (see Figure A.1b). In Figure 9, the stronger the presence of investigated locals in an electoral district, the more likely a congressperson is to support a minimum wage increase in 1960 and 1966. A 1 s.d. increase in the number of investigated union locals per ten thousand inhabitants in 1950 in an electoral district predicts a 1.4 p.p. increase in the likelihood that a congressman elected in that district supports a minimum wage extension in 1961 and a 3.2 p.p. increase in 1966. This voting behavior is consistent with Representatives elected in electoral districts with a stronger presence of investigated union locals voting against the passage of the Landrum-Griffin Act, strongly opposed by unions (see Figure 17 and Section 6 for a more detailed discussion). This positive effect, however, is not robust to the inclusion of employment share  $\times$  year fixed effects (Figure A.13b). Overall, policymakers' support for union-backed policies in electoral districts where investigated union locals were present was not hindered by the McClellan Committee's investigation.

## 5.2 The indirect effects

This section presents the results investigating the effects of the McClellan Committee in areas where the presence of union locals was stronger before the McClellan Committee. The strength of unions' presence before the McClellan Committee is measured as the number of union locals per ten thousand inhabitants in 1940. These areas where unions were more prevalent are more likely to have been impacted by the investigations' *indirect effects* (or spillovers) on non-investigated and non-corrupt unions. In counties where unions were initially stronger, able to mobilize many voters in elections, and influence policymaking,

the consequences of the investigation should be more substantial. In addition, we should expect stronger news coverage of the investigation where unions were more present and more interesting for newspaper readers. To make sure that these *indirect effects* are not driven by the presence of investigated locals I also show results excluding counties with at least one investigated union local.

### 5.2.1 Unionization

As a first step, I analyze the *indirect* consequences of the investigations on unionization: the ability of unions to unionize firms and establishments through certification elections and the share of workers who are union members in counties with stronger union presence and in particular where no investigated locals were present. Unfortunately, datasets reporting information on the share of unionized workers disaggregated at the county level are not available for early years. For this reason, I use data on the results of the NLRB certification elections, only available starting in the early 1960s, and Table 2 reports the results of cross-sectional regressions.<sup>42</sup> The table investigates the consequences of the McClellan Committee in counties where union presence was stronger before the investigation. Columns (1) and (3) indicate that a stronger presence of unions in 1940 is associated with a lower pro-union vote share in NLRB certification elections and a lower probability of the unions winning. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 is associated with a 2.3 p.p. lower probability of winning. When excluding counties with at least one investigated union locals in Columns (2) and (4) the correlations become stronger and more significant. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 is associated with a 2.7 p.p. lower probability of winning.

Importantly, results in Table 2 are not mechanically driven by fewer elections being held in counties with higher pre-McClellan union presence. One may hypothesize that counties with higher union presence have a smaller margin to hold additional elections if most firms are already unionized, however, results in Table A.3 show that unions in counties with more union locals actually held more certification elections (Columns 1 and 2). When restricting the regressions to counties where at least one election is held (the sample used in Table 2), the positive correlation becomes non-significant, suggesting that the margin to hold additional elections was similar in counties with stronger or weaker union presence before the investigation. Even if the number of elections held was similar between counties with stronger or weaker union presence, one may still hypothesize that the marginal election held may have been more difficult to win in counties with a stronger

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<sup>42</sup>The data refer to certification election results in 1963, additional years of data are currently being digitized and geolocalized.

union presence, and more firms already unionized. In the U.S., union certification elections are more frequently won in workplaces and firms with fewer employees (Farber, 2001). For this reason, in Table A.4 I show that the correlation between the strength of union presence before the investigation and firm size is negative and not significant. If anything, counties with stronger union presence held elections in firms that were marginally easier to unionize, because slightly smaller in size (even if not significantly so). Overall, these results suggest that the McClellan Committee had a negative effect on the unionization of additional firms and plants by unions.<sup>43</sup>

### 5.2.2 Political mobilization

The second outcome is the turnout in presidential elections, a measure of the political mobilization capacity of unions. In using this measure, I follow previous literature that has shown how a negative shock to unions' organization capacity (e.g., the introduction of Right-to-Work laws) has negative consequences on turnout in elections (Feigenbaum et al., 2018). Where unions were initially able to mobilize a bigger part of the voters, the shock to unions' influence caused by the McClellan Committee had bigger consequences on turnout in elections: either because unions were hit by a negative reputation shock or because the Landrum-Griffin Act forced unions (especially small locals) to focus more resources on administrative matters and less on electoral mobilization campaigns. Unions were, in fact, extremely active in promoting registration and turnout campaigns, not only among their members but also in the general population.

Looking at Figure 10a, a stronger presence of unions before the investigation is associated with a decrease in turnout in presidential elections from 1964 onward: a 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 1 p.p. decrease in turnout in presidential elections in 1964 and between 1.5 and 1.9 p.p. in the following years. To make sure these results are not driven by the presence of investigated union locals, I present the same analysis dropping from the sample counties with at least one investigated union local. Figure 10b shows that the *indirect effect* of the McClellan Committee is virtually identical when excluding counties with at least one investigated union local. The size of these effects on turnout is comparable to the effects caused by the introduction of a right-to-work law (2 p.p. decrease in turnout) estimated in Feigenbaum et al. (2018). To sum up, the investigation of the McClellan Committee, and its reputational consequences, together with the Landrum-Griffin Act that followed,

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<sup>43</sup>Additional suggestive evidence can be gathered from survey data. Starting in 1956, the ANES survey reports county identifiers of respondents interviewed in a limited number of counties and non-representative at the county level. Given the above-mentioned caveats, the following results using these data are to be considered only suggestive: Figure A.2b shows that the share of unionized workers decreased more sharply in counties where at least one union local was present in 1940.

caused a decrease in the mobilization capacity of unions in elections, also in areas where no investigated union local was present.

### 5.2.3 Public Policy

Finally, I consider the *indirect effects* of the McClellan Committee on policymakers' voting behavior in roll-call in the House of Representatives (from [Clubb et al., 2006](#) and [Charles and Stephens Jr, 2013](#)). Figure 11 shows the results considering five roll-call votes on minimum-wage extensions between 1949 and 1966 in the House of Representatives. Among all union-related and union-supported laws, I select roll calls regarding minimum-wage extensions because, since multiple minimum-wage extensions are passed in this period, I can construct a time series of similar and comparable votes. Moreover, minimum-wage extensions were and are an important policy strongly supported by unions in the U.S. (see Figure A.1b). Looking at Figure 11a, the stronger the presence of unions before the investigation in an electoral district, the less likely a congressperson is to support a minimum wage increase in 1961 but also more likely in 1966. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 in an electoral district predicts a 3 p.p. decrease in the likelihood that a congressman elected in that district supports a minimum wage extension in 1961 and a 5 p.p. increase in 1966. As before, I exclude electoral districts with at least one investigated union local to verify whether the effects are driven by the presence of investigated unions. Indeed, the positive coefficient associated with the 1966 minimum-wage roll-calls becomes smaller and not significant, while the negative coefficient associated with the minimum-wage extension of 1961 becomes more negative. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 in an electoral district predicts a 3.3 p.p. decrease in the likelihood that a congressman elected in that district supports a minimum wage extension in 1961. To sum up, in counties with a stronger union presence, the McClellan Committee decreased the support for minimum-wage extensions among Congress Representatives in the short run.

## 6 Mechanisms: what can explain the indirect effects?

### 6.1 Negative reputation shock

This section discusses a negative reputation shock as a mechanism that plausibly contributed to the decline in unions' mobilization capacity caused by the McClellan Committee in areas with stronger union presence before the investigation. I will examine this mechanism, strongly underlined by law scholars and historians, focusing on the con-

tent of newspapers and Representatives' speeches in Congress and on the effect that TV ownership and signal had on the outcomes I considered in Section 5.

### 6.1.1 News coverage

As a first step to understand the reputation consequences of the McClellan Committee, I study the news coverage of the hearings, labor racketeering, and union corruption in historical newspapers. Given the aggregate reputation shock associated with the hearings of the McClellan Committee, especially in 1957 ([Gallup, 2022](#); [Gallup Organization, 1957a,b](#)), we should expect that information about the investigations played an important role in explaining *indirect effects* (or spillovers) of the Committee on the labor movement as a whole. The outcome of interest is the share of newspaper pages discussing labor racketeering and union corruption (out of the pages mentioning labor unions) as a proxy for the information shock caused by the McClellan Committee: the higher the newspaper coverage of the Committee in a county, the more likely it is that more citizens in that county got to know about union corruption and labor racketeering as a consequence of the hearings.

The strength of unions' presence before the investigation is measured as the number of union locals per ten thousand inhabitants in 1940. In Figure 13, the regression coefficients show that a higher number of union locals per ten thousand inhabitants in 1940 predicts an increase in the share of newspaper pages covering union corruption in 1957 and 1958 relative to the number of newspaper pages mentioning labor unions. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 3.4 p.p. increase in the share of newspaper pages covering union corruption in 1957 and a 1.9 p.p. increase in 1958 relative to the number of newspaper pages mentioning labor unions. This translates to a 104% increase in 1957 and a 60% increase in 1958 relative to the mean share of newspaper pages covering union corruption. To verify that these results are not driven by the presence of investigated union locals, I also ran the same analysis excluding counties where at least one union local was investigated. Figure A.3 shows that the results are very similar and even stronger in 1957 and 1958 when excluding these counties. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 4 p.p. increase in the share of newspaper pages covering union corruption in 1957 and a 2.4 p.p. increase in 1958 relative to the number of newspaper pages mentioning labor unions. Being the population more involved in union activity in counties with stronger union presence before the investigation, newspapers located in these counties may have wanted to cater to their readership's interest and increase the coverage of the events relatively more than newspapers in counties with weaker union presence. This may, in turn, have increased the number of citizens in those counties who got to know about union

corruption and labor racketeering because of the hearings.

Instead, surprisingly, news coverage of union corruption is lower in counties with more investigated locals (Figure A.4) relative to other counties. This may suggest that, where corrupted union leaders and organized crime were controlling more unions, newspapers had incentives to under-report corruption cases in counties where they happened, possibly fearing the retaliation power of corrupted individuals or corrupted unions. Indeed, the McClellan Committee did, for example, hold hearings regarding the newspaper distribution in New York (U.S. Senate, 1960). Moreover, these negative effects on news coverage are driven by counties with both a higher presence of investigated union locals and a generally stronger union presence (see Figure 18a and Section 7 for a discussion of the interaction effects).

### 6.1.2 Sentiment towards unions

While I cannot claim that the *indirect effects* of the McClellan Committee on union membership and political mobilization capacity were mediated solely by their loss of reputation, I present evidence that supports the historical sources maintaining that reputation loss was an important factor. Subsections 3.4 and 3.3 discussed this point in greater detail and described how unions' reputation dropped during 1957 for different groups of the population using data from Gallup Organization (1957a,b). Unfortunately, Gallup data is not representative at the county level and does not report county identifiers for its respondents; for this reason, I use the text of newspaper pages and of speeches of Congress Representatives to measure the sentiment towards unions.

The first data source is the text of historical newspaper pages. Figure 14 shows the results of the regressions in Equation 2 using as the outcome variable the share of newspaper pages in a county  $\times$  year that have a negative sentiment towards labor unions, among the newspaper pages mentioning labor unions.<sup>44</sup> The regression coefficients show that a stronger union presence before the investigation is associated with an increase in the newspaper pages with negative sentiment toward unions during the investigation. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 1.2 p.p. increase in the share of newspaper pages with negative sentiment toward unions in 1957 (p-value 0.059) and a 1.5 p.p. increase in 1959 (p-value 0.070). These results are coherent with the results on news coverage in Subsection 6.1.1. Newspapers in counties with stronger union presence increased their reporting of the hearings and unions' corruption more than counties with weaker union presence, and this reporting was associated with a more negative coverage of labor unions. In summary, when looking at newspapers' content, counties with stronger union presence before the Committee were

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<sup>44</sup>More details about the construction of this variable in Section 4 and Appendix B.

hit by a bigger negative news shock regarding unions, and it is plausible that unions' reputation in these counties was also more severely hit by the McClellan Committee's revelations.

The second data source is the text of speeches of elected Representatives in Congress. In addition to being a proxy of unions' reputation among their voters, this measure is important to understand whether the McClellan Committee had an impact on the reputation of unions among policymakers and potentially on their support for union-supported policies. Figure 15 reports the results of the difference-in-differences regressions in Equation 2 using as an outcome the share of speeches by Representatives elected in electoral district  $i$  and year  $t$  that mention labor unions with negative sentiment.<sup>45</sup> The regression coefficients in Figures 15 show that a stronger union presence before the investigation is associated with an increase in the share of speeches with negative sentiment toward unions in 1957. A 1 s.d. increase in the number of union locals per ten thousand inhabitants in 1940 predicts a 32 p.p. increase in the share of speeches with negative sentiment toward unions in 1957. These results suggest that the McClellan Committee caused a negative shock to unions' reputation among policy-makers and, most likely, among the voters who elected them, to which these Representatives catered with their positions in Congress.

To sum up, when looking at the content of newspapers and Representatives' speeches in Congress, in areas with stronger union presence before the McClellan, unions were hit by a negative reputation shock. This plausibly explains, at least in part, the negative effects of the McClellan Committee's investigation on their mobilization capacity.

### 6.1.3 The effect of TV ownership and signal

To further understand whether and how the McClellan Committee had widespread consequences on labor unions, I implement a second strategy. I use TV ownership and the signal in a county to study the consequences of the extensive TV coverage that the Committee's hearings had. The hearings were broadcast on TV and followed by around 1.2 million viewers (Bernstein, 1997) and the heated exchanges between Jimmy Hoffa and Robert Kennedy became a television spectacle (Goldsmith, 2019) captivating the national audience (Jacobs, 2006).

Figure 16 shows the results of difference-in-differences regressions using as treatments two sources of variation. On the left, Subfigures 16a, 16c, 16e, and 16g report results using as treatment the share of households owning a television set in 1956, plotting the

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<sup>45</sup>More details about the construction of this variable in Section 4 and Appendix B.

coefficients  $\beta_t$  from regression Equation 3.

$$Y_{it} = \sum_t \beta_t \left( \frac{\text{HHS owning TV}_{i1956}}{\text{HHS}_{i1956}} \times \mathbb{1}[\text{year} = t] \right) + \alpha_i + \gamma_t + \varepsilon_{it} \quad (3)$$

where  $Y_{it}$  is the outcome of interest (e.g., unions' coverage in the news, unionization, political mobilization) for county  $i$  in year  $t$ . The regression includes county ( $\alpha_i$ ) and year ( $\gamma_t$ ) fixed effects; standard errors are clustered at the county level.

On the right, Subfigures 16b, 16d, 16f, and 16h report results using as treatment the maximum TV signal in a county in 1956 computed using the irregular terrain model (ITM) and controlling for maximum signal computed with a free-space path loss (FSPL) model. The ITM computes the predicted signal produced by a TV antenna given its location and the geographical features of the area around it, while the FSPL model computes the predicted TV signal in the absence of geographic obstacles. Controlling for the signal in free space should isolate the quasi-exogenous variation in the TV signal produced by the geographical features of the area around the antenna (see Durante et al., 2019 for a recent application). The graphs plot the coefficients  $\beta_t$  from regression Equation 4.

$$Y_{it} = \sum_t \beta_t (\text{Maximum TV signal ITM}_{i1956} \times \mathbb{1}[\text{year} = t]) + \\ + \sum_t \delta_t (\text{Maximum TV signal FSPL}_{i1956} \times \mathbb{1}[\text{year} = t]) + \alpha_i + \gamma_t + \varepsilon_{it} \quad (4)$$

where  $Y_{it}$  is the outcome of interest (e.g., unions' coverage in the news, unionization, political mobilization) for county  $i$  in year  $t$ . The regression includes county ( $\alpha_i$ ) and year ( $\gamma_t$ ) fixed effects; standard errors are clustered at the county level.

First, Figures 16a and 16b show that TV set ownership and maximum TV signal do not predict a higher share of newspaper pages discussing labor racketeering, union corruption, and the McClellan Committee, however, Figures 16d and 16c shows that the same variables actually predict an increase in the total number of newspaper pages regarding labor racketeering. The null result on the share of newspapers is probably driven by the contemporaneous increase in the number of newspaper pages discussing labor unions. TV ownership and signal, increasing the number of citizens that received information about the Committee from TV programs, predicts a complementary increase in the aggregate number of articles discussing labor racketeering. Second, Figures 16e and 16f combine data about the presence of union locals of seven national union federations from the *Mapping American Social Movements Project* (2023) and the Register of Reporting Labor Organizations (U.S. Department of Labor, 1990) to study the consequences of TV coverage in the years of the McClellan Committee on the number of union locals per 10,000 inhabitants, as a measure of unions' ability to mobilize workers. With the caveat of some

pre-trends, graphs seem to suggest that the share of households owning a TV set and the maximum TV signal in a county predict a decline in unions' presence and workers' mobilization capacity after the McClellan Committee. Third, Figures 16g and 16h show that counties with a higher share of households owning a TV or with stronger maximum TV signal experience a drop in turnout in presidential elections after the McClellan Committee, a measure of unions' political mobilization capacity in a county. In the case of Figure 16g we observe pre-trends in the decline in turnout before the McClellan Committee. Indeed, these results regarding presidential turnout need to be interpreted with caution: TV ownership and signal may have a direct effect on the political participation of citizens as shown in [Gentzkow \(2006\)](#). With this caveat in mind, these results, consistent across different outcomes, suggest that the McClellan Committee had a "devastating impact on the moral standing of the entire trade-union world" ([Lichtenstein, 2002](#)) also because of the role played by television.

## 6.2 The support for the Landrum-Griffin Act of 1959

Because of the lack of detailed administrative records for unions locals (especially before 1960), measuring the direct consequences of the Landrum-Griffin Act on unions' mobilization capacity is not possible. For this reason, I will not be able to study the additional administrative costs or organizational challenges introduced by the Act. However, I can examine how Representatives in Congress voted in the roll-call vote that passed this new labor legislation, strongly opposed by labor unions. Figure 17 shows that Representatives in Congress elected in electoral districts with stronger union presence before the Committee (number of union locals per 10,000 people in 1940) or higher presence of investigated union locals (number of investigated union locals per 10,000 people in 1950) are less likely to support the Landrum-Griffin Act. The lower support in areas with a higher presence of investigated union locals is consistent with the results I presented in Section 5.1.3, which shows that the support for pro-union policymaking among Congressmen was not hindered by the Committee. Moreover, when focusing on electoral districts with a stronger union presence, the negative effect is actually driven by districts with at least one investigated union local. Among electoral districts with no investigated union local (the vast majority), having a stronger union presence before the Committee actually predicts higher support for the Landrum-Griffin Act opposed by labor unions. This points to labor unions losing their influence on public policy as a consequence of the McClellan Committee in areas where their presence was stronger before. These same areas, as we saw in Section 6.1.1 and 6.1, experience a higher news coverage of the hearings and an increase in negative sentiment towards unions both in newspaper and in Representatives' speeches.

## 7 Additional results

This section presents further results exploring additional outcomes of interest or changing the regression specification.

### 7.1 Additional outcomes

First, Figure A.7 shows the results of the regressions in Equations 1 and 2 using as an outcome turnout in congressional elections. Both sources of variation, the presence of investigated union locals and the strength of union presence before the Committee (identifying the *direct* and *indirect*), predict a decrease in turnout in congressional elections from 1964 onwards. Figure A.7b shows that stronger union presence actually predicts faster growth in congressional turnout before the Committee and that the trend was reversed after the investigation.

Second, Figure A.8 shows the results of the regressions in Equations 1 and 2 using as an outcome the vote share for the Democratic presidential candidate. If anything, given the presence of clear pre-trends, counties with more investigated union locals or a stronger presence of unions before the Committee see a relative increase in the vote share in favor of Democrat Presidential candidates. This may seem surprising, given that negative shocks to labor unions in the U.S., hindering their mobilization capacity, are commonly associated with a decrease in the democratic vote share. However, the investigation of the Committee was actually headed by Robert F. Kennedy, a central figure in the Democratic party, part and parcel of his brother's campaign for President. Moreover, Senator McClellan, head of the Committee, was also a Democrat. The publicity that the Kennedys gained thanks to the Committee was substantial and part of the reason pushing Robert Kennedy to start his *holy crusade* against unions' corruption (Bernstein, 1997). After the Committee, the two brothers and the Democrat party could present themselves as champions against corruption and organized crime. For these reasons, the effect of the Committee's investigation on the vote share of Democrat presidential candidates can plausibly be positive.

### 7.2 Transportation Sectoral Share

In this Subsection, I explore a different source of cross-sectional variation that allows me to investigate the effects of the McClellan Committee: the share of workers in the transportation sector in 1950. The Teamsters, the union that was predominantly investigated by the Committee, was the biggest union in the U.S. in 1960 (Troy, 1965) and was mainly mobilizing workers in the transportation sector. Focusing on this sector I am able to study the effects of the investigation in areas with a more prevalent transportation sector

and hence, plausibly, higher Teamsters' presence. Figure A.9 shows the results using this source of variation. Similarly to counties with a strong presence of investigated union locals, counties with a higher transportation sector share experience a decrease in the news coverage of labor racketeering in newspapers (Figure A.9a and A.9b) and no significant changes in unionization (measured as the number of union locals per 10,000 people, Figure A.9c). Moreover, we see a suggestive decrease in political mobilization (Figure A.9d, but in the presence of clear pre-trends) and a pattern similar to the one detected in the presence of investigated union locals when looking at the support for minimum wage extensions, but with a significant decrease in support in 1961.

### 7.3 The interaction effects

In this Subsection, I explore the interactions between the two main sources of cross-sectional variation: the presence of investigated union locals and the strength of unions' presence before the Committee. The interaction regression follows the equation:

$$Y_{it} = \sum_t \delta_t \left( \frac{\text{Num investigated locals}_i}{10k \text{people}_{i1950}} \times \mathbb{1}[\text{year} = t] \right) + \sum_t \beta_t \left( \frac{\text{Num locals}_{i1940}}{10k \text{people}_{i1940}} \times \mathbb{1}[\text{year} = t] \right) + \sum_t \phi_t \left( \frac{\text{Num locals}_{i1940}}{10k \text{people}_{i1940}} \times \frac{\text{Num investigated locals}_i}{10k \text{people}_{i1950}} \times \mathbb{1}[\text{year} = t] \right) + \alpha_i + \gamma_t + \varepsilon_{it} \quad (5)$$

where  $\delta_t$  identifies the *direct effect* (the consequences of the investigation in counties with stronger presence of investigated union locals),  $\beta_t$  identifies the *indirect effect* (the consequences of the investigation in counties with stronger presence of unions before the Committee), and  $\phi_t$  the interaction between the two effects. Figure 18 shows the results of this regression model plotting the coefficients  $\beta_t$  (in black, the first coefficient in each group),  $\delta_t$  (in red, the second coefficient in each group), and  $\phi_t$  (in blue, the third coefficient in each group). In Subfigure 18a the outcome variable is the share of newspaper pages discussing labor racketeering, union corruption, and the McClellan Committee. Counties with higher union presence before the investigation saw an increase in newspaper coverage of the hearings (black coefficients) in 1957 and 1958, as I showed in Section 6.1.1 (see Figure 13). The red and blue coefficients reveal that the negative effect on news coverage in counties with a stronger presence of investigated union locals (see Figure A.4) is actually driven by the concurrent strong presence of unions and investigated unions (interaction effect, in blue). Counties with a stronger prevalence of investigated union locals, but no generally stronger presence of unions, actually also see an increase in the news coverage of the hearings (red coefficient). Moving to the effect on unionization, Table 3 reports results for cross-sectional regressions estimating  $\beta_{1963}$  (presence of union locals),  $\delta_{1963}$  (presence of investigated union locals), and  $\phi_{1963}$  (interaction) in Columns (3) and (6). The outcome variables are the share of votes in favor of the union in NLRB

certification elections in 1963 in Column (3) and the probability of the union winning an NLRB certification election in Column (6). In counties with higher union presence before the investigation, unions receive a lower vote share and are less likely to win union certification elections, as I showed in Section 5.2.1. In counties with a stronger presence of investigated union locals, unions have a non-significantly lower vote share and probability to win union certification elections, as I showed in Section 5.1.1. Interestingly, the interaction coefficients are positive and significant when considering the share of elections won by unions (Column 6). Having more investigated unions actually attenuates the negative correlation between high pre-committee union presence and the probability of winning union certification elections. Having a stronger union presence before the Committee attenuates the negative (but not significant) correlation between the presence of investigated union locals and the probability of winning union certification elections. This is in line with large investigated unions not losing the support of their membership at least in the short run (see last 2 sentences of page 10). Next, I consider the results of the specification in Equation 5 when focusing on unions' political mobilization capacity. In Subfigure 18b the outcome variable is turnout in presidential elections. Counties with higher union presence before the investigation saw a decrease in turnout in presidential elections (black coefficients), as I showed in Section 5.2.2 (see Figure 10). Counties with a stronger presence of investigated union locals also saw a (noisier) decrease in turnout in presidential elections (red coefficients), as I showed in Section 5.1.2 (see Figure 8). Counties with a concurrent strong presence of unions and investigated unions (interaction effect, in blue) experienced an even bigger but noisier decline in turnout in presidential elections. Note that this interaction effect is non-zero only in around 120 counties, which explains the large standard errors. Last, I consider the results of the regression in Equation 5 using as the outcome variable the support for minimum wage extensions among Representatives in Congress. The only effect that survives in this specification is the effect in counties with stronger union presence before the investigation (black coefficient). The support for minimum wage extensions among Representatives in Congress decreased in 1961 but bounced back up in 1966.

## 8 Robustness

This section discusses the robustness of the results regarding news coverage on labor racketeering, the mobilization ability of unions (turnout in presidential elections), and the support for minimum wage extensions among policymakers.

First, Figure A.10 shows the robustness of the results using the share of newspaper pages covering labor racketeering as an outcome to the inclusion of control variables

interacted with year fixed-effects: the share of employed workers (Subfigures A.10a and A.10b), the share of the labor force in manufacturing (Subfigures A.10c and A.10d), and the share of black population (Subfigures A.10e and A.10f). Subfigures A.10g and A.10h include year  $\times$  census region fixed effects. Results are similar to the main specification: we can observe an increase in news coverage of labor racketeering in counties with higher union presence before the McClellan committee (Subfigures A.10a, A.10c, A.10e, and A.10g) and a decrease in news coverage in counties with more investigated union locals (Subfigures A.10b, A.10d, A.10f, and A.10h).

Second, Figure A.11 verifies the robustness of the news coverage results when using the absolute number of articles discussing labor racketeering and union corruption (not the share). Regressions in Subfigures A.11a and A.11b include only year and county fixed effects, while the subsequent subfigures control for trends in employment share (A.11c and A.11d), manufacturing share (A.11e and A.11f), and share of black population (A.11g and A.11h). A higher number of union locals per 10'000 inhabitants in 1940 is associated with a statistically significant increase in the number of newspaper pages covering labor racketeering in 1957, 1958, and 1959, even when including the previously-mentioned control variables interacted with year f.e. A higher number of investigated union locals per 10'000 inhabitants predicts a decrease in the number of newspaper pages in 1957 when controlling for trends in manufacturing or share of black population, while the coefficients are smaller and not significant (but still negative) when controlling only for county and year fixed effects or when additionally controlling for trends in employment share.

Third, Figure A.12 investigates the robustness of the results regarding turnout in presidential elections (a measure of the mobilization ability of unions) to the inclusion of control variables interacted with year fixed-effects: employment share (A.12a and A.12b), manufacturing share (A.12c and A.12d), and share of black population (A.12e and A.12f). The results are very similar to the main specification. Subfigures A.12g and A.12h include year  $\times$  census region fixed effects. The introduction of these fixed effects creates pre-trends going in the opposite direction with respect to the post-treatment effects. In any case, one can see a discontinuity in the trends before and after the McClellan Committee. Overall, these results are consistent with those found when using the main specification.

Fourth, Figure A.13 investigates the robustness of the results regarding the support for minimum wage extensions among policymakers (a measure of unions' ability to influence public policy) to the inclusion of control variables interacted with year fixed-effects: employment share (A.13a and A.13b), manufacturing share (A.13c and A.13d), and share of black population (A.13e and A.13f). Subfigures A.13g and A.13h include year  $\times$  census region fixed effects. The introduction of controls for employment share or year  $\times$  census region fixed effects makes the increase in support for minimum wage non-significant in

counties with stronger presence of investigated union locals (Subfigure A.13b). The results using the strength of union presence before the Committee as a source of variation are robust to the inclusion of all these controls.

Fifth, Figures A.14, A.15, A.16, and A.17 use as treatment discrete dummies equal to 1 if at least one (investigated) union local is present in a county. Results regarding the news coverage of the McClellan Committee are robust in this specification even including control variables interacted with year fixed-effects (Figures A.14 and A.15). Using dummies as treatment variables, and hence comparing more different counties, there are pre-trends in the turnout in presidential elections (Figure A.16). However, one can observe a similar decline in turnout. When looking at the effects on the support for minimum wage extensions, results are not robust to the use of dummies as an alternative treatment definition.

Last, I probe whether regression coefficients are driven by specific U.S. States, running separate regressions each excluding one State. The coefficients in Figure A.18 are remarkably stable and in no case flip sign, showing that the results are not driven by any specific State.

## 9 Conclusion

Recent economic literature has pointed out the importance of unions to counteract inequality (Farber et al., 2021) and how corruption may disrupt citizens' trust in fundamental political and economic institutions (Ferraz and Finan, 2008). However, as Jacobs (2006) writes: "While there has been much academic writing about the decline of the American labor movement since approximately 1960, I don't know any scholarly article or book that even suggests that the corrosive impact of labor racketeers on union organizing and administration might have undermined the labor movement's attractiveness and strength." Empirically testing this hypothesis for the first time, this paper investigates the credibility and political economy consequences of a massive shock for labor unions in the United States: the McClellan Committee's hearings regarding union corruption and labor racketeering. Results indicate that the Committee increased newspaper coverage of labor racketeering and union corruption, shifted sentiment towards unions in newspapers and in policymakers' speeches, (suggestively) decreased unionization, and lowered unions' mobilization capacity in presidential elections.

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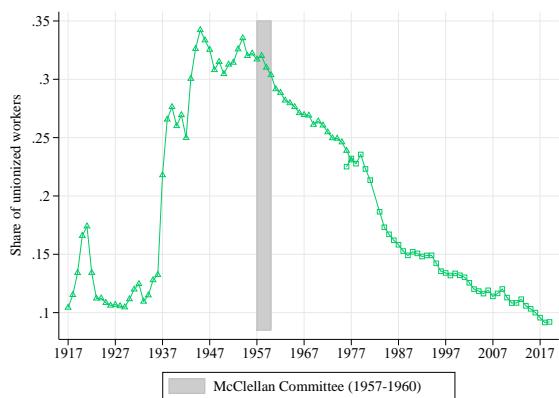
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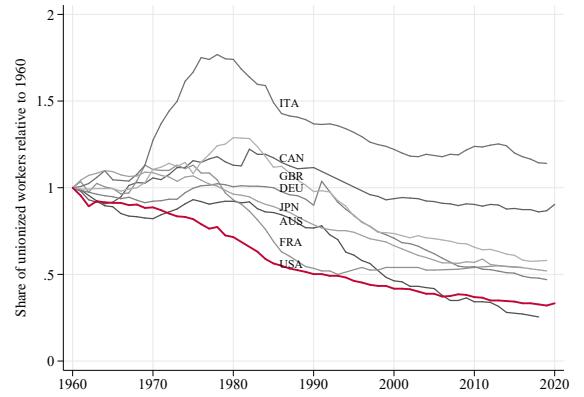
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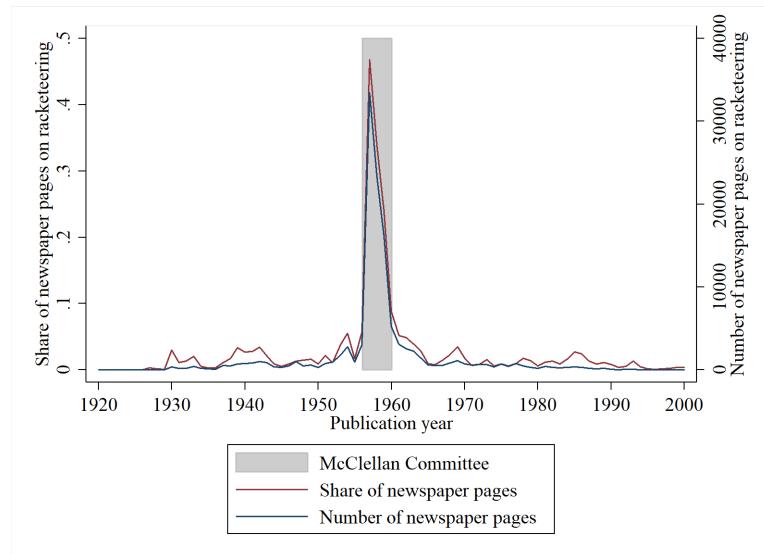
# Figures



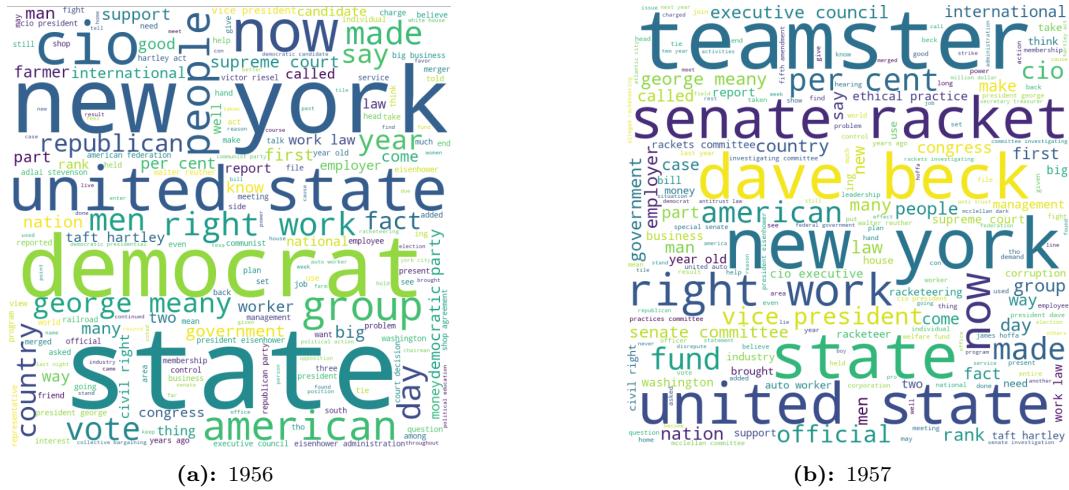
**Figure 1:** Share of unionized workers in the U.S. (1917–2019). Data are from the replication package of Farber et al. (2021). The original data sources are the U.S. Bureau of Labor Statistics from 1917 to 1979 (Freeman et al., 1998) and the Current Population Survey (CPS) from 1977 onward.



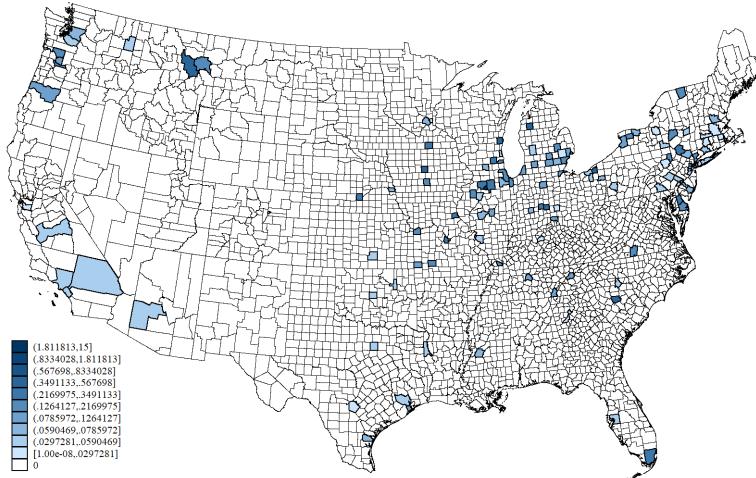
**Figure 2:** Share of unionized workers in OECD countries relative to their 1960 level. Data are from <https://stats.oecd.org/>



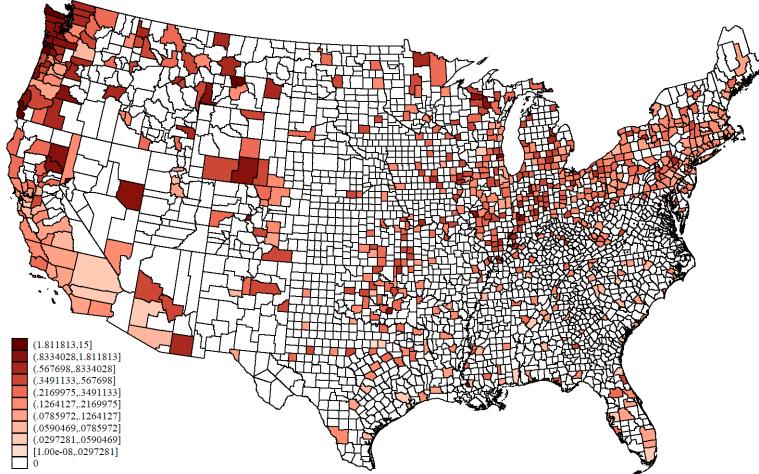
**Figure 3:** Number of newspaper pages including keywords on labor racketeering and share relative to newspaper pages mentioning labor unions. Keywords for numerator: *corrupt labor union, labor union corruption, labor racket, labor rackets, labor racketeering, union racketeering, union racket, union rackets, union mafia, labor racket committee, labor rackets committee, Senate rackets committee, Senate racket committee, McClellan committee, labor racketeering, union racketeering, and union mafia*. Keywords for denominator: *labor movement, labor organization, labor organizations, labor union, labor unions, organized labor, trade union, trade unions, union local, union locals*. Data are from [newspaperarchive.com](http://newspaperarchive.com). The gray area coincides with the years of activity of the McClellan Committee.



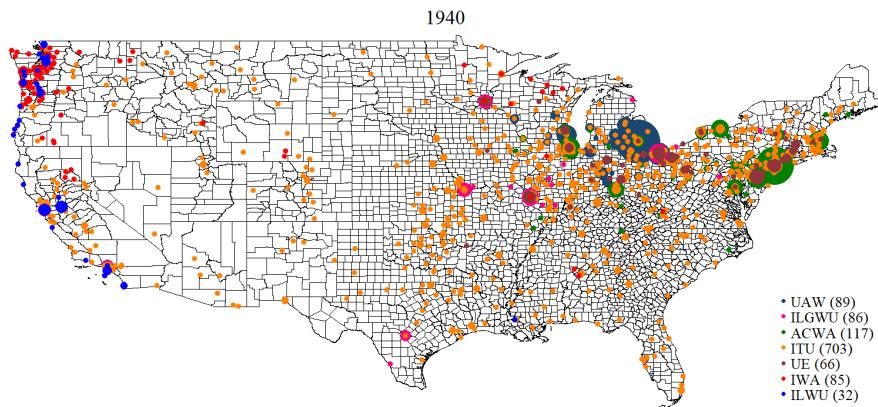
**Figure 4:** Visualization of the most common words in sentences containing keywords related to labor unions in newspaper pages. Bigger words are more frequent. Panel (a) shows the word cloud for 1956, and Panel (b) for 1957. Newspaper pages' text data come from [newspaperarchive.com](http://newspaperarchive.com).



**Figure 5:** Geographical distribution of the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). Population data for 1940 are from the County and City Databook (United States Bureau of the Census, 2012).

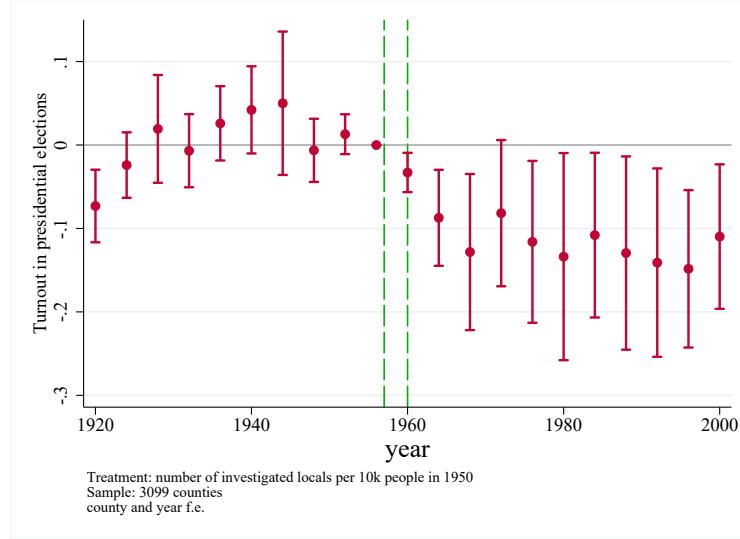


**Figure 6:** Geographical distribution of the number of union locals per 10'000 inhabitants in 1940. Included union federations are United Auto Workers (UAW), United Electrical Workers (UE), Amalgamated Clothing Workers (ACWA), International Longshore and Warehouse Union (ILWU), and International Woodworkers of America (IWA), International Typographical Union (ITU), and International Ladies Garment Workers Union (ILGWU). Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 are from the County and City Databook (United States Bureau of the Census, 2012).

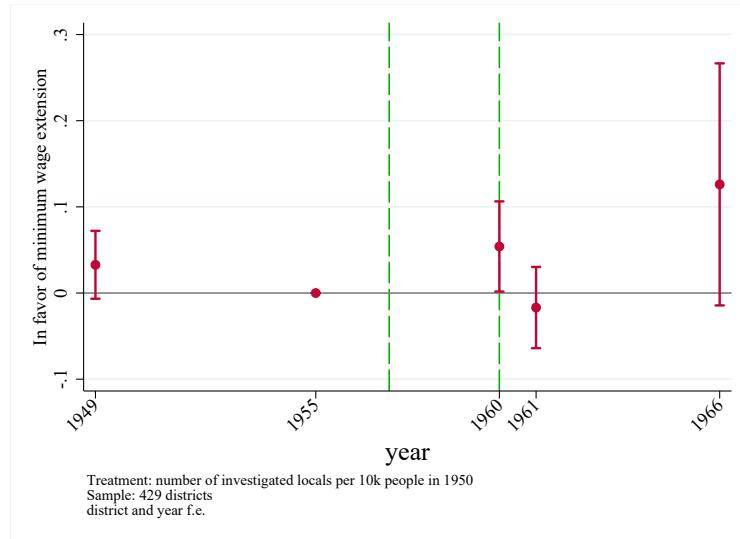


**Figure 7:** Geographical distribution of the number of union locals for each city and for 7 national unions in 1940: United Auto Workers (UAW), International Ladies Garment Workers Union (ILGWU), Amalgamated Clothing Workers (ACWA), International Typographical Union (ITU), United Electrical Workers (UE), International Woodworkers of America (IWA), and International Longshore and Warehouse Union (ILWU). Data on union locals are from the *Mapping American Social Movements Project*.

## The direct effects

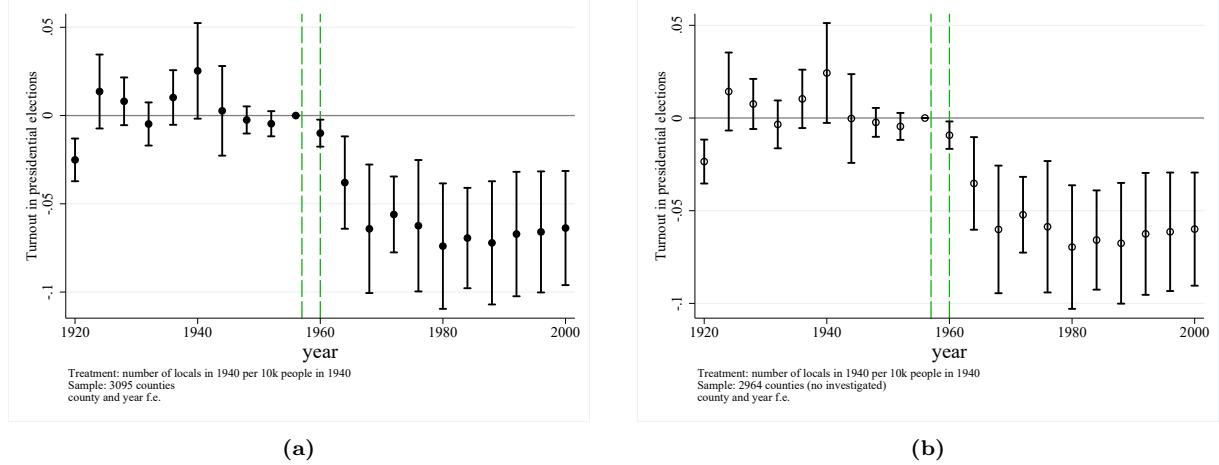


**Figure 8:** Impact of the McClellan Committee on voters' turnout in presidential elections. The outcome variable is the share of registered voters who vote in a county in a presidential election. The treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). Population data from 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.

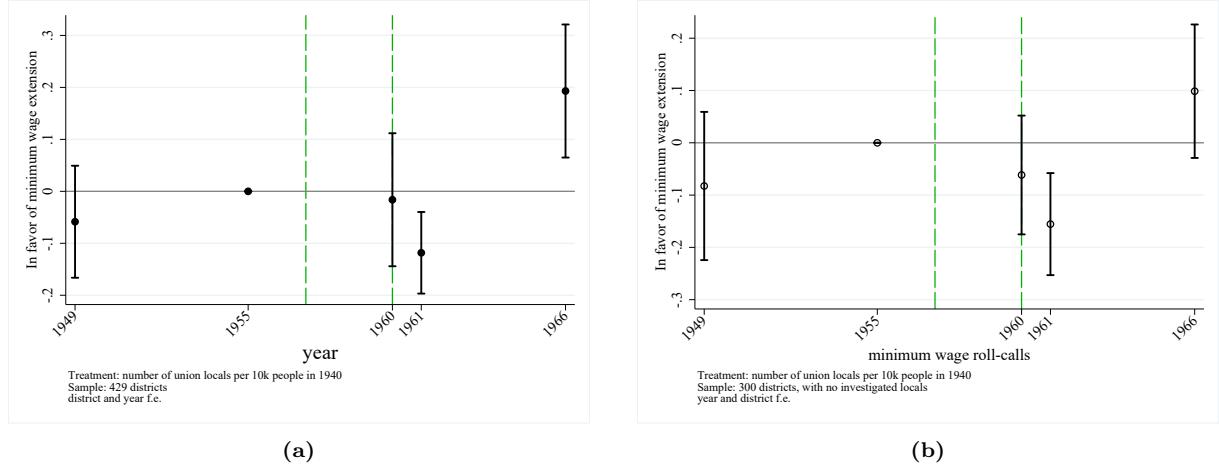


**Figure 9:** Impact of the McClellan Committee on the voting of Representatives in the U.S. Congress for minimum wage extensions. The outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from (ICPSR, 2010). The treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). Population data from 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Regressions include congressional district and year fixed effects, and the reference year is 1955. Standard errors clustered at the congressional district level. Bars represent 95% confidence intervals.

## The indirect effects

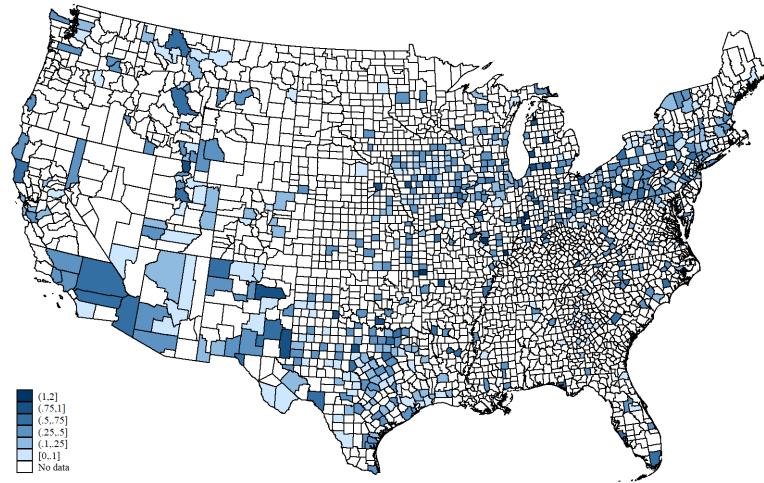


**Figure 10:** Impact of the McClellan Committee on voters' turnout in presidential elections. The outcome variable is the share of registered voters who vote in a county in a presidential election. The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. The sample in Panel (a) includes all counties, and the sample in Panel (b) excludes counties where investigated union locals were present. Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.

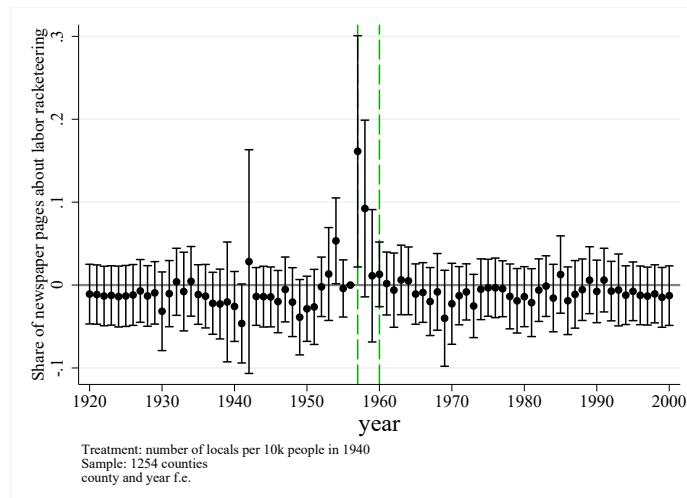


**Figure 11:** Impact of the McClellan Committee on the voting of Representatives in the U.S. Congress for minimum wage extensions. The outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from ([ICPSR, 2010](#)). The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. The sample in Panel (a) includes all counties, and the sample in Panel (b) excludes counties where investigated union locals were present. Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include congressional district and year fixed effects, and the reference year is 1955. Standard errors clustered at the congressional district level. Bars represent 95% confidence intervals.

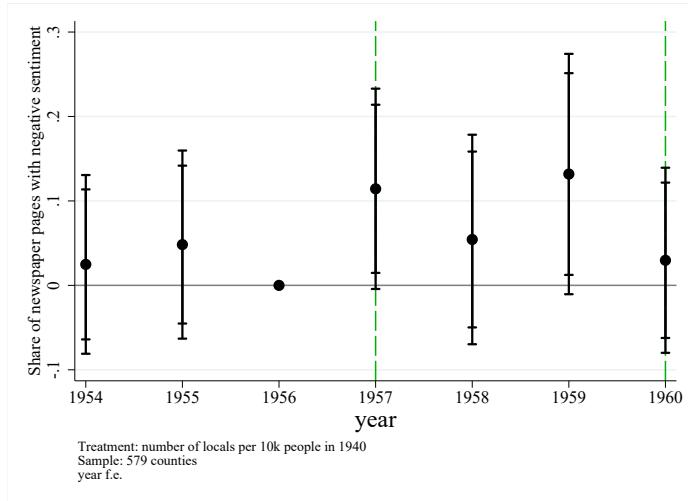
## Mechanisms: negative reputation shock



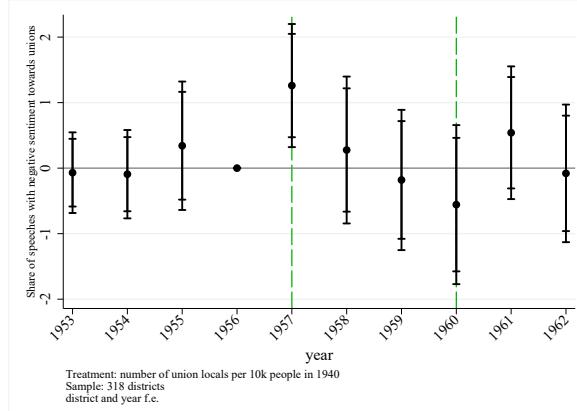
**Figure 12:** Geographical distribution of the share of newspaper pages containing keywords regarding labor racketeering between 1957 and 1960 (out of the total number of pages mentioning labor unions). See footnotes 24 and 25 for the list of keywords. Data are from [newspaperarchive.com](http://newspaperarchive.com).



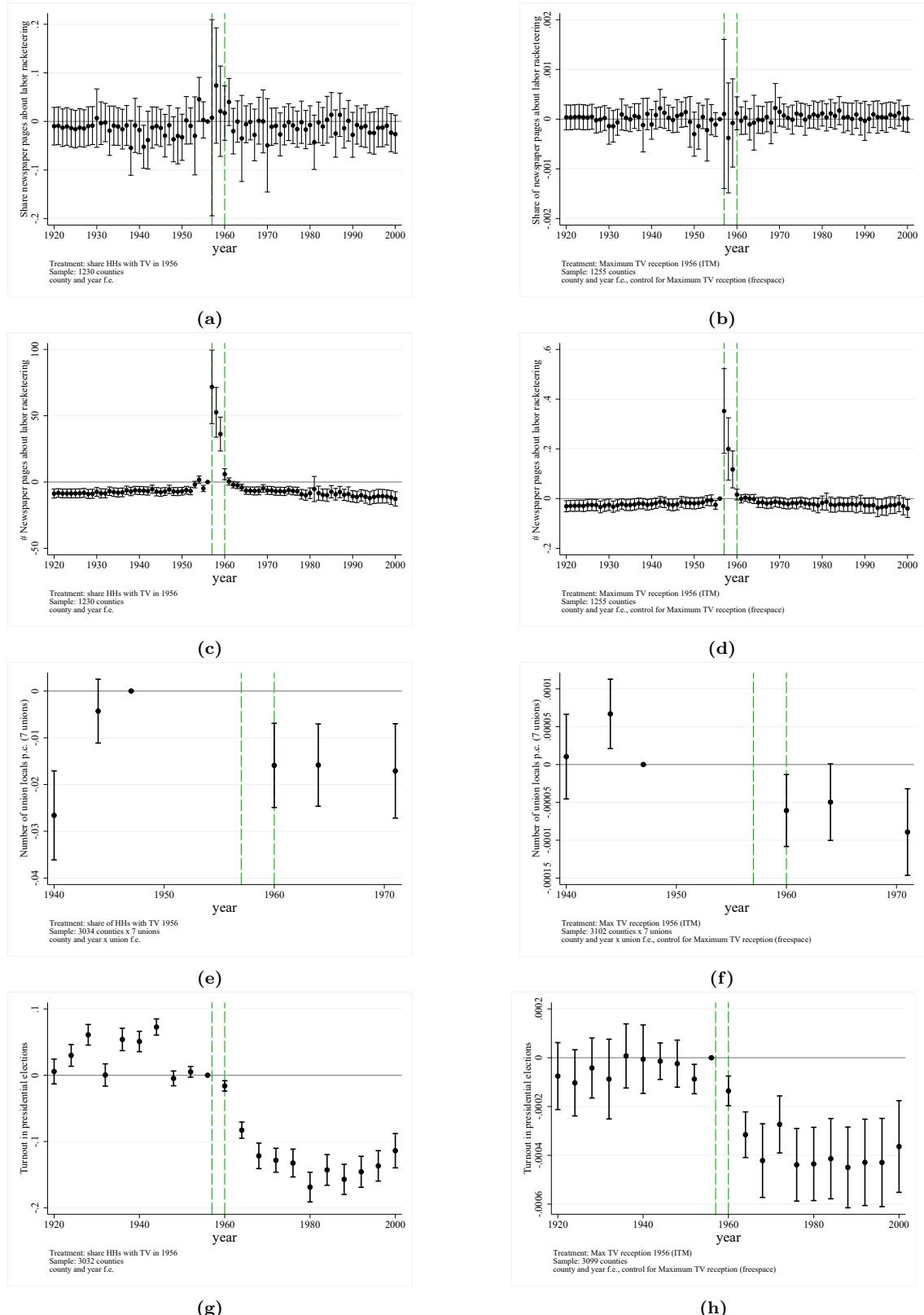
**Figure 13:** Impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](http://newspaperarchive.com) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). Population data from 1940 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.



**Figure 14:** Impact of the McClellan Committee on sentiment towards unions in newspapers. The outcome variable is the share of newspaper pages with negative sentiment towards labor unions (relative to the total number of newspaper pages mentioning labor unions, see footnote 25 for the list of keywords) from [newspaperarchive.com](#). The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% and 90% confidence intervals.

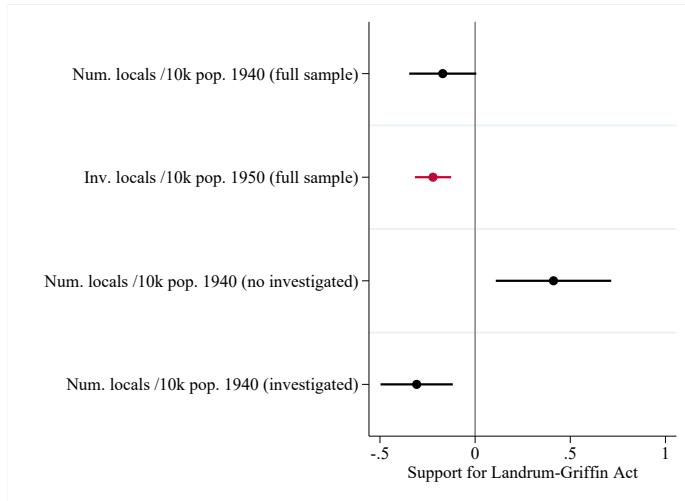


**Figure 15:** Impact of the McClellan Committee on sentiment towards unions in speeches of Representatives in the U.S. Congress. The outcome variable is the share of speeches by Representatives with negative sentiment towards labor unions (relative to the total number of speeches mentioning labor unions, see footnote 25 for the list of keywords). Texts of congressional speeches are from [Gentzkow et al. \(2019\)](#). The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include congressional district and year fixed effects, and the reference year is 1956. Standard errors clustered at the congressional district level. Bars represent 95% and 90% confidence intervals.



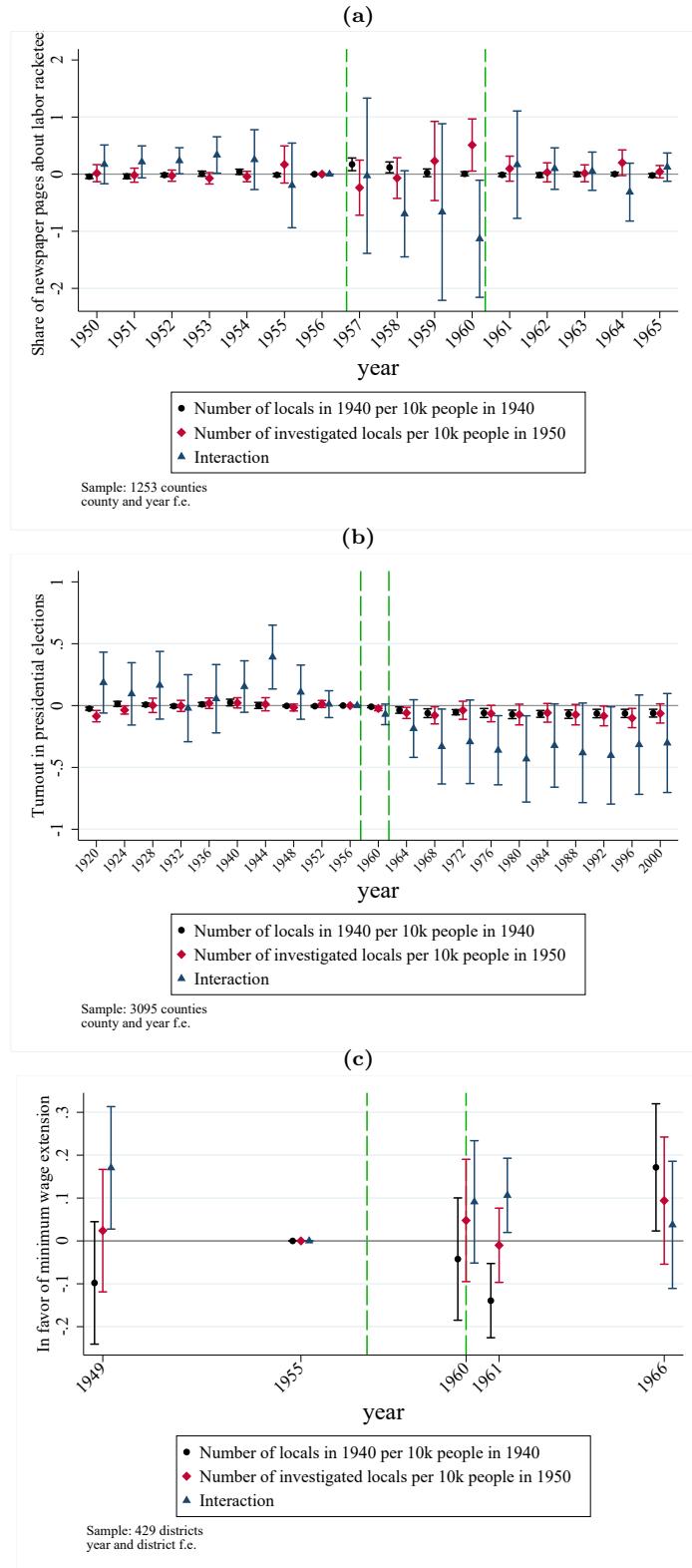
**Figure 16:** Impact of TV ownership and coverage during the McClellan Committee. In Panels (a), (c), (e), and (g) the treatment variable is the share of households in a county that owned a TV in 1956. In Panels (b), (d), (f), and (h), the treatment variable is the maximum TV signal strength in a county, given TV antennas' power and geographical features (ITM model) controlling for signal in free space. In Panel (a) and (b), the outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). In Panel (c) and (d), the outcome variable is the number of newspaper pages containing keywords related to labor racketeering. In Panel (e) and (f), the outcome is the number of union locals per capita (included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU) from [Mapping American Social Movements Project](#) and [U.S. Department of Labor \(1990\)](#). In Panel (g) and (h), the outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from [\(ICPSR, 2010\)](#). All panels control for county and year fixed effects. Standard errors clustered at the county level. Black bars represent 95% confidence intervals.

## Mechanisms: the support for the Landrum-Griffin Act of 1959



**Figure 17:** Support for Landrum-Griffin Act among Representatives in US Congress. The outcome variable is the share of Representatives in an electoral district that voted in favor of the Landrum-Griffin Act of 1959 (Labor-Management Reporting and Disclosure Act). In the first, third, and fourth regression, the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). In the second regression, the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Population data from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Bars represent 95% confidence intervals

## The interaction regression



**Figure 18:** Impact of the McClellan Committee with interaction model. In Panel (a), the outcome variable is the share of newspaper pages containing keywords related to labor racketeering (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). In Panel (b), the outcome variable is the share of registered voters who vote in a county in a presidential election. In Panel (c), the outcome variable is the share of Representatives in favor of a minimum wage extension. The first coefficient for every year (black) is associated with the number of union locals per 10'000 inhabitants in a county in 1940. The second coefficient for every year (red) is associated with the number of investigated union locals per 10'000 inhabitants in 1950. The third coefficient (blue) is associated with the interaction of the two variables. Population data from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county (or electoral district) and year fixed effects. Standard errors clustered at the county (or electoral district) level. Bars represent 95% confidence intervals.

# Tables

## The direct effects

	Pro-union vote share			Share of elections won by unions		
	(1) All elections	(2) Teamsters	(3) UAW	(4) All elections	(5) Teamsters	(6) UAW
Investigated locals / 10k pop. 1950	-0.067 [0.111]	0.079 [0.164]	0.233 [0.200]	-0.023 [0.189]	0.300 [0.248]	0.528* [0.276]
Mean Y Counties (N)	0.54 1137	0.52 514	0.53 130	0.55 1137	0.53 515	0.57 130

**Table 1:** Impact of the McClellan Committee on NLRB certification elections. The outcome variables are the share of votes in NLRB certification elections in favor of having a union representing workers (columns 1 to 3) and the share of NLRB certification elections won by unions in county  $i$  in 1963 (columns 4 and 6). The independent variable is the number of investigated union locals per 10'000 inhabitants in a county. The regression sample in columns 1 and 4 includes all counties with at least one NLRB certification election in 1963. The sample in columns 2 and 5 considers only elections where the union running was the Teamsters. The sample in columns 3 and 6 considers only elections where the union running was the United Automobile Workers. NLRB certification elections data are from Schaller (2023a).

## The indirect effects

	Pro-union vote share		Share of elections won by unions	
	(1) Full sample	(2) No investigated	(3) Full sample	(4) No investigated
Num. locals / 10k pop. 1940	-0.027* [0.017]	-0.030* [0.017]	-0.081** [0.035]	-0.092*** [0.034]
Mean Y Counties (N)	0.54 1137	0.54 1015	0.55 1137	0.54 1015

**Table 2:** Impact of the McClellan Committee on NLRB certification elections. The outcome variables are the share of votes in NLRB certification elections in favor of having a union representing workers (columns 1 and 2) and the share of NLRB certification elections won by unions in county  $i$  in 1963 (columns 3 and 4). The independent variable is the number of union locals per 10'000 inhabitants in a county in 1940. The regression sample in columns 1 and 3 includes all counties with at least one NLRB certification election in 1963. The sample in columns 2 and 4 excludes all counties with at least one investigated union local. NLRB certification elections data are from Schaller (2023a).

## The interaction regression

	Pro-union vote share			Share of elections won by unions		
	(1)	(2)	(3)	(4)	(5)	(6)
Num. locals / 10k pop. 1940	-0.027* [0.017]		-0.029* [0.017]	-0.081** [0.035]		-0.088** [0.034]
Investigated locals / 10k pop. 1950		-0.067 [0.111]	-0.163 [0.138]		-0.023 [0.189]	-0.365 [0.260]
Num. locals / 10k pop. 1940 × Investigated locals / 10k pop. 1950			0.399 [0.459]			1.403* [0.721]
Mean Y Counties (N)	0.54 1137	0.54 1137	0.54 1136	0.54 1137	0.54 1137	0.54 1136

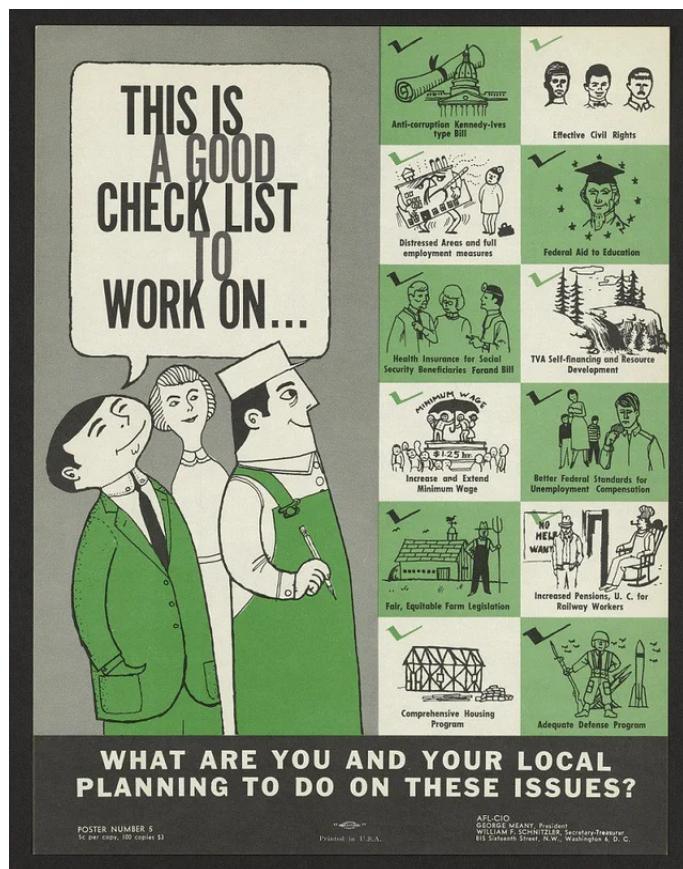
**Table 3:** Impact of the McClellan Committee on NLRB certification elections. The outcome variables are the share of votes in NLRB certification elections in favor of having a union representing workers (columns 1 to 3) and the share of NLRB certification elections won by unions in county  $i$  in 1963 (columns 4 to 6). In columns 1 and 4, the independent variable is the number of union locals per 10'000 inhabitants in a county in 1940. In columns 2 and 5, the independent variable is the number of investigated union locals per 10'000 inhabitants in 1950. In columns 3 and 6, the regressors are the two variables and their interaction. The regression sample includes all counties with at least one NLRB certification election in 1963. NLRB certification elections data are from Schaller (2023a).

# Appendix

## A Appendix Figures and Tables



(a)



(b)

**Figure A.1:** Panel (a) shows a page from the newspaper of the AFL-CIO unions' federation, *AFL-CIO News*, from September 29, 1956. The title reports about a 34-State voter registration campaign by AFL-CIO leading to the 1956 presidential elections. Panel (b) is an AFL-CIO poster reporting policies supported by the union. Starting from the top-left: Anti-corruption Kennedy-Ives type Bill, Effective Civil Rights, Distressed Areas and full employment measures, Federal Aid to Education, Health Insurance for Social Security Beneficiaries, Increase and Extend Minimum Wage, Better Federal Standards for Unemployment Compensation, Fair Equitable Farm Legislation, Increased Pensions, U. C. for Railway Workers, Comprehensive Housing Program, Adequate Defense Program. 57

	Obs.	Mean	Std. Dev.	Min	Max
Before McClellan Committee					
Share newspaper pages on racketeering (1920-1956)	19142	0.014	0.059	0	2
Num. newspaper pages on racketeering (1920-1956)	19159	1.095	3.934	0	91
Num. newspaper pages on labor unions (1920-1956)	19142	58.798	106.016	1	2320
Share newspaper pages with negative sentiment on labor unions (1920-1956)	1297	0.266	0.202	0	1
Turnout in presidential elections (1920-1956)	30666	0.540	0.229	0	1
Turnout in congress elections (1920-1956)	57111	0.450	0.238	0	1
Support for minimum wage, dummy (1949-1955)	178	0.815	0.327	0	1
Share speeches with negative sentiment (1953-1956)	286	0.462	0.459	0	1
During and after McClellan Committee					
Share newspaper pages on racketeering (1957-2000)	14289	0.057	0.171	0	4
Num. newspaper pages on racketeering (1957-2000)	14310	7.012	26.797	0	650
Num. newspaper pages on labor unions (1957-2000)	14289	92.701	146.080	1	2625
Share newspaper pages with negative sentiment on labor unions (1957-2000)	1823	0.313	0.209	0	1
Turnout in presidential elections (1960-2000)	33509	0.595	0.126	0	1
Turnout in congress elections (1958-1990)	48478	0.497	0.180	0	1
Support for minimum wage, dummy (1960-1966)	269	0.616	0.367	0	1
Share speeches with negative sentiment (1957-1962)	575	0.441	0.442	0	1
Cross-section					
Number of union locals in 1940 (7 unions)	3103	0.584	2.992	0	87
Number of union locals per 10k inhabitants in 1940 (7 unions)	3098	0.078	0.272	0	8
Number of investigated union locals	3103	0.183	3.163	0	156
Number of investigated union locals per 10k inhabitants in 1950	3101	0.006	0.053	0	2
Share NLRB elections won by union (7 unions)	202	0.530	0.459	0	1
Share of votes pro-union in NLRB elections (7 unions)	202	0.519	0.203	0	1
Number of NLRB certification elections (7 unions)	3103	0.130	0.832	0	22
Share NLRB elections won by union (all unions)	1138	0.548	0.387	0	1
Share of votes pro-union in NLRB elections (all unions)	1138	0.541	0.210	0	1
Number of NLRB certification elections (all unions)	3103	2.029	9.052	0	294
Population 1940	3098	42495.837	143824.386	42	4063342
Population 1950	3099	48614.871	169134.649	58	4508792
Change in population 1940-1950	3091	0.051	0.251	-1	3
Share urban population 1940	1843	0.390	0.217	0	1
Share non-white population 1950	2829	0.119	0.175	0	1
Share employed in manufacturing 1950	3061	0.153	0.127	0	1
Share employed in agriculture 1950	2894	0.312	0.186	0	1
Median family income 1950	3087	2257.838	859.613	0	5489
Male in the labor force 1950	3102	14040.421	51039.860	24	1412952
Female in the labor force 1950	3102	5319.337	23280.726	0	657997
Male workers for wage or salary 1950	3102	8959.838	37516.921	7	1102590
Female workers for wage or salary 1950	3102	3947.212	18717.187	0	551772
Share of hhs owning TV set (1956)	3033	0.574	0.236	0	1

**Table A.1:** This table presents summary statistics for variables used in the analysis before the McClellan Committee and during/after the Committee or in the cross-section. Data and variables' construction is described in Section 4 and Appendix B. All variables are at the county or county  $\times$  year level, besides the ones regarding Representatives in Congress (*Support for minimum wage* and *Share of speeches with negative sentiment*), which are at the congressional district  $\times$  year level.

	Number of union certification elections					
	All counties			Exclude 0s		
	(1) All elections	(2) Teamsters	(3) UAW	(4) All elections	(5) Teamsters	(6) UAW
Investigated locals / 10k pop. 1950	31.473* [18.939]	8.069* [4.583]	1.598 [0.978]	74.780*** [22.084]	28.015*** [7.083]	6.723* [3.853]
Mean Y Counties (N)	2.01 3101	0.56 3101	0.09 3101	5.49 1137	3.39 515	2.05 130

**Table A.2:** Impact of the McClellan Committee on the number of NLRB certification elections. The outcome variable is the number of NLRB certification elections in county  $i$  in 1963. The independent variable is the number of investigated union locals per 10'000 inhabitants in a county. The regression sample in columns 1 and 4 considers all NLRB certification elections in 1963. The sample in columns 2 and 5 considers only elections where the union running was the Teamsters. The sample in columns 3 and 6 considers only elections where the union running was the United Automobile Workers. Columns 4 to 6 exclude from the regression counties with no NLRB certification election. NLRB certification elections data are from Schaller (2023a).

	Number of union certification elections			
	All counties		Exclude 0s	
	(1) Full sample	(2) No investigated	(3) Full sample	(4) No investigated
Num. locals / 10k pop. 1940	2.526*** [0.949]	1.186*** [0.440]	1.565 [1.022]	0.592 [0.397]
Mean Y Counties (N)	2.03 3098	1.05 2966	5.54 1137	3.08 1015

**Table A.3:** Impact of the McClellan Committee on NLRB certification elections. The outcome variable is the number of NLRB certification elections in county  $i$  in 1963. The independent variable is the number of union locals per 10'000 inhabitants in a county in 1940. The regression sample in columns 1 and 3 includes all counties with at least one NLRB certification election in 1963. The sample in columns 2 and 4 excludes all counties with at least one investigated union local. Columns 3 and 4 exclude from the regression counties with no NLRB certification election. NLRB certification elections data are from Schaller (2023a).

	Average num. of eligible voters (workers)	
	(1) Full sample	(2) No investigated
Num. locals / 10k pop. 1940	-22.185 [15.887]	-19.880 [15.724]
Mean Y Counties (N)	74.74 1136	78.17 1014

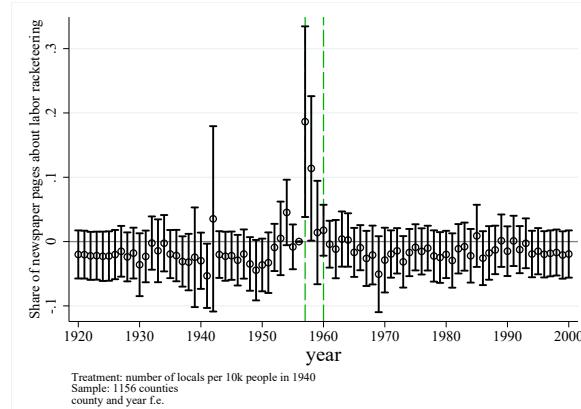
**Table A.4:** Impact of the McClellan Committee on NLRB certification elections. The outcome variable is the average number of eligible voters in firms/plants where a NLRB certification election was held in county  $i$  in 1963. The independent variable is the number of union locals per 10'000 inhabitants in a county in 1940. The regression sample in column 1 includes all counties with at least one NLRB certification election in 1963. The sample in column 2 excludes all counties with at least one investigated union local. NLRB certification elections data are from Schaller (2023a).

	Number of union elections		
	(1)	(2)	(3)
Num. locals / 10k pop. 1940	2.526*** [0.949]		1.633** [0.645]
Investigated locals / 10k pop. 1950		31.473* [18.939]	14.331 [10.877]
Num. locals / 10k pop. 1940 × Investigated locals / 10k pop. 1950			161.105*** [60.362]
Mean Y	2.03	2.01	2.01
Counties (N)	3098	3101	3097

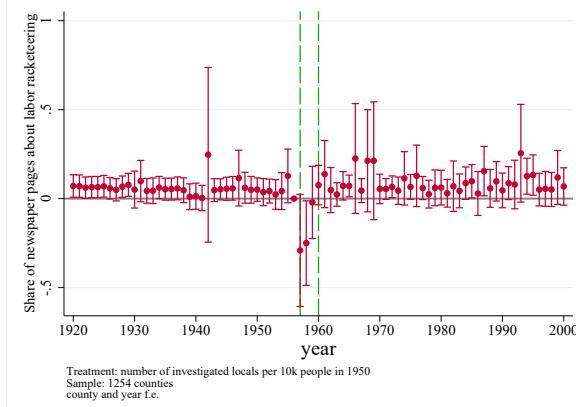
**Table A.5:** Impact of the McClellan Committee on the number of NLRB certification elections. The outcome variable is the number of NLRB union certification elections in county  $i$  in 1963. In column 1, the independent variable is the number of union locals per 10'000 inhabitants in a county in 1940. In column 2, the independent variable is the number of investigated union locals per 10'000 inhabitants in 1950. In column 3, the regressors are the two variables and their interaction. NLRB certification elections data are from Schaller (2023a).



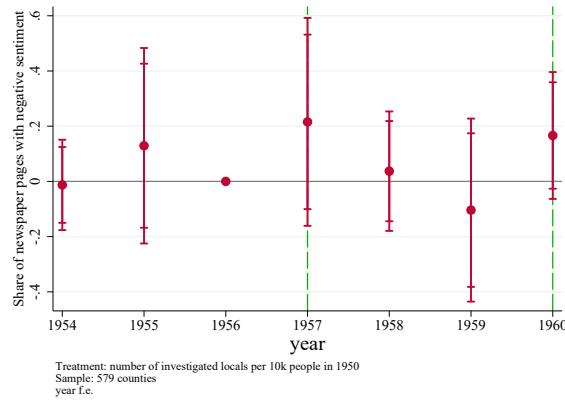
**Figure A.2:** Impact of the McClellan Committee on unionization. The outcome variable is the share of respondents in a county that are members of a union. Unionization data are from American National Election Studies (2023). In Panel (a), the treatment variable is a dummy variable equal to one if the county has at least one union local investigated by the McClellan Committee. Panel (b), the treatment variable is a dummy variable equal to one if the county has at least one union local in 1940. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960).



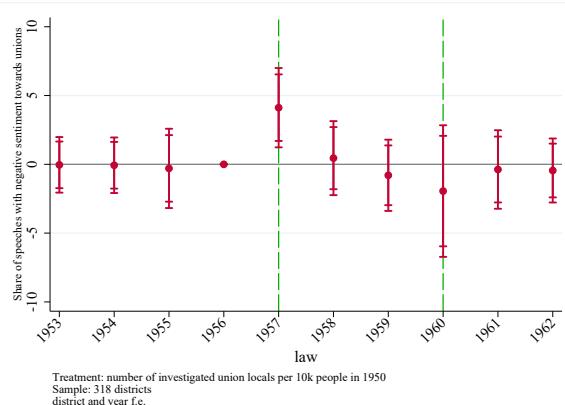
**Figure A.3:** Impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the share of newspaper pages containing keywords related to labor racketeering from newspaper-archive.com (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). The treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. The sample excludes counties where investigated union locals were present. Data on union locals for each city are from the Mapping American Social Movements Project. Population data from 1940 are from the County and City Databook (United States Bureau of the Census, 2012). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.



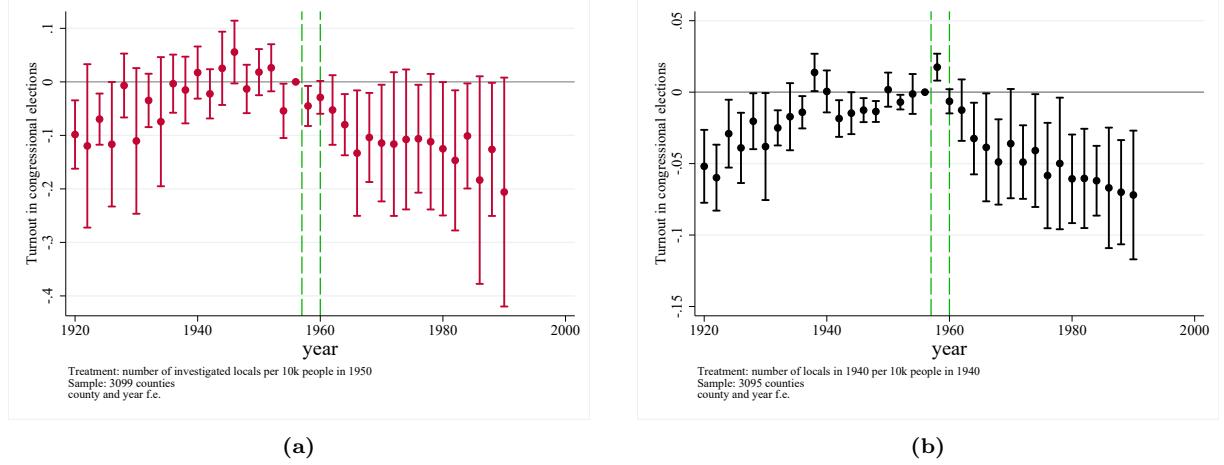
**Figure A.4:** Impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). The treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Population data from 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.



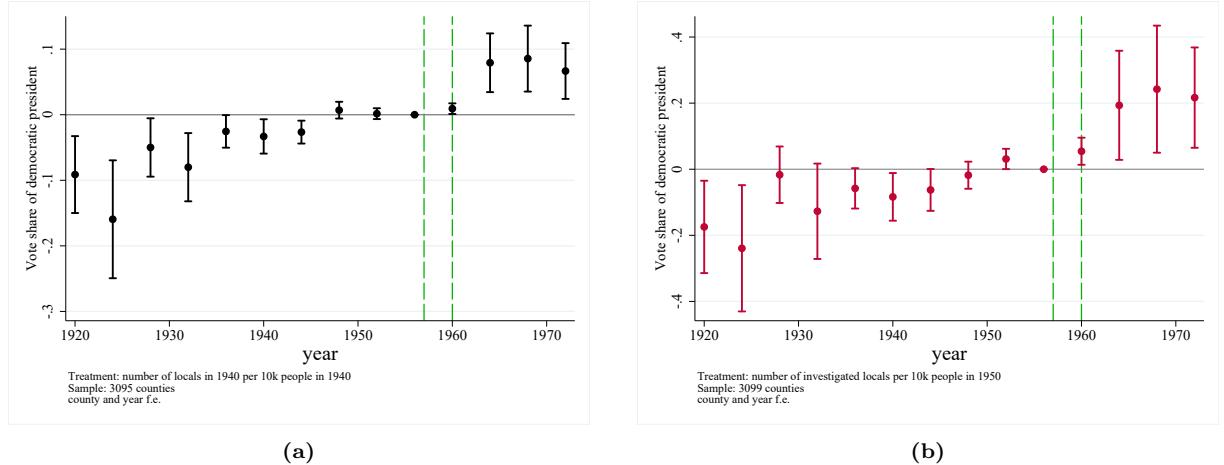
**Figure A.5:** Impact of the McClellan Committee on sentiment towards unions in newspapers. The outcome variable is the share of newspaper pages with negative sentiment towards labor unions (relative to the total number of newspaper pages mentioning labor unions, see footnote 25 for the list of keywords) from [newspaperarchive.com](#). The treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Population data from 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% and 90% confidence intervals.



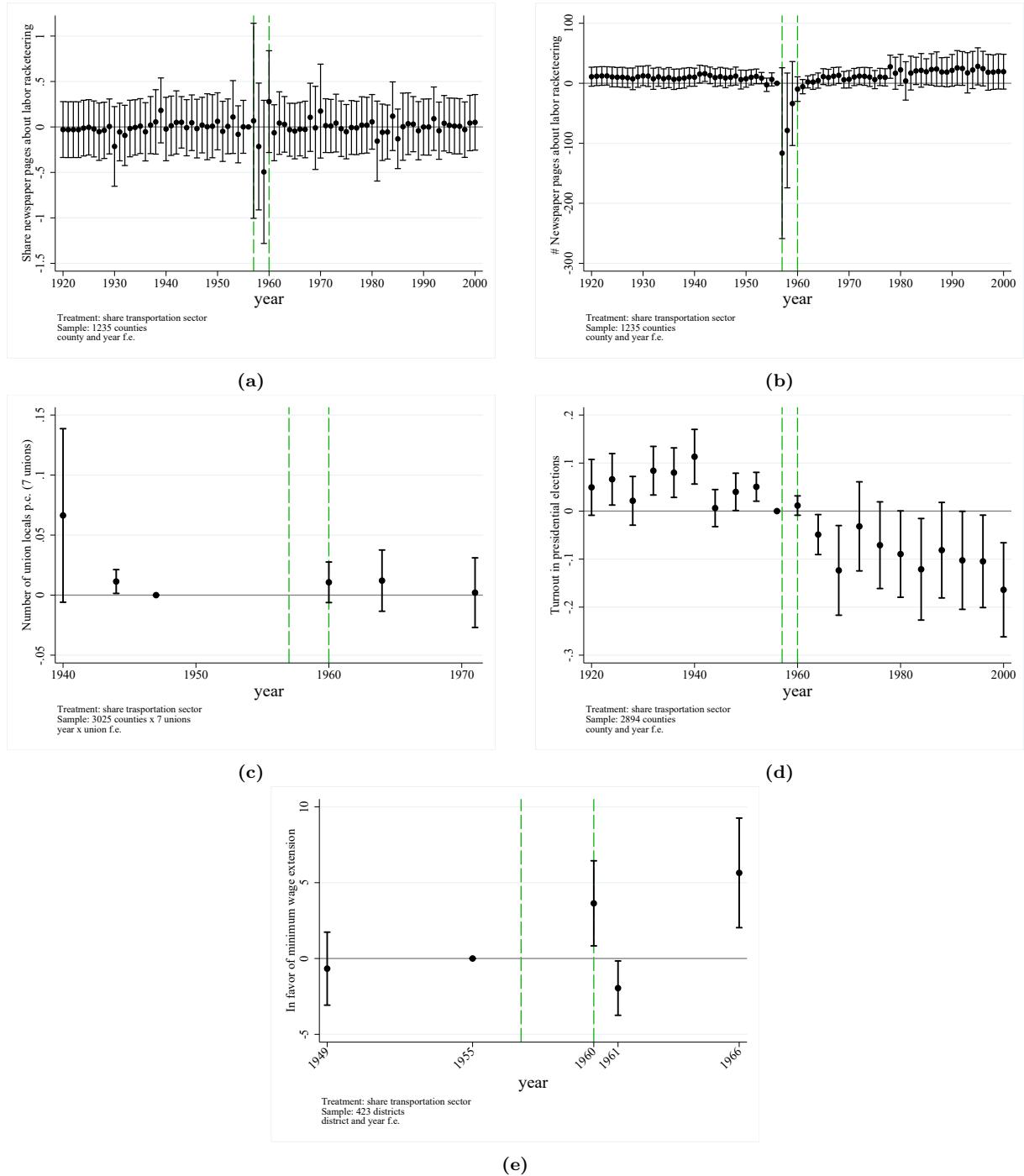
**Figure A.6:** Impact of the McClellan Committee on sentiment towards unions in speeches of Representatives in the U.S. Congress. The outcome variable is the share of speeches by Representatives with negative sentiment towards labor unions (relative to the total number of speeches mentioning labor unions, see footnote 25 for the list of keywords). Texts of congressional speeches are from [Gentzkow et al. \(2019\)](#). The treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Population data from 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Regressions include congressional district and year fixed effects, and the reference year is 1956. Standard errors clustered at the congressional district level. Bars represent 95% and 90% confidence intervals.



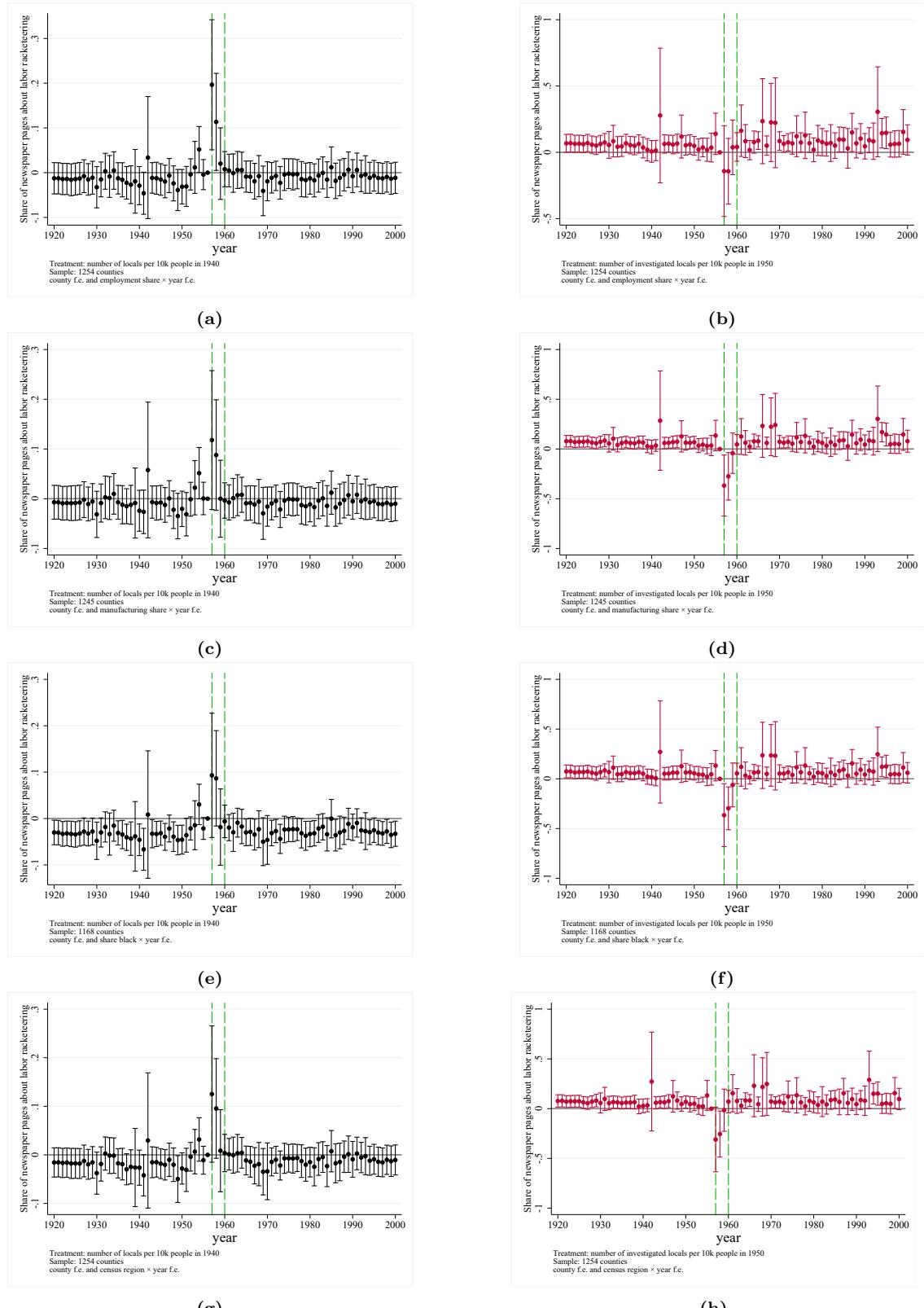
**Figure A.7:** Impact of the McClellan Committee on voters' turnout in congressional elections. The outcome variable is the share of registered voters who vote in a county in a congressional election. In Panel (a), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). In Panel (b), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. Population data from 1940 and 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.



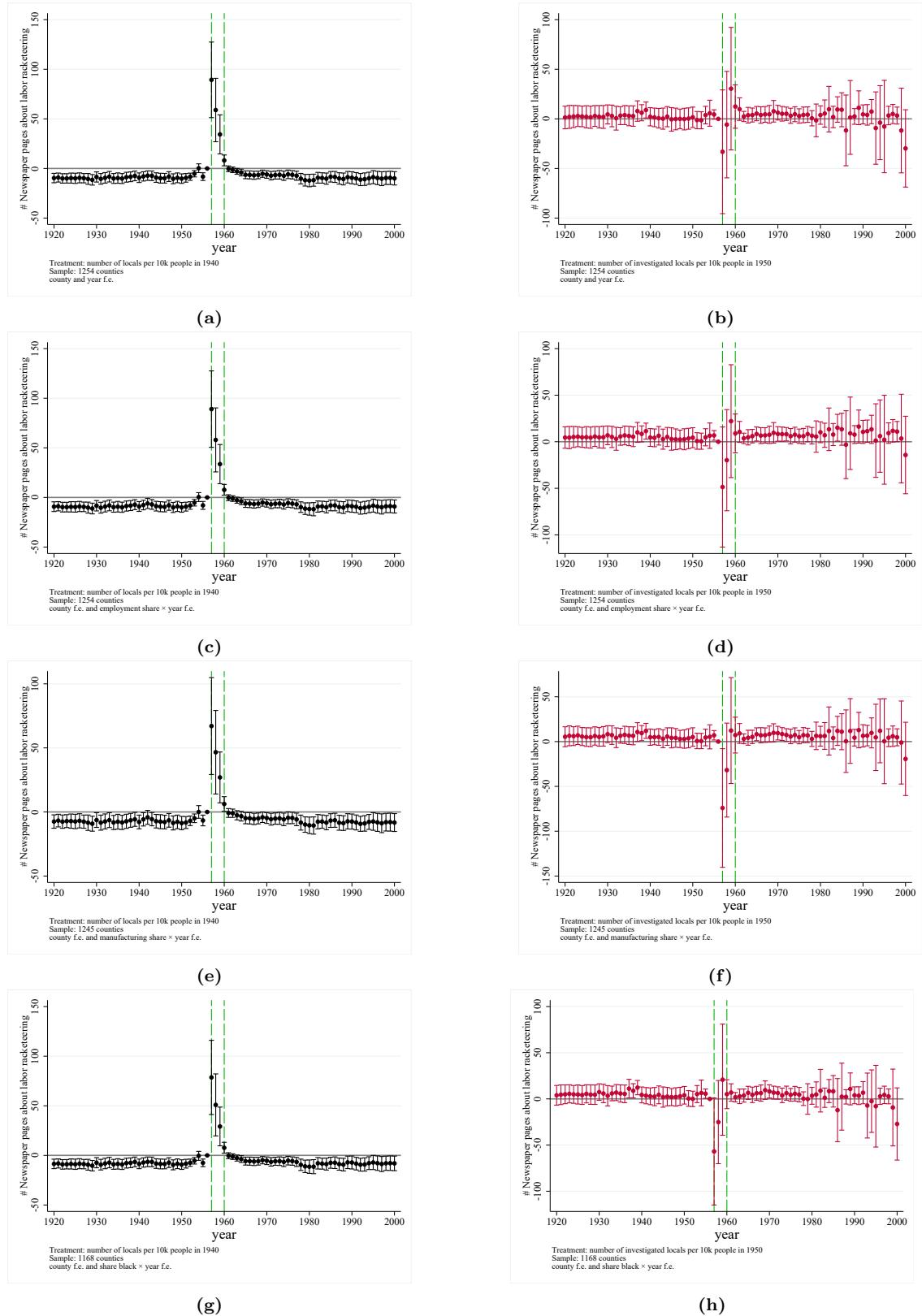
**Figure A.8:** Impact of the McClellan Committee on Democratic vote share in presidential elections. The outcome variable is the share of votes in favor of the Democratic candidate in presidential elections. In Panel (a), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panel (b), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). Population data from 1940 and 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Regressions include county and year fixed effects, and the reference year is 1956. Standard errors clustered at the county level. Bars represent 95% confidence intervals.



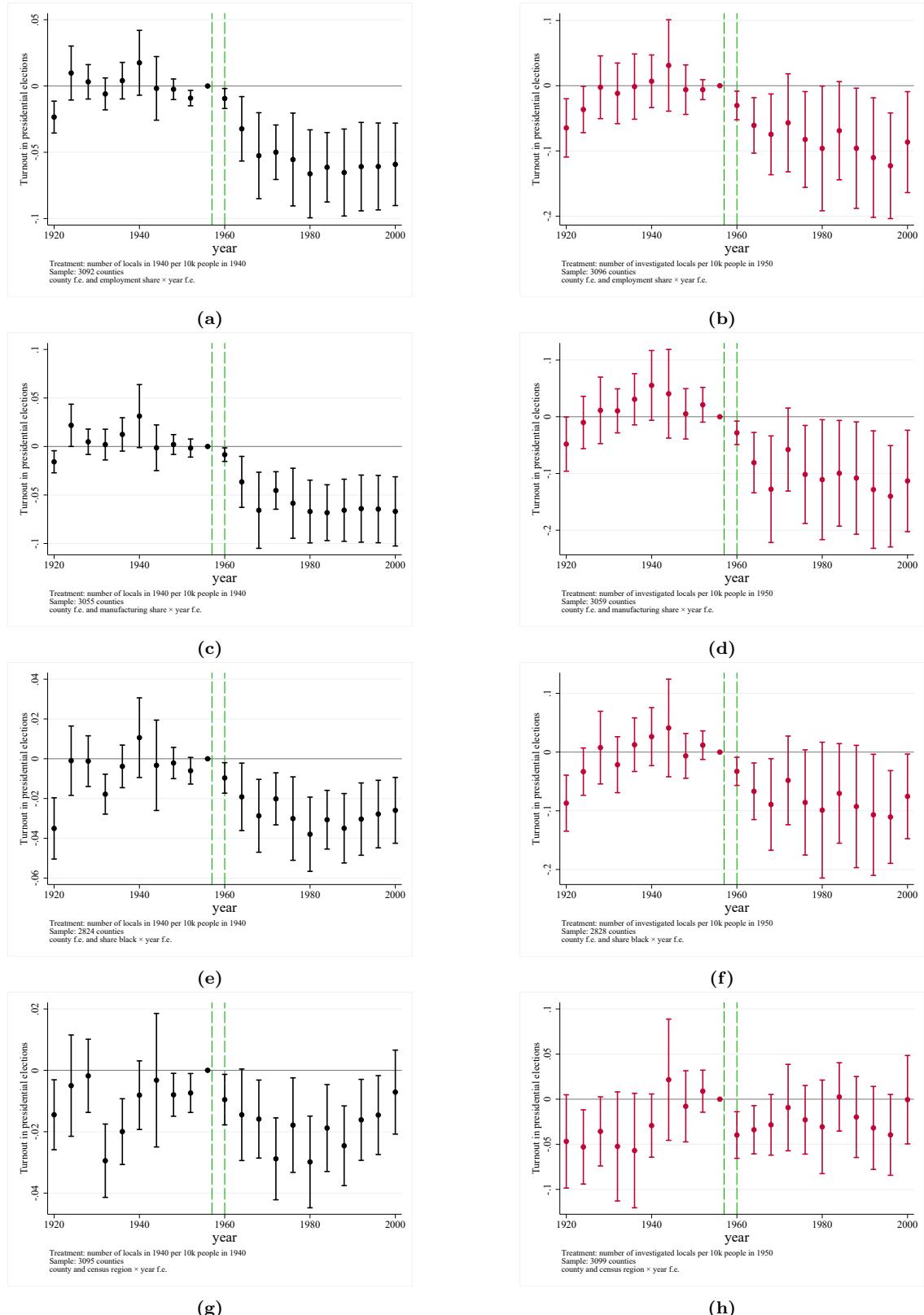
**Figure A.9:** Impact of the McClellan Committee on different outcomes. The treatment variable is the transportation sector share in 1950. Transportation share data are from the County and City Databook ([United States Bureau of the Census, 2012](#)). In Panel (a), the outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). In Panel (b), the outcome variable is the number of newspaper pages containing keywords related to labor racketeering. In Panel (c), the outcome is the number of union locals per capita (included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU) from [Mapping American Social Movements Project](#) and [U.S. Department of Labor \(1990\)](#). In Panel (d), the outcome variable is the share of registered voters who vote in a county in a presidential election. In Panel (e), the outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from ([ICPSR, 2010](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



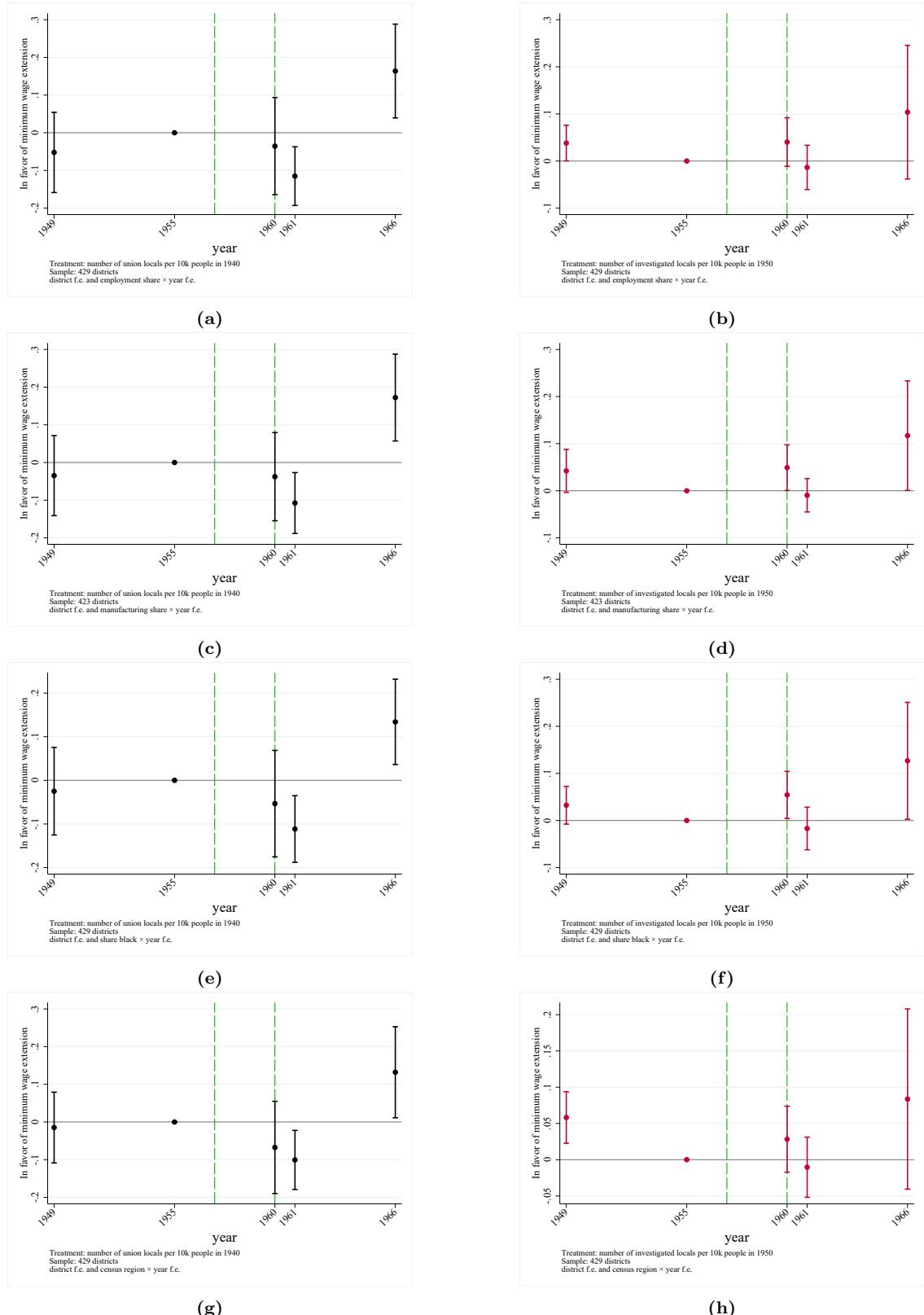
**Figure A.10:** Robustness of the impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](http://newspaperarchive.com) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). In Panels (a), (c), and (e), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). In Panels (b), (d), and (f), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). All panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (a) and (b); manufacturing share, Panels (c) and (d); share of black population, Panels (e) and (f); census region, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



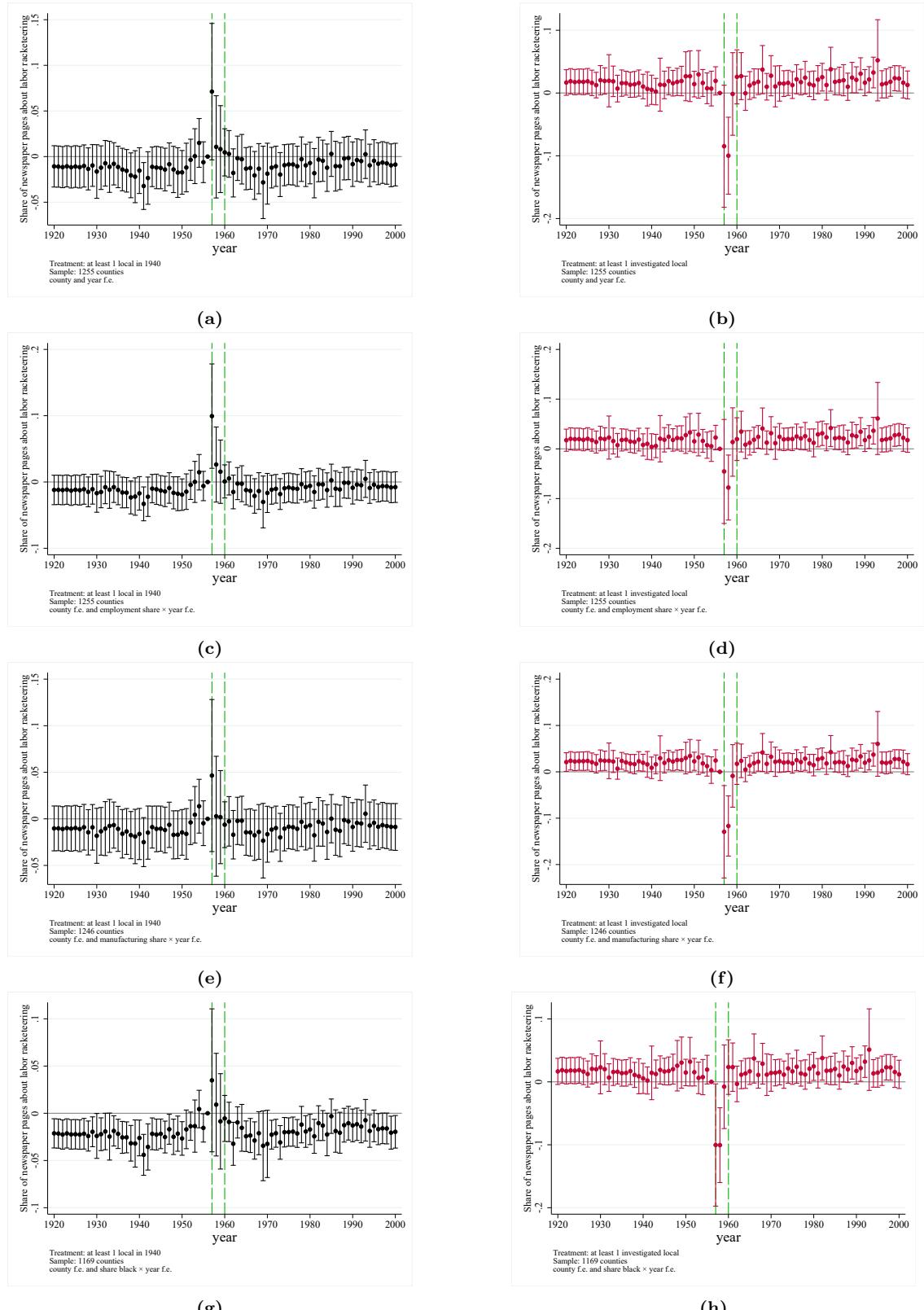
**Figure A.11:** Robustness of the impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the number of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (see footnote 24 for the list of keywords). In Panels (a), (c), (e), and (g), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). In Panels (b), (d), (f), and (h), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Panels (a) and (b) control for county and year fixed effects. All subsequent panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable); employment share, Panels (c) and (d); manufacturing share, Panels (e) and (f); share of black population, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



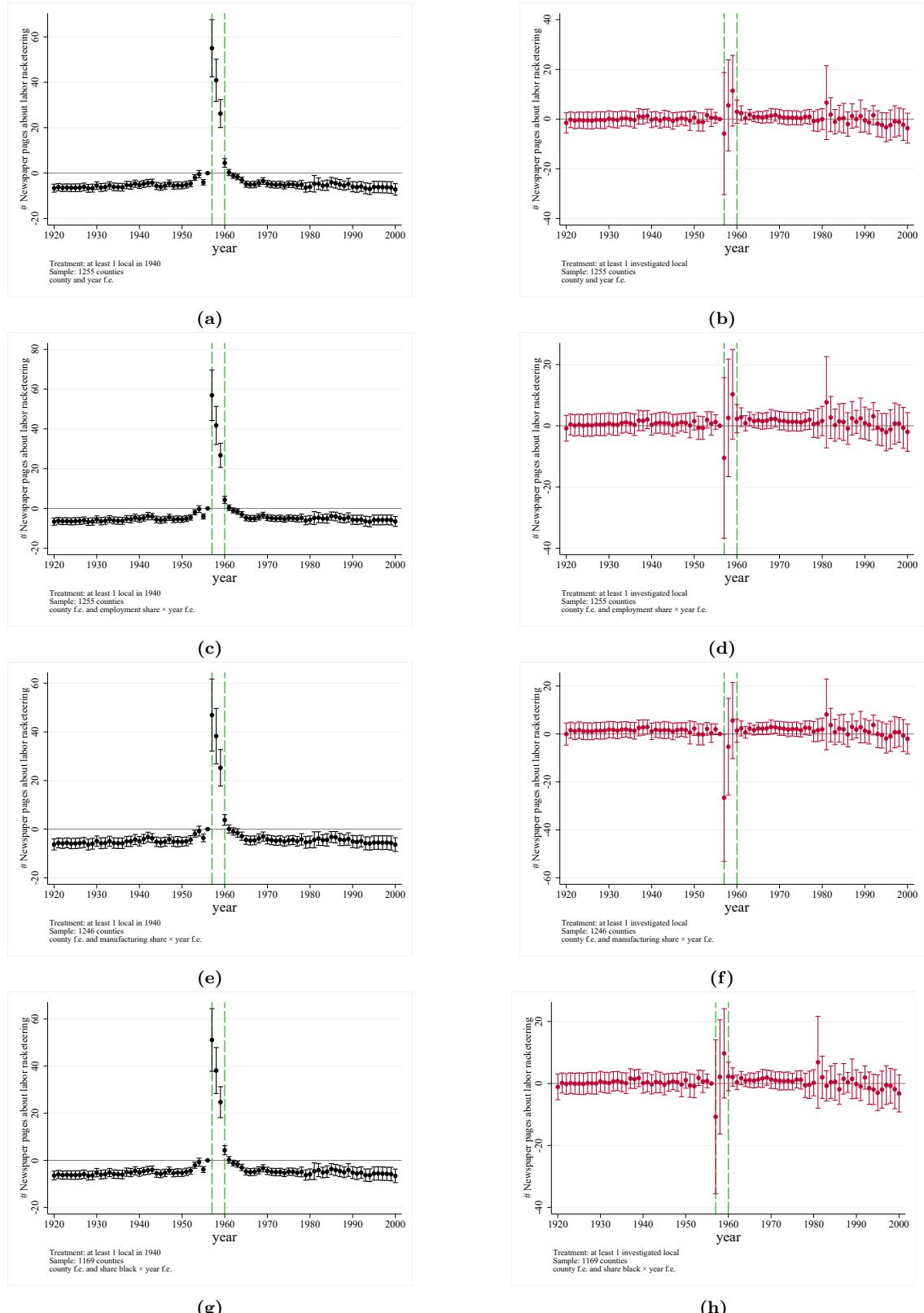
**Figure A.12:** Impact of the McClellan Committee on voters' turnout in presidential elections. The outcome variable is the share of registered voters who vote in a county in a presidential election. In Panels (a), (c), and (e), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panels (b), (d), and (f), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). All panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (a) and (b); manufacturing share, Panels (c) and (d); share of black population, Panels (e) and (f); census region, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



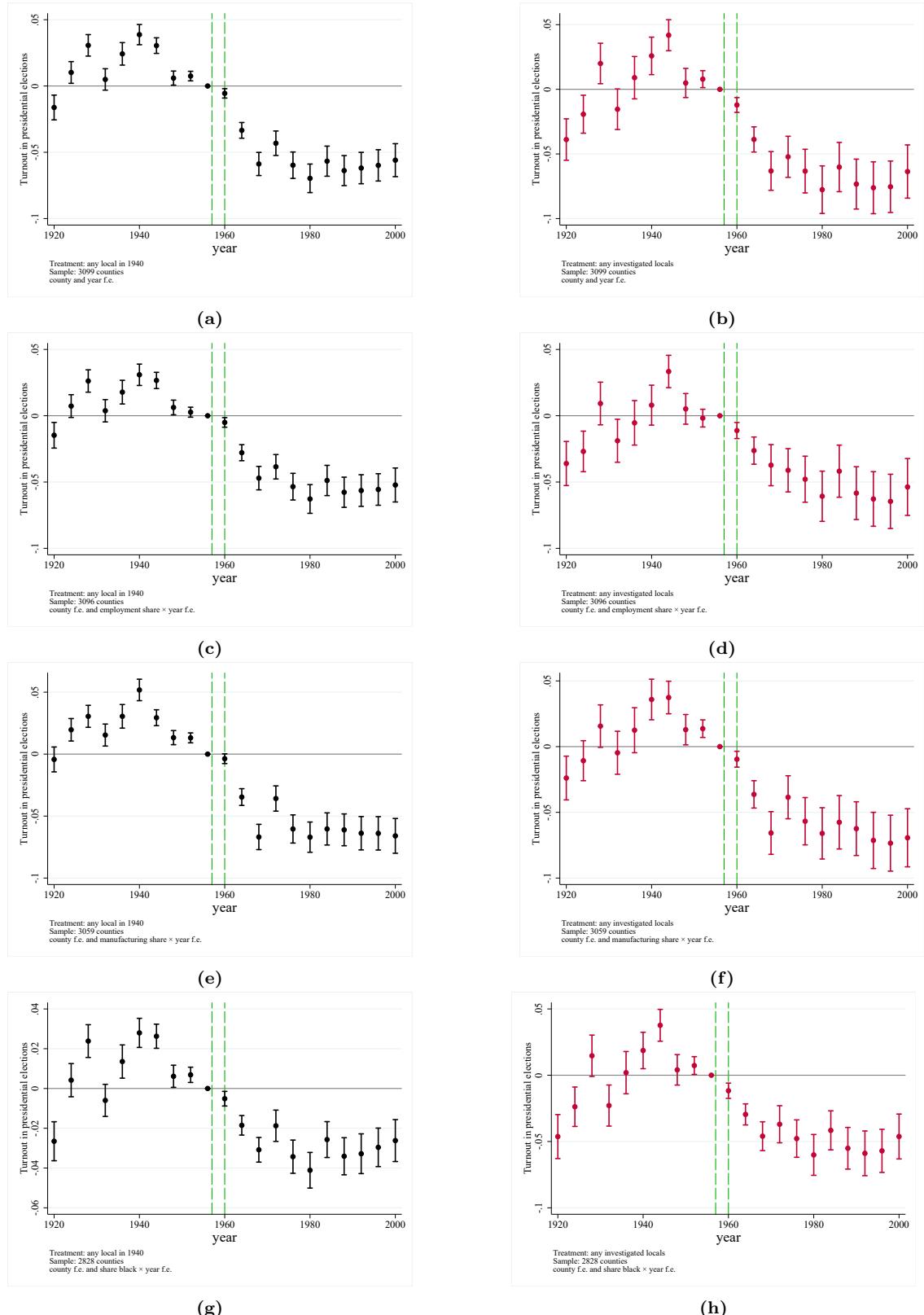
**Figure A.13:** Impact of the McClellan Committee on the voting of Representatives in the U.S. Congress for minimum wage extensions. The outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from (ICPSR, 2010). In Panels (a), (c), and (e), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panels (b), (d), and (f), the treatment variable is the number of investigated union locals per 10'000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). All panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (a) and (b); manufacturing share, Panels (c) and (d); share of black population, Panels (e) and (f); census region, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



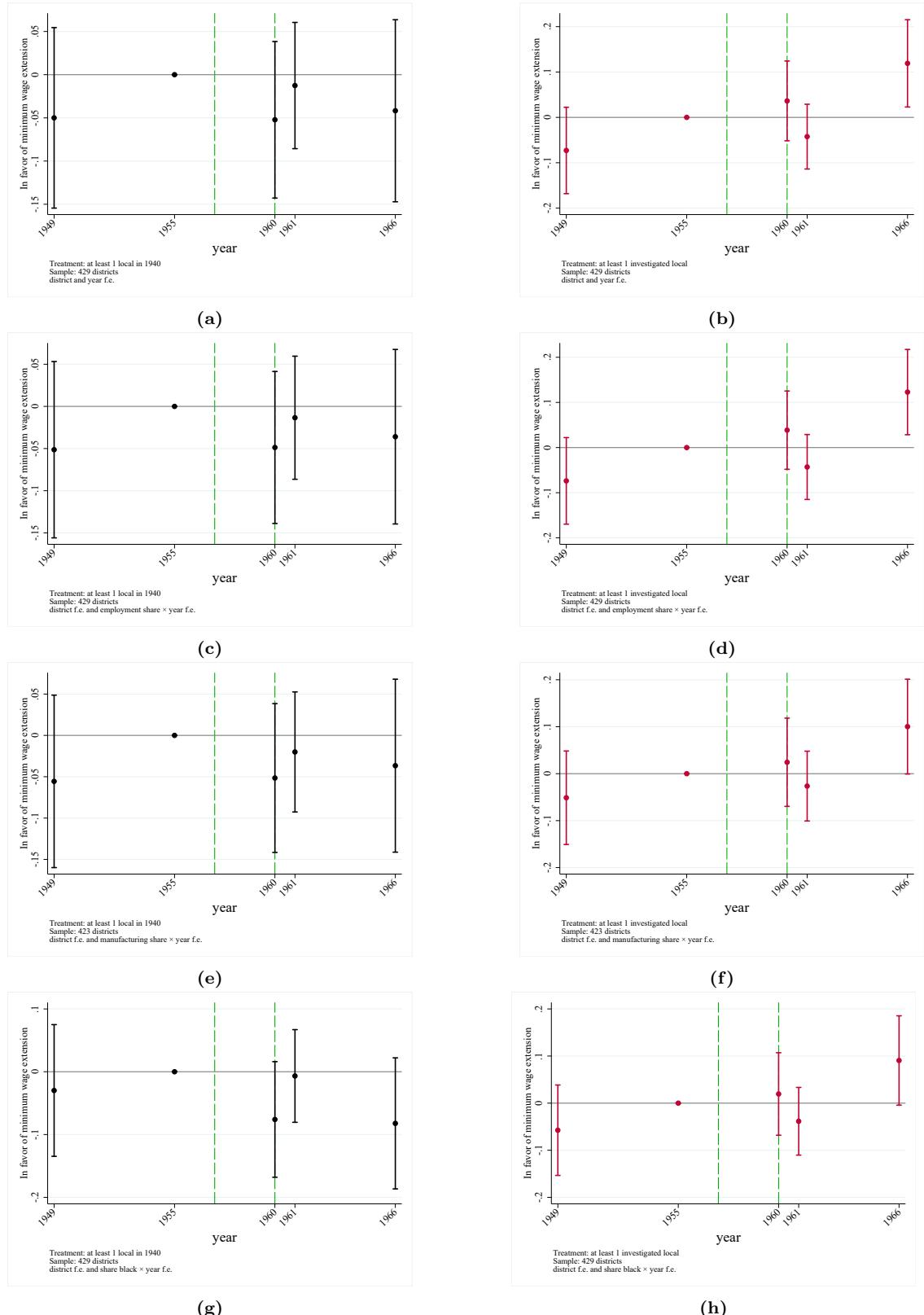
**Figure A.14:** Robustness of the impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the share of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (relative to the total number of newspaper pages mentioning labor unions, see footnotes 24 and 25 for the list of keywords). In Panels (a), (c), (e), and (g), the treatment variable is a dummy equal to 1 if there was at least one union local in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). In Panels (b), (d), (f), and (h), the treatment variable is a dummy equal to 1 if there was at least one investigated union local in a county. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Panels (a) and (b) control for county and year fixed effects. All subsequent panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (c) and (d); manufacturing share Panels (e) and (f); share of black population Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



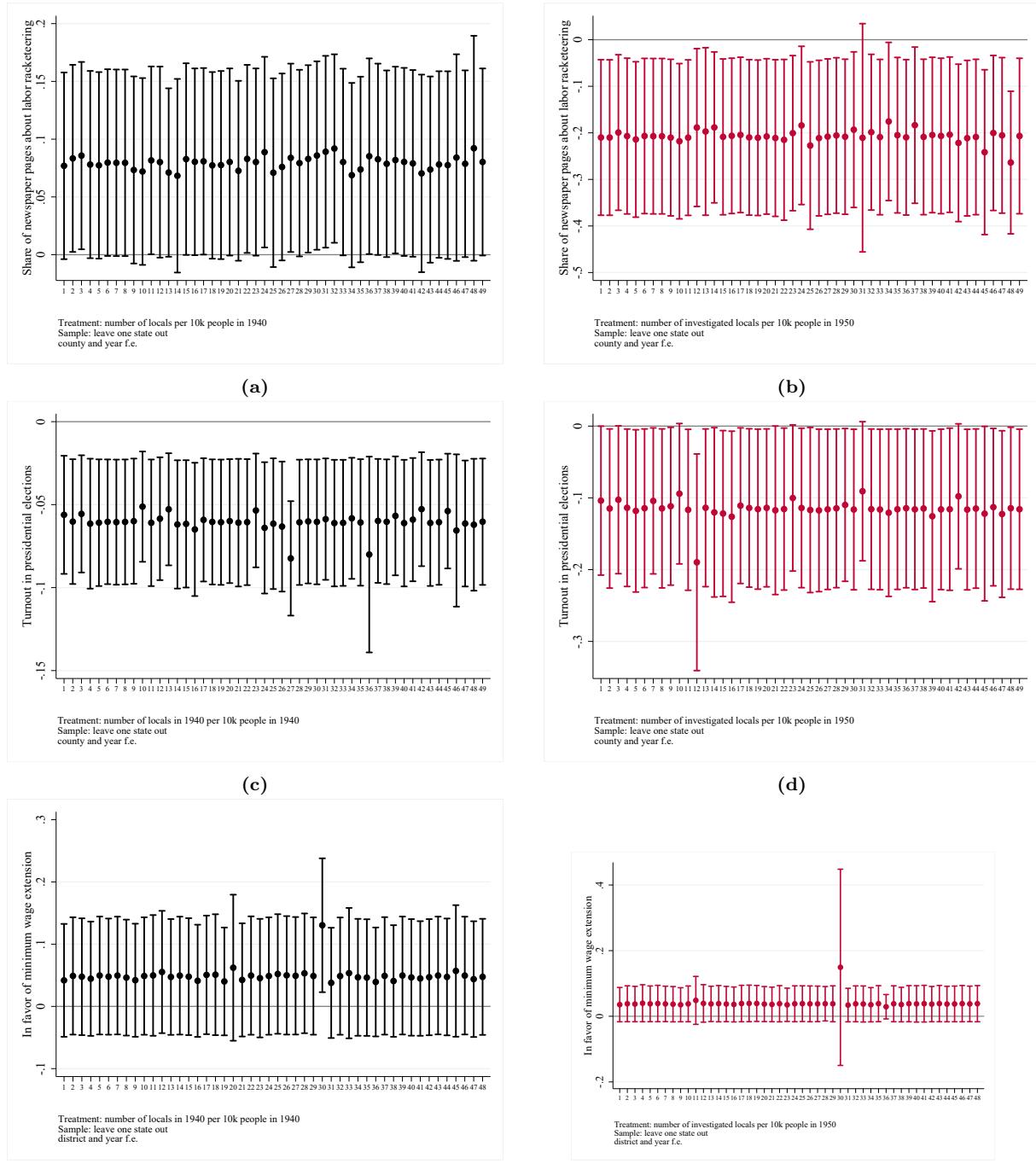
**Figure A.15:** Robustness of the impact of the McClellan Committee on newspapers' coverage of labor racketeering and union corruption. The outcome variable is the number of newspaper pages containing keywords related to labor racketeering from [newspaperarchive.com](#) (see footnote 24 for the list of keywords). In Panels (a), (c), (e), and (g), the treatment variable is a dummy equal to 1 if there was at least one union local in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the [Mapping American Social Movements Project](#). In Panels (b), (d), (f), and (h), the treatment variable is a dummy equal to 1 if there was at least one investigated union local in a county. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Panels (a) and (b) control for county and year fixed effects. All subsequent panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (c) and (d); manufacturing share Panels (e) and (f); share of black population Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



**Figure A.16:** Impact of the McClellan Committee on voters' turnout in presidential elections. The outcome variable is the share of registered voters who vote in a county in a presidential election. In Panels (a), (c), (e), and (g), the treatment variable is a dummy equal to 1 if there was at least one union local in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panels (b), (d), (f), and (h), the treatment variable is a dummy equal to 1 if there was at least one investigated union local in a county. These union locals are listed in the index of the hearings of the McClellan Committee ([U.S. Senate, 1960](#)). Panels (a) and (b) control for county and year fixed effects. All subsequent panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (c) and (d); manufacturing share, Panels (e) and (f); share of black population, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook ([United States Bureau of the Census, 2012](#)). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



**Figure A.17:** Impact of the McClellan Committee on the voting of Representatives in the U.S. Congress for minimum wage extensions. The outcome variable is a dummy equal to 1 if the Representative votes in favor of a minimum wage extension. Roll-call data are from (ICPSR, 2010). In Panels (a), (c), (e), and (g), the treatment variable is a dummy equal to 1 if there was at least one union local in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panels (b), (d), (f), and (h), the treatment variable is a dummy equal to 1 if there was at least one investigated union local in a county. These union locals are listed in the index of the hearings of the McClellan Committee (U.S. Senate, 1960). Panels (a) and (b) control for county and year fixed effects. All subsequent panels control for county fixed effects and trends in control variables (year fixed effects  $\times$  control variable): employment share, Panels (c) and (d); manufacturing share, Panels (e) and (f); share of black population, Panels (g) and (h). Population data and control variables from 1940 and 1950 are from the County and City Databook (United States Bureau of the Census, 2012). Standard errors clustered at the county level. Bars represent 95% confidence intervals.



**Figure A.18:** Heterogeneity of the impact of the McClellan Committee on different outcomes. In Panels (a), (c), (e), and (g), the treatment variable is the number of union locals per 10'000 inhabitants in a county in 1940. Included union federations are UAW, UE, ACWA, ILWU, IWA, ILGWU, and ITU. Data on union locals for each city are from the *Mapping American Social Movements Project*. In Panels (b), (d), (f), and (h), the treatment variable is the number of investigated union locals per 10,000 inhabitants in 1950. These union locals are listed in the index of the hearings of the McClellan Committee (*U.S. Senate, 1960*). The graphs plot coefficients for *treatment*  $\times$  *post-Committee* excluding one State at a time. All regressions control for county or district f.e. and year f.e. Standard error clustered at the county or electoral district level. Bars represent 95% confidence intervals.

## B Data Appendix

This Appendix discusses the construction of selected variables in more detail.

**Sentiment towards unions in Representatives’ speeches (1953-1962).** I use digitized congressional speeches from [Gentzkow et al. \(2019\)](#) and select the ones mentioning labor unions, i.e. with at least one of the following keyword combinations in their text: “labor movement”, “labor organization”, “labor organizations”, “labor union”, “labor unions”, “organized labor”, “trade union”, “trade unions”, “union local”, “union locals”. I then extract an excerpt including the sentence where the keywords appeared, the five sentences before, and the five sentences after. On these selected excerpts, I run a sentiment analysis model ([Hartmann et al., 2023](#)) to determine whether they discuss labor unions with negative sentiment (dummy variable 1 or 0), and if multiple results are present in a speech, I average them. Each speech is assigned to the congressional district where the Representative who pronounced it was elected. The share of speeches with negative sentiment towards unions is computed for each congressional district × year (out of the speeches mentioning labor unions).

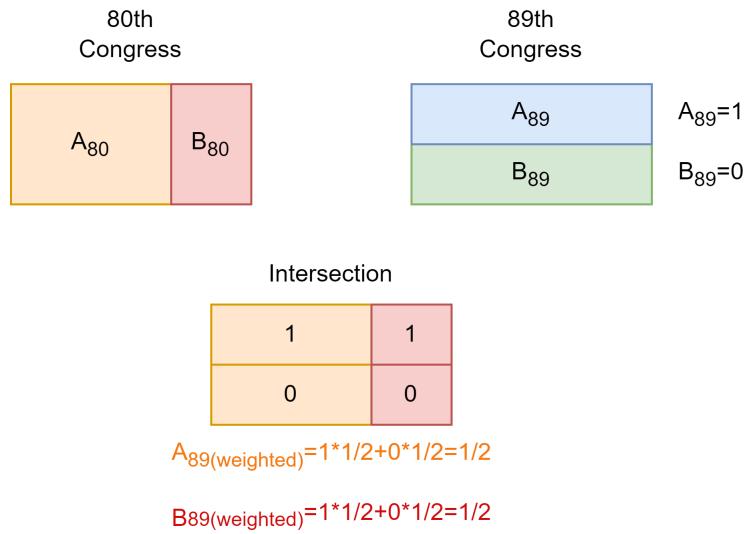
**Sentiment towards unions in newspapers (1954-1960).** Data measuring newspaper coverage of labor unions are collected from the website [newspaperarchive.com](http://newspaperarchive.com). I select all newspaper pages with at least one of the following keyword combinations: “labor movement”, “labor organization”, “labor organizations”, “labor union”, “labor unions”, “organized labor”, “trade union”, “trade unions”, “union local”, “union locals”. I extracted the OCRed text<sup>46</sup> that is present on the website for each newspaper page and selected an excerpt including the sentence where the keywords appeared, the three sentences before, and the three sentences after. On these selected excerpts, I run a sentiment analysis model ([Hutto and Gilbert, 2014](#)) to determine whether they discuss labor unions with negative sentiment (dummy variable 1 or 0), and if multiple results are present in a page, I average them. Each newspaper is geolocated to the city of its headquarters, and the share of newspaper pages with negative sentiment towards unions is computed for each county-year.

**Variables at the congressional district level.** Redistricting in the U.S. is very frequent. In particular, it is mostly performed every 10 years after each census round to adapt the size of the district to the updated population figure (reapportionment). For these reasons, changes in congressional boundaries are to be taken in consideration when following political outcomes at the congressional district level across time. For speeches in Congress, I consider only years included between two reapportionments, so no adjustment is needed. For votes in Congress regarding minimum wage extensions, I need to use a longer time horizon to include in the analysis enough roll-call votes. I use as reference the

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<sup>46</sup>Text extracted from an image with optical character recognition software.

congressional districts of the 80<sup>th</sup> Congress and intersect these district boundaries with the district boundaries for each Congress until the 89<sup>th</sup>. I attribute the voting behavior of Representatives in each Congress to the polygons created by these intersections and I aggregate them back to the boundaries in the electoral districts of the 80<sup>th</sup> Congress using a weighted average (where weights are attributed depending on the relative area of the polygon with respect to the total area of the 80<sup>th</sup> Congress' districts). Figure B.19 illustrates a visual representation of this procedure with an example. A State is divided into two congressional districts, A and B, in both elections for the 80<sup>th</sup> Congress and the 89<sup>th</sup> Congress, but the two districts have very different boundaries within the State. It would not be correct to use the voting outcome for district A<sub>89</sub> (B<sub>89</sub>) as the continuation of district A<sub>80</sub> (B<sub>80</sub>) in a panel specification. For this reason, I assign the voting outcomes of either A<sub>89</sub> or B<sub>89</sub> to each of the four polygons created by the intersection of districts of the 80<sup>th</sup> and the 89<sup>th</sup> Congress. I then compute a weighted average of these voting outcomes to aggregate the polygons back to the boundaries of the 80<sup>th</sup> Congress, using their relative extension as a weight. In this example, the weight is 1/2 for all 4 polygons because they are all either 1/2 of the A<sub>80</sub> extension (orange) or 1/2 of the B<sub>80</sub> extension (red).



**Figure B.19:** Re-weighting of roll-call votes to adjust for redistricting (example).